

Minutes
Presidents' Forum Meeting
October 29, 2007 – 9:30 a.m.
Westin Dublin – Dublin, Ireland

Welcome and Introductions

IAA President, Hillevi Mannonen, welcomed participants to the Presidents' Forum meeting. All present were invited to introduce themselves; the [list of attendees](#) is attached to these minutes.

APPROVAL OF PREVIOUS MINUTES

1. The [minutes of the Presidents' Forum meeting in Mexico City](#) were approved without amendment through a motion proposed by Bill Bluhm and seconded by José Luis Lobera.

The discussion then turned to the Presidents' Forum itself and it was agreed that the informal nature of this forum was very important and should be maintained.

2. **Review of status of the governance process at the IAA**

Fred Rowley, President of the Institute of Actuaries of Australia, made a [PowerPoint presentation](#) on the IAA governance – working towards a common understanding. Some of the points addressed included:

- How should the Forum be?
- 90/60/30 day Council agenda: necessary but cumbersome at times?
- Should Presidents' Forum meeting before or after Council?
- Should strategy be addressed before governance?
- Is there a document on how IAA works?
- Presidents vs. Council Delegates

During the ensuing discussion, the Council agenda process was explained as follows: the first agenda was issued 90 days in advance of the meeting and contained items that required a super majority vote of Council, as well as other known items even if they were only required for the 60-day agenda. The 60-day agenda was included all items previously announced and any new item requiring less than a four-fifths majority vote. The 30-day agenda was issued only if there were any changes made to the 60-day agenda. It was noted that no new items could be introduced on the 30-day agenda and that only non substantial changes were allowed. The restrictiveness of the agenda raised the concern that the IAA had no mechanism in place to deal with last minute events. It was suggested that the IAA might want to look at a different method of discussion to address changes. For example, last minute items could be introduced through PowerPoint presentations or some other suitable means.

Some delegates conveyed their difficulty in following the discussions of the Council agenda and any changes being proposed to motions during the meeting. They indicated that they could better visualise the changes being proposed and know exactly what they were voting on if the

agenda were available on a data projector and if any changes being proposed to the agenda were shown on the screen during the meeting. Adopting such a system would also help ensure that everyone followed the Council discussions. Another way in which changes to Council motions could be addressed would be to send the revised motions electronically after the Council meeting with a 10-day period, or some other suitable timeframe, in which to consider them and vote.

Another suggestion was to indicate on the 90-day agenda which items were being submitted for discussion and to encourage discussion of the agenda in advance of the meeting through the Council list server.

With respect to the IAA work on strategic planning, it was noted that the strategic plan should be defined before the governance is addressed, but if the process was being slowed down, then governance should be addressed. It was noted that the role of the IAA had not yet clarified.

One delegate commented that, although the IAA was promoting the view that it was an association of associations and that the members dictated the agenda, in his opinion the reality was that the members who represented the associations were present for a relatively short period of time and that the longer term decisions were made by individuals who had long forgotten the organizations from which they came from and that this was a fundamental problem in the governance of the IAA. He felt that the IAA was really run by a collection of individuals who did not represent member associations.

Other Presidents expressed disagreement with this notion, some strongly. One expressed the view that if the Officers of the IAA were going in a direction that was not supported, Council had the power to change that. One member responded that IAA business was routinely discussed by their Board and within their respective committees. As representatives they never forget the needs of their members. For them, it does not matter how strong the federalism of the IAA should be or should not be or what part of centralism should be in the governance of the IAA; what interests them is the strategy, not how the IAA is organized but rather what can the IAA bring to the profession worldwide and specifically to the members of their association. Their experience in the IAA over a number of years did not demonstrate that the IAA was led by a select few, but to the contrary, it was rather difficult to change anything in the IAA without getting full support from the member organizations. In fact, this was seen as the cause of many delays in the IAA's reaction to outside events.

Several Presidents cautioned not to lose sight of what the IAA was bringing to its member organizations beyond governance and structure, for example the opportunity to share in a forum the various developments around the world, etc.

