

Presidents Forum

Monday, November 21, 2016 — 08:30 am – 12:30 pm
Westin Cape Town Hotel – Cape Town, South Africa

Minutes

Please see the Presidents' Forum Attendance for the list of attendees.

1. Introduction and Approval of Previous Minutes

IAA President Malcolm Campbell opened the meeting at 8:30 am. The [minutes of the St. Petersburg meeting](#) had been circulated and no corrections were brought forward.

2. Updates

a) State of the Profession Survey

Errol Cramer, Chair of the Task Force, provided a [report](#) on the [results](#) of the survey completed since St. Petersburg. He informed attendees that the 2nd and 3rd phases of the project would involve surveying individual actuaries and users of actuarial services, and the task force would require assistance from member associations with the distribution.

The following questions were raised:

- Nancy Braithwaite (CAS): Have we learned things we didn't know and will the next phases take place worldwide or are we targeting specific regions based on the outcomes from the 1st phase due to the increased costs involved?
Response: The outcomes will determine which areas we need to survey in the next two phases and we will be selectively targeting areas based on feedback from our survey company.
- Roseanne da Silva (ASSA): Will associations be able to provide input on the questions for phases 2 and 3?
Response: These questions have not yet been developed by the task force but will be circulated to all associations for input.

b) Branding

Peter Doyle, Chair of the Branding & Communications Subcommittee (BCS) of the IAA Executive Committee, [presented](#) an update on the work of the BCS since St. Petersburg which has culminated into a draft brand policy and actuarial profession brand statement, which are also for discussion during the Council meeting later in the day. BCS and the branding consultants have also developed a draft branding toolkit, which can be utilized as a marketing and communications template by FMAs, and be customized as required.

The following comments were raised:

- Bob Beuerlein (AAA): How prescriptive will the toolkit be and will associations be able to change only some parts or all of it?
Response: It can all be changed, including the case studies and more importantly the language as it will be prepared in English only. It was suggested at the BCS meeting that FMAs who do translate the document could post it on the IAA website for use by another FMA.
- Mohamed Bel Baraka (Morocco): Why were the words “financial” and “future” used? when the work in non-life insurance involves only the short term?
Response: The work of actuaries does have an ultimate financial impact for everyone at some point in the future therefore it was important that we retain those words as it does impact other areas of actuarial practice also.

c) Certified Actuarial Analyst

Fiona Morrison, Institute and Faculty of Actuaries and Jerry Brown, Society of Actuaries talked about the IFoA and SOA joint venture to establish the CAA Global which aims to promote the designation globally. They invited other member associations to join the joint venture and offer the designation in their country.

The following comments were raised:

- José Mendinhos (Portugal): Who will determine whether these members have voting rights within the signatory associations?
Response: Each association that becomes a signatory can decide whether to allow these members to vote. It was recommended that they be assigned to a specific membership category or to a separate organization.

3. Proportionate Actuarial Services

Malcolm introduced the next presenters, Nigel Bowman and Jules Gribble who [presented](#) on proportionate Actuarial Services.

The following comments were raised:

- Unidentified speaker: Have micro pensions been addressed?
Response: We started in the risk-based product space, but we have seen very few micro-pension products. It is difficult to provide value in savings-type products as the premiums are extremely low.
- Mohamed Bel Baraka (Morocco): Success of microinsurance has been the distribution networks thru various channels (post offices, internet, etc.). This can be also a risk that regulators must acknowledge.
- Fiona Morrison (IFoA): Regulators in some African countries are asking their staff to go through the CAA exams which help to support the supervisory work.

4. Actuarial Standards Committee

Alf Gohdes, Chair of the Actuarial Standards Committee provided an [update](#) on the work of developing ISAPs.

