Standards and Professionalism in an Evolving Environment – An International Actuarial Association Perspective

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Moving the profession forward internationally
IAA Membership

- 64 Full Member Associations (FMA)
- 28 Associate Members (AM)
- 5 Institutional Members (IM)
- 1 Observer Member (OM)
Accreditation Criteria

- Must not act in a manner which damages the reputation of the profession
- Must have a code of conduct which must be consistent with certain principles
- Must have a formal disciplinary procedure
Accreditation Criteria

- If FMAs adopt standards, they must have a formal process to do so.
- Continuing Professional Development is not required but strongly encouraged.
Mission Statement

- To represent the actuarial profession and promote its role, reputation and recognition in the international domain; and

- To promote professionalism, develop education standards and encourage research, with the active involvement of its Member Associations and Sections, in order to address changing needs.
Strategic Objectives

- Supranational Relationships
- Use and expansion of scientific knowledge and skills
- Standards of actuarial education, principles of professionalism, model standards of actuarial practice
- Development of the profession in areas of the world where it is not present or fully developed
- Forum for discussion
Principle of Subsidiarity

- Restricts its activities to strategies and programmes which require international co-ordination or direction
- Does not become involved with actions at national level, except at express invitation of actuarial association or group
- Avoids duplication or overlap with activities of Member Associations or regional groups of actuarial associations
“I encourage the IAA Council to step up to the challenge of producing global actuarial standards to complement the global supervisory and accounting standards and to improve the transparency, reliability and comparability of the global insurance sector’s financial and regulatory reporting.”

“Our standard setting goal is to: promote effective and transparent supervision of insurance markets through global, sustainable and coherent supervisory principles, standards and guidance, while minimizing opportunities for regulatory arbitrage. This area has a significant overlap with your objective to promote common standards of actuarial education, common principles of professionalism and model standards of actuarial practice.”
Initiatives — convergence of standards

- Standard-Setters Roundtable
- G-20 Private Sector Task Force of Regulatory Professions
- Groupe Consultatif
- IAIS — ComFrame
Council Decision on Standards

Medium convergence

“All actuarial associations (and standard-setters) should have local standards which cover the same essential scope and content as the international model standard. The standard-setter in each jurisdiction would either adopt an international model standard (modified as necessary) or make any necessary modifications to their own existing standards.”
Actions Taken

- Due Process Task Force
- Permanent Structure Task Force
- Interim Actuarial Standards Subcommittee (IASSC)
Exposure draft of ISAP on General Actuarial Practice
Two exposure drafts — IFRS reporting
Statement of Intent for ISAP — Social Security
ISAP on ERM (?)
Issues

Consensus

- Extent to which standards should apply
- Oversight structure
- Areas where standards are required
Supranational Activities

Memorandum of Understanding

- Intl Assoc of Ins Supervisors
- Intl Social Security Assoc
- Intl Acctg Standards Board
- Org for Econ Co-op and Devel
- Intl Org of Pension Supervisors

All of our Institutional Members
LATE BREAKING NEWS

Council Meeting in Nassau

- ISAP 1
- IASSC → Actuarial Stds Com
- Branding as a Strategic Obj
- Election of Rob Brown as new President-Elect for 2013
- Other
Thank you

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