IAA AND IAIS: A WAY FORWARD

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Robert L. Brown, President
ISAPs are designed to promote high-quality actuarial practice to help serve the public interest and enhance the credibility of the actuarial profession. The IAA already has:

- **Vision Statement for ISAPS** – September 2013
- **Due Process for ISAPs** – January 2012
- **Actuarial Standards Committee** – effective from January 1, 2013
- **Strategic Action Plan for ISAPs** – August 2013
International Standards of Actuarial Practice – The Story So Far (cont’d)

ISAP 1 – General Actuarial Practice (November 2012)
intended to apply to all actuarial services performed by an actuary except for those elements of guidance explicitly superseded by another standard such as a practice-specific standard or by law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 – Social Security (October 2013)
intended to apply to actuaries who are performing, reviewing, advising on, or opining on financial analyses of social security programs
Criteria for topics to be considered for International Standards of Actuarial Practice

- Will serve the public interest or good
- Are in a recognized or emerging area of actuarial practice
- There is an expectation that a sufficient number of Full Member Associations and/or standard-setters will find the International Standards of Actuarial Practice (ISAPs) useful
- Need to justify the work involved in producing ISAPs
ISAP 3 • on actuarial services in relation to IAS 19

ISAP 4 • on actuarial services in relation to IFRS X: Insurance Contracts

ISAPs [5] and [6] • on Enterprise Risk Management (ERM): Two separate standards on actuarial practice with respect to insurer enterprise risk models and insurer ERM practices

ISAP [7] • addresses “current estimate liabilities” (expected values, without margins) on IAIS’ proposed Basic Capital Requirement

ISAP relating to IAIS’ proposed Global Insurance Capital Standard will be considered in due course
The Future: How the IAA Can Help the IAIS Meet its High-Level Goals

Goal: Standard-setting

- Continue the IAA’s work on global capital standard, solvency standards, etc.
- Work is ongoing to analyze criteria for issues worthy of inclusion within ISAPs

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The Future: How the IAA Can Help the IAIS Meet its High-Level Goals

Goal: Financial and insurance market stability

Follow up the IAA paper *Addressing the Gap in Actuarial Services in Inclusive Insurance Markets*.

Pursue similar projects to the paper on *Intra-Group Reinsurance Transactions*, tools for groups and their subsidiary companies to manage capital efficiency and risk throughout the group structure.
The Future: How the IAA Can Help the IAIS Meet its High-Level Goals

Goal: External interaction

The IAA will continue to offer relevant comments on IAIS projects, as highlighted in our Memorandum of Understanding.

Our organizations can co-operate in various ways on subjects of mutual interest.
The Future: Issues for the IAIS Strategic Plan Task Force to Consider

- The changing financial marketplace: will interest rates increase? Widespread improvement to economies? End to economic slowdown?
- Will an aging population inhibit economic growth?
- Increased longevity and its impact on pensions/life insurance
- The modernization of the actuarial market
- Growing demand for enterprise risk management
- Impact of new standards and regulations (e.g., the change in the accounting for the insurance contract standard—IFRS 4)
- Re-inventing stagnated life insurance market
Comments/questions?
Thank you

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