The following comments were raised:

- Lindsay Smartt (AIA): Does the ASC have big data in its radar screen as a possible area where standards may be needed for actuaries practicing in this new field?
Malcolm Campbell: As with the field of ERM which is still in early stages, it is important to wait a bit until actuarial practice has matured so that we do not tie the hands of actuaries.
- Bob Beuerlein (AAA): Can you clarify what is intended by the convergence of standards: do associations have the ability to modify the model standards?
Response: Council recommended a medium convergence and voluntary. Associations have freedom to say “thanks but no thanks”. Associations have the ability to take what the ASC has produced to adopt or adapt or they could also develop their own standards by using the model ISAP as a starting point.
- Thomas Béhar (France): Is there a fixed date for review of ISAPs?
Response: There is no fixed date for review but ideally it would happen every 5 years. We don’t want to change the standards if it is not absolutely necessary, unless there is an error. The ASC is currently discussing whether any clarifications are required to ISAP 1 which would mean that by the end of the review process, it would be approximately 5 years from the original adoption.

5. [The Impact of Wellness Engagement on Morbidity and Mortality – a Big Data Case Study](#)

Malcolm introduced the next presenter, Emile Stipp, Chief Actuary at Discovery Health and also Chair of the IAA Health Committee.

The following comments were raised:

- Nancy Braithwaite (CAS): Are you communicating with pension companies because of the increases in longevity? Is there any consideration for lower-income members who may be exercising as part of their work? How do repeated injuries from too much exercise affect the results.
Response: Discovery does not sell any annuities but pension companies should be mindful of longevity increases because of medical advances. We do observe a lower level of claims from manual labourers therefore it is more difficult to sell the wellness programme. We have noticed an increase in musculoskeletal injuries however the benefits to the other disease outweigh the negative impact.
- Vladimir Novikov (Russia): What type of models do you utilize?
Response: In analyzing the data, we use any model that fits for purpose, neural networks, artificial intelligence/machine learning, but mostly generalized linear models. Some unstructured data requires us to use different modelling techniques such as natural language processing. It is important to incorporate data scientists in our multi-disciplinary teams for this type of work.
- Phil Merdinger (CCA): What is the current makeup of your staff?
Response: At the moment, we have 250 actuaries, analysts and students and approximately 20 data scientists. However, data scientists are difficult to find in South Africa as they are in high demand. We have found that actuaries bring the pragmatic view of being able to interpret the data.
- Bob Beuerlein (AAA): When do you let the data speak for itself and determine there is no causation because as actuaries we have a professional responsibility to understand the data and models and make appropriate recommendations?
Response: It’s an important point that we have struggled with internally. However, there are several points to consider. It’s not always necessary to have causation. In a pricing environment

you can use correlation but you must ensure that any new factors are considered. When we started the programme, we had no data therefore it was important to take a leap of faith and offer big discounts which is required because small discounts won't work to entice the customer to change their behaviour.

Unknown speaker: Are there any engagements related to tobacco and alcohol consumption?

Response: We can track whether individuals are purchasing tobacco and alcohol through store credit card purchases, but the data is not complete and some of the information is self reported.

6. CERA

Ron Hersmis, Chair of the CERA Global Association Board, provided an [update](#) to presidents on the CERA qualification.

7. Public Policy

Malcolm introduced Tom Wildsmith to [present](#) on the American Academy of Actuaries' public policy work.

8. Other Business and Next Meeting

Malcolm invited Wilhelm Schneemeier to [speak](#) about the ICA 2018. Wilhelm asked for assistance from member associations with the marketing for ICA 2018.

Malcolm invited presidents to suggest topics for the next meeting.

The following topics were suggested:

1. Jan Kars (Netherlands): Optimising the role of sections by sharing knowledge with FMAs which in turn can be fed to individual actuaries
2. Thomas Béhar (France): Round table discussion on syllabus and governance

Malcolm asked participants to communicate with Gabor from the Hungarian Actuarial Society or the Secretariat if they had any other topics to suggest.

There being no other matters to discuss, the Chair closed the meeting at 12:30 pm. The next meeting will take place in Budapest, Hungary.