It was noted that the way individual associations plan their interaction with the IAA was part of the governance problem and they needed to organize themselves internally to ensure that their view were represented.

The Nominations Committee has been very active in the past few years in ensuring rotation in leadership positions and in removing any individuals serving more than one leadership role. To

improve transparency, the deployment chart of appointments was now widely available on the website.

The discussion then turned to the Presidents' Forum itself and it was agreed that the informal nature of this forum was very important.

3. Enterprise Risk Management (ERM)

Ed Robbins Immediate Past President of the Society of Actuaries in the United States led this session on enterprise risk management that included presentations from himself, Fred Rowley and Harry Panjer.

He reminded the Presidents' Forum that, at the meeting in Mexico City, he had given a briefing on a proposal for a global designation for enterprise risk management which was basically the recognition of educational achievement in the field of risk management.

[Fred Rowley's presentation](#) briefly reviewed the definition of ERM and the arguments for and against a global designation. He pointed out that what we were talking about was a fundamental expansion of the scope of our approach to risk management and the basic integration and consistency in the techniques that we use to measure and manage risk. He outlined the reasons for having a global actuarial designation.

[Harry Panjer's presentation](#) focused on the syllabus for an enterprise risk management qualification.

[Ed Robbins made a presentation](#) on the Society of Actuaries in the United States' development of its own designation, the CERA credential.

During the discussion, it was noted that the introduction of a new designation would result in an increase in the demand for actuarial services and that this would require a need to think of the supply.

One delegate cautioned against falling into the trap of seeing this as an alternative career path within the insurance industry only because the opportunities were much broader for the actuarial profession.

The concept of a global designation was exciting and it was suggested that non-examining bodies also be invited to be signatories to the agreement signed by eight member associations to show their level of support. It was recognized that if the profession could get together on an ERM designation, this would be a very important step for the profession.

4. Global mutual recognition at IAA Core Syllabus level

Nick Dumbreck, President of the Institute of Actuaries in the United Kingdom, gave a [PowerPoint presentation](#) on this topic.

The following comments were made in the ensuing plenary discussion:

- One of the goals of the Netherlands association was for its members to be able to work globally and this fit right into their goal.
- It was suggested that we look at other professions to see how they were dealing with this kind of problem.
- Another suggestion was to conduct a survey on how this could work.
- One delegate envisaged this moving forward focused on a body of knowledge and a standard for that knowledge. There were many ways to get to that point: through universities, through examinations, and through a combination of both. It was felt that the best strategy would be for the associations to develop their own root to that educational base and that standard that they might agree on for content. It might be that in this framework that may be the model that they choose. The ERM exercise would be a very good test for all associations in addressing these questions and the ability of the associations to cooperate.
- One of the key issues would be cross-border discipline. It would need to be addressed at the same time as one addresses cross-border practice.

5. The need for a more comprehensive Continuing Professional Development (CPD) framework

[Nick Dumbreck made a presentation](#) which raised the questions of how to involve actuaries in the association and how to deal with languages in the IAA meetings

- Should the adoption of a mandatory CPD scheme be obligatory for IAA full members?
- If so, to which categories of members should it apply?
 - All?
 - Excluding those in non-actuarial roles?
 - Other exclusions?
- ...and how soon should this be implemented?
- Should CPD be mandatory for membership or for practising?
- What should be the penalty for non-compliance?
- What are the practical issues with mandatory CPD?
- What types of CPD should count towards the total?
- How can the IAA help member associations to provide CPD to their members?
- And how can individual associations help each other?

Carla Angela, speaking as chair of the Education committee, reported that her committee had considered that CPD was a very important part of the education system. Unfortunately, during the presentation at Council the previous day on a proposed CPD system, there was no discussion. The committee has concluded that CPD was the best tool to update employers of actuaries on new technologies, new knowledge, etc. The CPD concept was also closely tied to a global qualification. It was acknowledged that the role of the IAA was to set the bar high for the profession.

One difficulty in imposing CPD in some countries was that actuaries were not required to be a member of the local actuarial association in order to practice as an actuary.

