Welcome

IAA Officers 2016

- President: Malcolm Campbell (Sweden)
- President-Elect: Tom Terry (US)
- Immediate Past President: Fred Rowley (Australia)

Executive Director: Nicole Séguin
Introduction

- Founded in 1895 as continuation of the Comité Permanent des Congrès d’Actuaires
- Renamed IAA in 1968
- Restructured in 1998
- Based in Ottawa, Canada – constituted in Switzerland
- Unique international organization dedicated to the research, education and development of the profession and of actuarial associations.
About the IAA

Worldwide association of professional actuarial associations
• 67 FMAs*
• 29 AMAs*
• representing 60,000+ actuaries in 108 + countries

7 special interest Sections for individuals:
AFIR-ERM
ASTIN
AWB
IAAHS
IACA
Life
PBSS

800+ volunteer actuaries
Council and committees meet twice a year
Sections host colloquia
International Congress of Actuaries every 4 years.
300+ conference calls annually

Constituted in Switzerland
based in Canada
11 staff

Exists to encourage the development of a global profession
Acknowledged as technically competent and professionally reliable
To ensure the public interest is served

*FMAs: Full Member Associations; AMAs: Associate Member Associations
Map of the IAA in 1998
Map of the IAA in 2015
The actuarial profession is:
- Recognized worldwide as a major player in the decision-making process within the financial services industry
  - in the area of social protection and in the management of risk
- Contributing to the well-being of society as a whole.
Mission

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

➢ 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
Principle of Subsidiarity

Article 8—Cooperation

The IAA:

- Restricts its activities to strategies and programmes which require international co-ordination or direction
- Only becomes involved with actions at level of the member associations or regional groups of actuarial associations at the express invitation of such an association or group
Strategic Plan - Six strategic objectives

1. Relationships with key supranational audiences
2. Expansion of scientific knowledge to wider fields to enhance the scope, quality, and availability of actuarial services
3. Establish, maintain and promote common standards of actuarial education and principles of professional conduct for actuarial practice; promote development and issuance of actuarial standards in jurisdictions of Full Member associations, and the global convergence of actuarial standards
4. Support the development, organization, and promotion of the actuarial profession
5. Provide a forum for discussion
6. Improve recognition of the actuarial profession (branding)
Current Programs in Support of Strategic Objectives

- Strengthening our relationships with relevant supranational organizations and providing them with actuarial input on matters of importance
- Reviewing Educational Standards
- Organising/promoting International Congress of Actuaries
- Working closely with the IAIS in support of the development of global capital standards (2014-16)
- Strengthening the Governance Model of the IAA to make it more efficient and effective
- Adopting a Value Proposition for our various stakeholders

DETAILED UPDATES PROVIDED AT COUNCIL MEETINGS, INCLUDING REPORTS FROM PRESIDENT AND STATUTORY COMMITTEES
IAA Membership – Basic Requirements

- **FULL MEMBER ASSOCIATION (currently 67)**

- Code of Professional Conduct consistent with IAA principles

- Formal disciplinary process

- FQA’s to be educated in line with IAA Education Guidelines & Syllabus

- Formal process to adopt standards of practice ........ if and when national standards are created
IAA Membership – Basic Requirements (cont’d)

ASSOCIATE MEMBER ASSOCIATION

- Minimum of five members residing at three or more different addresses
- In existence for a minimum of one year
- Actuarial association not meeting all conditions above
- Not engaged in any advertising or solicitation of new members, funding or business services that the association knows or should know is false or misleading

(currently 29)
Full Member Associations

- Entitled to one official delegate per committee (except statutory and limited membership committees)

Committee and Sections

- Create their own subcommittees and task forces whose members are individuals with an interest/expertise in the subject

Working Groups

- Leadership appointed by Executive Committee; membership based on individuals with interest/expertise in the subject

Being Involved in the Work of the IAA…
Being Involved in the Work of the IAA (cont’d)

Be active and participate in...

