International Actuarial Association
An Update on Major Activities

Presentation to the Caribbean Actuarial Association

David Congram, Member of the Executive Committee
December 2013 - Jamaica
1. Build relationships with key supranational organizations
2. Help enhance the scope, availability, and quality of actuarial services
3. Common standards of actuarial education; common principles of professional conduct; global convergence of actuarial standards
4. Development of actuarial profession in areas of the world in which it is not present or is not fully developed
5. Provide a forum for discussion among actuaries and actuarial associations throughout the world
6. Improve recognition of the actuarial profession among external audiences – global branding
Vision Statement for ISAPs

*adopted by Council September 2012*

The IAA’s vision statement for ISAPs is that ISAPs are:

- **Widely accepted as a basis for convergence by local standard-setters and recognised by parties who rely on actuarial standards such as audit firms, IASB, IAIS, IOSCO and the local regulators.**
- **Clear, logically structured, and unambiguous - in terms of applicability, scope, and requirements; well-suited for understanding by non-actuaries, and for translation into languages other than English.**
- **Widely seen as contributing to the public good, by supporting the community's confidence in professional work produced by actuaries.**
- **Drafted so as to apply to clearly defined areas of actuarial work, and it is clear in what circumstances they apply.**
- **The quality and usefulness of ISAPs motivate IAA FMAs to ensure that their members are fully aware of ISAPs under development or adopted.**
Strategic Action Plan

- **ISAP 1 General Actuarial Practice (adopted 2012)**
general standard; applies to all actuarial services performed by an actuary except for those elements of guidance explicitly superseded by another standard such as a practice-specific standard or by law

- **ISAP 2 Financial Analysis of Social Security Programs (adopted 2013)**
applies to actuaries who are performing, reviewing, advising on, or opining on financial analyses of social security programs

  - **ISAP 3 IAS 19 – Employee Benefits: 2015**
provide guidance for actuaries when performing actuarial services in relation to IAS 19 to facilitate convergence in actuarial practice within and across jurisdictions; increase confidence in actuarial services provided under IAS 19

  - **ISAP on IFRS 4 – Insurance Contracts: 2017**
provide guidance to actuaries when performing actuarial services in relation to IFRS X Insurance Contracts

  - **Enterprise Risk Management:** initiated as an International Actuarial Note; will be moved to ISAP (pending Council approval)
Value Proposition and Role of the Actuary Paper

adopted by Council June 2013

AVAILABLE ON IAA WEBSITE FOR USE AND LOCAL ADAPTATION

Intended to help someone not familiar with work of actuaries understand when and why to engage services of an actuary

Highlights

- **You Can Do More to Safeguard the Future of Your Organization:** Actuaries are equipped to help their clients make informed choices and develop efficient solutions to safeguard their future in an ever changing world.

- **A Trusted Source of Expertise and Integrity:** An actuary who belongs to a full member association of the IAA has demonstrated mastery of actuarial science, is bound by a code of professional conduct, and is subject to a disciplinary process.

- **Problem Solver and Risk Manager:** Actuaries have the techniques to provide relevant, reliable and realistic solutions to complex financial and other measurable problems; especially over long time horizons and for uncertain events, using a control process to monitor and refine solutions over time.
GOVERNANCE REVIEW

Major activity since meetings in The Hague

- Created a Task Force on Governance Review
- Retained the services of Deloitte to help design questionnaire and analyse responses
- Questionnaire completed representing 91% of the membership – results discussed in Singapore
- Focus areas identified so far: Communications, Decision-making process, Performance monitoring, Strategic direction and monitoring; Application of the principle of subsidiarity, Representation and voting rights
- Final report and recommendations will be included on 30-day Council agenda for discussion in Washington
Other work of interest

- **Paper on Stress testing and scenario analysis** – released August 2013
- **Stochastic Modeling Monograph:** *published 2010* presents the mathematical and statistical framework necessary to develop stochastic models in any setting (insurance or otherwise)
- **Discount Rates Monograph:** *published 2013* addresses the concepts and practical methods that are being used in the application of the discounting process for the purpose of financial reporting for 1) insurance companies and 2) pension & employee benefits obligations on the sponsor entity
- **Monograph on Adjustment for Risk:** *expect publication in 2014*
Thank you

www.actuaries.org

Moving the profession forward internationally