PRESIDENTS' FORUM ATTENDANCE ROSTER

CAPE TOWN, SOUTH AFRICA

AUSTRALIA

Actuaries Institute Australia

Lindsay Smartt, President

Jenny Lyon, Senior Vice-President

BELGIUM

Institut des Actuairens en Belgique

Philippe Demol, Chair International Committee

BRAZIL

Instituto Brasileiro de Atuária (IBA)

Marcos Barretto Júnior, Alternate Delegate

CANADA

Canadian Institute of Actuaries

David Dickson, President

Michel Simard, Executive Director

Alicia Rollo, Director, Membership, Education & Professional Development

CHINESE TAIPEI

Actuarial Institute of Chinese Taipei

Ruth Chu, Past President

DENMARK

Den Danske Aktuarforening

Kristoffer Bork, Past President (also Chairman, Actuarial Association of Europe)

FINLAND

Suomen Aktuaariyhdistys

Sari Ropponen, President

FRANCE

Institut des Actuairens

Thomas Béhar, Past President

Régis De Laroullière, Director

GERMANY

Deutsche Aktuarvereinigung e. V. (DAV)

Wilhelm Schneemeier, President

Rainer Fürhaupter, Past President

Birgit Kaiser, Managing Director

Kurt Wolfsdorf, Committee Chair, International Affairs

HONG KONG

Actuarial Society of Hong Kong

Stuart Leckie, Past President

IRELAND

Society of Actuaries in Ireland

Philip Shier, Actuarial Manager

JAPAN

Institute of Actuaries of Japan

Hideyuki Sumi, President

Ikuo Kudoh, General Secretary

Japanese Society of Certified Pension Actuaries

Hirota Ito, Alternate Delegate

Yasuyuki Fujii, Chair, Committee on International Relations

KENYA

The Actuarial Society of Kenya

Sundeep Raichura, Charter President

MEXICO

Colegio Nacional de Actuarios A. C.

Carlos Lozano Nathal, President

MOROCCO

Association Marocaine des Actuairens

Mohamed Bel Baraka, Board Member

NETHERLANDS

Het Koninklijk Actuarieel Genootschap

Jan Kars, President

NORWAY

Den Norske Aktuarforening

Anne Magnussen, Vice-President

PORTUGAL

Instituto dos Actuários Portugueses

José Mendinhos, President

RUSSIA

Russian Guild of Actuaries

Vladimir Novikov, President

SOUTH AFRICA

Actuarial Society of South Africa

Roseanne Da Silva, President

Peter Withey, President-Elect

Michael McDougall, Chief Executive Director

SOUTH KOREA

Institute of Actuaries of Korea

Sangrae Park, President

TOGO

Association Actuarielle au Togo
Mina Ketevi, President

TURKEY

Actuarial Society of Turkey
Orhun Emre Çelik

UNITED KINGDOM

Institute and Faculty of Actuaries
Fiona Morrison, Immediate Past President
Jane Curtis, Past President
Derek Cribb, CEO

Association of Consulting Actuaries
Bob Scott, Chairman

UNITED STATES

American Academy of Actuaries
Bob Beuerlein, President
Tom Wildsmith, Immediate Past President
Mary Downs, Executive Director

Casualty Actuarial Society
Nancy Braithwaite, President
Stephen Lowe, Immediate Past President
Cynthia Ziegler, Executive Director

Conference of Consulting Actuaries
Don Fuerst, President-Elect
Phillip Merdinger, Council Delegate

Society of Actuaries
Jerry Brown, President
Craig Reynolds, Immediate Past President
Greg Heidrich, Executive Director
Ann Henstrand, Senior Director, International

GUEST SPEAKERS

Nigel Bowman, Microinsurance
Jules Gribble, IAIS
Ron Hersmis, Chair, CERA Global Association
Emile Stipp, Chief Actuary, Discovery Health

UPDATES

Errol Cramer, State of the Profession
Peter Doyle, Branding and Communications
Alf Ghodes, Actuarial Standards

INTERNATIONAL ACTUARIAL ASSOCIATION

Malcolm Campbell, President
Tom Terry, President-Elect
Fred Rowley, Immediate Past President
Christian Levac, Director, Communications and Development