- Meetings
- Conference calls
- Email discussions
- Volunteer for projects
- Share your home association’s views
- Report back to your home association on the IAA work

Role papers available on the website for: Committee Chairs, Vice-Chairs, Members, Council Delegates
Being Involved in the Work of the IAA (contd’)

- Read the IAA Statutes in order to better understand how the IAA operates
- Read the documents carefully before the meetings
- Decide which documents are of interest and identify the topics you intend to discuss/present in the meeting
- If necessary, prepare notes to organize your thoughts on a particular issue
- Seek feedback from other members of your association
- Write down keywords you anticipate will be used
- Ask questions when an issue is not understood (there are likely others who do not understand what is being discussed)
- Mingle and exchange with delegates from other countries
How we are organized

**Council**
- Main decision body
- Full Member associations and Sections entitled to one Delegate each
- Weighted voting system based on size

**Officers**
- (elected by Council; 1 year terms)
  - President
  - President-Elect
  - Immediate Past President (also fulfills role of Treasurer)

**Executive Committee**
- (Officers and 8 members at large)
  - Elected by Council to carry out the operational aspects of the IAA; prepare strategy proposals and material for consideration at Council meetings; and monitor the implementation of the Strategic Plan
  - Strive for diversity: cultural, linguistic, gender, geographical
How we are organized cont’d

3 Statutory Committees: Executive, Audit and Finance, Nominations

2 limited membership committees: Actuarial Standards, Scientific

10 additional committees: 7 technical, 3 membership and development

4 Working Groups

13 Subcommittees
### FULL MEMBER ASSOCIATIONS

appoint representatives to IAA committees which:

- serve the global profession
- develop model international standards of actuarial practice
- define syllabus and education requirements
- prepare briefs and public statements for international regulatory and other bodies (IAIS, IASB, OECD, etc.)

***See organization chart***

### NOMINATIONS COMMITTEE

recommends to Council names of suitable candidates to assume the duties of key positions in the IAA based on submissions received from Full Member Associations

- seeks to achieve diversity: geographical, linguistic, cultural, range of skills and practice areas, size of association, gender, mother tongue; also considers ability of the candidate to attend statutory meetings in person
- follows established protocol and nominations process *(see flowchart)*
The IAA has 2 committees involved in the accreditation process:

- Accreditation Committee—examines applications for membership, reviews/monitors compliance with membership requirements, makes recommendations to Council
- Education Committee—encourages and promotes the development, maintenance and enhancement of appropriate standards of actuarial education and Continuing Professional Development (CPD) internationally
  - maintains a process for the assessment of education requirements of associations as part of the accreditation process
  - determines whether the education requirements for a particular association or programme meet the standards set down in the IAA Education Syllabus and Guidelines and advises the Accreditation Committee on compliance
Advice and Assistance (A&A)

- Supports the development, organization and promotion of the actuarial profession and actuarial education in areas of the world in which the actuarial profession is not present or is not fully developed.
- Provides advice and assistance, when requested, to member associations, to associations seeking to become members of the IAA, and to those wishing to establish new associations or strengthen existing associations.
- 4 regional subcommittees: Africa, Asia, Eurasia and Middle East, Latin America.
- Organizes seminars with actuarial associations in actuarially developing countries, where there is no professional association or where the local association is at an early stage of development.
Professionalism

What is Continuing Professional Development (CPD)?

CPD is the development of knowledge and of technical, personal, professional, business and management skills and competencies throughout a person’s working life.
Why do we need CPD?

CPD addresses the development of the whole person with attention to...

- related professional skills, such as the ability to exercise professional judgement
- address ethical dilemmas
- business and management skills, such as knowledge of the industry and the ability to
- create and implement business strategies
- technical actuarial skills
- personal skills such as time management, independence of thought and communication skills.

Why do we need CPD?
How is CPD gained?

- Participating in relevant courses, meetings, events, webcasts, research, technical committee work
- Teaching/mentoring others
- Setting/marking actuarial examination
- Writing relevant papers
- Making presentations
IAA Guidelines on CPD

CPD guidelines are offered to actuarial associations and individual actuaries in support of the IAA Strategic Objective 3.

- Promotes professionalism
- Develops education standards
- Encourages research
- Establishes, maintains, promotes common standards of actuarial education and common principles of professional conduct
- Promotes development and issuance of actuarial standards in the jurisdictions of all Full Member Associations, and global convergence of actuarial standards.
Professionalism

Examples of CPD requirements in:

**Australia**
100 points of CPD per calendar year or 200 points of CPD over the previous two years

**Canada**
100 hours of combined relevant activities over last two complete calendar years.

**Netherlands**
60 CPD points over three consecutive calendar years

For more information, please visit the [Professionalism Committee](#) page on the IAA website
Sections of the IAA

- Seven specialized Sections form an integral part of the IAA
- Most Sections focus on actuarial research and development in specific areas of practice
- Anyone may apply to join

Promotes actuarial research in area of financial risks and ERM

AFIR/ERM members receive ASTIN Bulletin

Organizes annual colloquia to provide a valuable forum for academics and practitioners
Actuarial Studies in Non-Life Insurance formed in 1957