There was a need to define mandatory CPD and the various types of CPD.

7. Small and medium sized associations: Maria de Nazaré Barroso

Case study: Ireland, Philip Shier

[Maria de Nazaré Barroso made a presentation](#) on the results of a survey of issues facing small and medium sized associations and [Philip Shier made a presentation](#) on the growth of the association in Ireland. The group was then divided into breakout groups to discuss the issues raised.

During the discussion, the following points were made.

- The results from the survey showed that 75% of organizations felt there was a lot of paperwork to complete for the IAA. One suggestion was for the IAA to reduce the size of its forms and surveys, but not necessarily the number of forms issued. It would be important to clearly identify the sources of a form or questionnaire as it was sometimes unclear where the questions were coming from: a central part of the IAA or one of its many committees, and also to identify the purpose of the form or questionnaire and the recipients to ensure that within the associations it was clear who the targeted person was.
- There was a need to put more emphasis on expanding the terms used in presentations, and abbreviations and acronyms should be spelled out, to make it easier for everyone to understand what was being talked about.
- The scheduling and timing of meetings should be revisited and some thought should be given to scheduling committee meetings by track: education, technical, development, etc.
- A written brief summary of the proceedings of each of the committee meetings should be handed out at the beginning of each Presidents Forum.
- There was a need to find a way to increase the participation of smaller associations in the Presidents' Forum, possibly through funding of representatives from smaller countries to attend IAA meetings being held near their region. One way of accomplishing this could be to seek funding from outside sources, i.e. banks and global organizations, or to encourage employers of actuaries to fund participation in IAA meetings by showing them the benefits of the work of the IAA.
- Representatives from larger associations could play the role of mentors to representatives of smaller associations to help bring them into the work of the IAA.
- We need to think of how we can attract actuaries into the life of the actuarial society.
- We need to address how to deal with the various languages in the IAA: in committee meetings; delegates should not hesitate to ask questions when they do not understand, perhaps using a system of colored cards.
- There should be a mechanism for smaller associations to request support in a particular area, i.e., sending the request to all associations and asking anyone who could assist to contact the inquiring association directly.

8. Review of the evaluation forms of the Mexico City Presidents' Forum

[Gunnar Kvan](#) of Norway reviewed the results of the evaluation forms from the Mexico City Presidents' Forum.

9. Consideration of topics for next meeting

The following suggestions were made for future meetings of the Presidents' Forum.

- Allow more time for discussion
- There was no interest for panel discussions at this time
- Presentations should be posted as soon as possible
- Presidents' Forum should be earlier and definitely before Council meeting

Suggested topics for the next meeting include:

- Brief summary of IAA committee work, what has been going on
- Presidents' reaction to Strategic plan
- Enterprise Risk Management (ERM)
- Continued Professional Development (CPD)

The following questions and comments were made about the Presidents' Forum:

- Was there a desire for the Presidents' Forum to have more of a work function rather than just providing an exchange of information?
- The Presidents' Forum could take on a role of providing advice to the IAA that would cause in depth discussion of certain issues, even if the Forum did not reach any conclusion.
- Should the Presidents' Forum produce documents, papers, etc?
- Should the Presidents' Forum be kept separate from the rest of the IAA meetings?
- The goal of the Presidents' Forum should be to look externally to help advance the profession.
- Consider opening the Presidents' Forum to outside professions to gain insight into how they deal with similar issues in their profession. Invite them to give presentations, benchmark.

A task force chaired by Bill Bluhm (United States) and comprised of José Luis Lobera (Mexico) and Philipp Shier (Ireland) was appointed for the preparation of the agenda for the next meeting.

10. Closing Session

President Hillevi Mannonen thanked the agenda task force, the speakers, and all Presidents of associations for their active participation in the Forum. She also thanked all Presidents for the support during her term as President of the IAA. She had truly valued their contributions to the IAA and looked forward to their continued participation.

There being no further business to discuss, the meeting was *adjourned* at 5:00 p.m.