Promotes actuarial research into general (property-casualty) insurance and reinsurance

Organizes annual colloquia

Publishes ASTIN Bulletin twice a year, distributed free of charge to all ASTIN, AFIR/ERM, LIFE and PBSS members
Actuaries Without Borders formed in 2003

AWB does not take on projects that involve the delivery of specific actuarial work and advice

To link situations in need of actuarial skills with financial resources and with actuarial volunteers to meet those needs
Promotes and facilitates international sharing of views, advice, research and practical information among actuaries involved with public and private health issues

IAA Health Section formed in 2003

Organizes colloquia

Arranges several webcasts per year, provided free of charge to IAAHS members

Has electronic library of health-related papers
Activities aimed at advancing links among actuaries worldwide whose professional practice is mainly life insurance, and also include actuaries whose life insurance work or interest is only a part of their practice.

Organizes colloquia

Life Section formed in 2005

Arranges at least one webcast per year

Has electronic library of life insurance papers
International Association of Consulting Actuaries formed in 1968

Became IAA Section in 1999

Promotes and facilitates sharing of ideas amongst international consulting actuaries

Organizes biennial meetings, some of which are part of the International Congress of Actuaries

Presents international sessions at the meetings of national consulting actuarial organizations

Arranges consulting sessions at colloquia held in conjunction with other IAA Sections

Provides a regular newsletter to its members on its activities, including details of IACA’s research activities and publications that are of interest to IACA members.
Pensions, Benefits, and Social Security Section formed in 2003

Serves actuaries worldwide with interests in social protection and commercial, social and public policy issues concerning provision of pensions and other benefits

Organizes colloquia

Has electronic library of pension, employee benefits and social security papers
How to Join

Each Section has its own area on the IAA website: www.actuaries.org

If you belong to an IAA member association, you can pay the required annual Section dues through your home association.

Dues are CA$50 per section

Members who choose to join a Section will gain access to the relevant section of the IAA website.
### Section Colloquia Benefits

| Valuable forum for academics and practitioners to learn of and keep current with the fast changes occurring in various disciplines | Many IAA member associations credit individual participation at some colloquia towards their CPD | Specialist seminars offered during colloquia | Opportunity to exchange views, advice, research and practical information with others | Chance to submit papers with awards presented for the best submissions | Professionally stimulating—usually take place in attractive and interesting venues that contribute to a friendly and collaborative atmosphere |
Relationship between IAA, Sections and Congresses

- IAA
  - association driven, focusing on professionalism, standards, representation

- Sections
  - scientific, research and practical arm; for individuals

- Congresses
  - a high point for both
  - Colloquia: held yearly or biennially
  - Congresses: held every four years (in Congress year, Section Colloquia held in conjunction with Congress)
  - Next Congresses: 2018 (Berlin, Germany) & 2022 (Sydney, Australia)
Upcoming Section Colloquia

AFIR/ERM: Edinburgh, Scotland
31 May-2 June 2016

ASTIN: Lisbon, Portugal
31 May-3 June 2016

Joint IACA, IAAHS, PBSS and IPEBLA Colloquium:
St. John's, Canada
27-29 June 2016
Presidents’ Forum
Meets twice a year in conjunction with IAA Council and Committee meetings
Provides a forum for each association President to:

- Discuss common topics of interest with other association presidents
- Listen to outside speakers present on topics relevant to the actuarial profession
- Share ideas/experiences and learn from others
- Network
Terms of Reference

IAA terms of reference include:

- Purpose (of committee or other groups)
- Role
- Decision-making authority
- Operational matters
  - Frequency of Meetings
  - Agendas and papers
  - Minutes
  - Committee Activities reported through workplan
IAA External Relations

**Partners:** important institutions that especially concern themselves at the international level with matters of concern to actuaries (*formerly referred to as Institutional Members*)

The IAA has engaged in a Memorandum of Understanding (MoU) with most of these organizations.
Observers: public, academic or industry institutions of relevant interest for the global actuarial profession, particularly those active at international, supranational or regional level, that share IAA’s intent of enhancing communications, liaison, exchanges and strategic support.

Patrons: organizations that provide regular financial support to our volunteers who are developing the body of knowledge of actuarial science, enhancing the quality of services and the professional standards and Milliman.
Additional Ongoing Relationships
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<tr>
<th>Acronyms</th>
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<tr>
<td>AAE</td>
<td>Actuarial Association of Europe</td>
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<tr>
<td>GA</td>
<td>Geneva Association</td>
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<td>IAIS</td>
<td>International Association of Insurance Supervisors</td>
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<td>IFRS</td>
<td>International Financial Reporting Standards</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>ISSA</td>
<td>International Social Security Association</td>
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<td>MIN</td>
<td>Microinsurance Network</td>
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<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>IAASB</td>
<td>International Auditing and Assurance Standards Board</td>
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<tr>
<td>IASB</td>
<td>International Accounting Standards Board</td>
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<td>IFAC</td>
<td>International Federation of Accountants</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<td>IOPS</td>
<td>International Organisation of Pension Supervisors</td>
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<td>IVSC</td>
<td>International Valuation Standards Council</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>WHO</td>
<td>World Health Organization</td>
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Participation of Non-Native English Speakers

- Native English speakers should:
  - Speak slowly, clearly and loudly enough;
  - Use simple words; and
  - When possible try to provide, at least beforehand, a written summary of what the speaker intends to say.

Paper on participation of non-native English speakers and new delegates available on the website
Communication and Tools for Members

- Listservs, website blog, conference calls, webinars
- Annual Report and Newsletters
- News Releases: to inform external audiences of important IAA initiatives
- IAA members’ website contains:
  - specialized search tool
  - Actuarial E-Library
  - International Events Calendar
Public Statements

Follow established due process for making public statements

Subject to a peer review process

Full Member Associations encouraged to participate in drafting

Due Process for Internation Standards of Actuarial Practice
Paper: Actuarial Aspects of ERM for Insurance Companies

IAA Enterprise and Financial Risk Committee published a paper on Actuarial Aspects of ERM for Insurance Companies

Topics include risk

- Governance
- Strategy
- Identification
- Assessment
- Measurement
- Response
- Monitoring
- Reporting

For more details, please read the paper on the Publications page of the IAA website
Chartered Enterprise Risk Analyst (CERA)

Global Credential (www.ceraglobal.org)

- The most comprehensive and rigorous globally-recognised ERM credential
- 19 actuarial associations from all over the world participate in CERA Global Credential
- CERA participants have signed a treaty to guarantee quality – to each other, and to the public – through a rigorous quality assurance program
Syllabus

- ERM concept and framework
- Structure of the risk management function
- What is good risk management practice (incl. discussion of risk culture)
- Reporting of risk exposures
- Risk types: market, credit, operational, business, etc
- Risk measures
- Modelling tools including extreme value theory
- Aggregation of risks including copulas
- Risk mitigation techniques
- Economic capital
Competitive Positioning

- IAIS and many regulators globally now require ERM processes for all forms of regulated institutions
- ERM work is not restricted to actuaries, but actuaries have many (but not all) the skills needed
- Other pseudo-professions are competing – often from banking background – but less complete technical basis, and weaker professional framework
- Actuaries can make good Chief Risk Officers if they demonstrate the right skillset, including interpersonal skills
- CERA is a rigorous credential in this key domain
Model International Standards of Actuarial Practice

ISAP 1—General Actuarial Practice
- since IAA adoption in 2012, Actuarial Association of Europe adopted it as its general standard

ISAP 2—Financial Analysis of Social Security Programs
- Adopted by the IAA in 2013

ISAP 3—IAS 19 Employee Benefits
- Adopted unanimously by the IAA in April 2015. A successful webcast was held on 24 June 2015 to introduce ISAP 3.

ISAP 4—IFRS X Insurance Contracts
- Statement of intent (SoI) approved by Council on September 13; expect completion in 2018
FMAs can either adopt, adapt, recognize model ISAPs as consistent with their own, or ignore them.
Working Towards New IAA Education Syllabus

- October 2013: task force created by Education Committee
- April 2015: Education Committee and Education Syllabus Seminar in Zürich; presentation of initial syllabus structure; suggestions received from member associations
- October 2015: detailed syllabus requirements finalized and discussed by Education Committee at Vancouver meetings
- 2016: syllabus to be approved by Council at the St. Petersburg meetings
- 2016 to 2019: transition period for member associations to comply with new syllabus
Future Publications

- Educational Monograph (Risk Adjustments under IFRS)—completion expected mid 2016

- Risk Book to be completed in several phases—phase 1 completed in September 2015. Completion of Phase 2 and 3 expected in 2016.
Upcoming Council and Committee Meetings 2016

- St. Petersburg, Russia
  May 25–29

- Cape Town, South Africa
  November 18–21
QUESTIONS?

www.actuaries.org

Moving the profession forward internationally