Morris Review

1. Impact across borders

2. Past attempts to address similar issues

3. Can the profession afford to sit back and wait?

4. Israel: reforms are under way
   a. New pension schemes are DC type
   b. Financial market reform by government: actuaries are mentioned for first time
   c. Morris review has been noted

5. Japan: Morris review is being studied

6. France:
   a. Hard to say if there will be a move towards an Anglo Saxon way of doing things.
   b. Translation of Morris at least the recommendations

7. India:
   a. Many of its members belong to Institute and Faculty
   b. Report from C. Daykin
   c. Peer review introduced
   d. Bringing in of lay persons in the system
   e. Taking lessons on the discipline system

8. Mexico:
   a. Social security issues: funding

9. Norway:
   a. Highly regulated
   b. Actuaries try to be heard by regulators

10. Sweden
    a. Question: Lack of trust?
    b. Answer: As a result of recent financial failures. Impact on many professions.

11. Ireland:
    a. We want to solve the problem before it becomes a problem.
    b. We tried with peer review in recent past.
    c. Morris is very relevant for us.
12. Canada
   a. Fix it before someone else fixes it for you
   b. Have peer review and semi-independent discipline system
   c. Are talking to accountants
   d. Are looking at outside members in the system

13. United Kingdom
   a. Understanding gap between actuaries and clients (pension trustees and insurers directors):
      communication skills; more education on the work of actuaries; work of actuaries need
      continuous scrutiny

14. Poland
   a. Morris will have influence
   b. Close oversight is an issue for a small organization

15. Communications include listening better

16. USA
   a. Principles are universal
   b. Public responsibility
   c. Public perception:
   d. Press coverage: how damaging?
      i. A: initially more biased than the Morris report
      ii. Our warnings: from private to governments to public
      iii. Roles for profession and for individual actuaries
      iv. Lunches with journalists

17. Germany:
   a. Different situation: management is responsible for the statements; auditors oversight on work of
      actuary; possible change in reporting of actuary

PROBLEM OF AGEING
1. developing countries specific issues
2. unfunded pensions
3. role of actuary

SMALL ORGANIZATIONS PARTICULAR ISSUES
1. Portugal
   a. Need for lots of volunteer work
   b. Can IAA help?

AUSTRALIA
1. Comprehensive program underway, including Morris review
2. Reserved roles being expanded in non-insurance
3. Peer review: by 2006 for statutory financial functions
4. Review of Code: public or third party interest
5. Major financial failures where actuary was not in a reserved role
6. Symptoms of the problem:
   1. ageing
   2. IASB
   3. BIS
   4. IAIS
   5. interaction with FASB

REATIONS VERSUS FORWARD LOOKING
1. Personal security including health, education, pensions (people in retirement are saving more than workers)

GOING FORWARD FOR SMALL ORGANIZATIONS:
Education: minimum standards checked by IAA
Suggestion: do same for your organization

GOING FORWARD GENERALLY
High school education
General publications
Include Morris review in Continuing Professional Education

LEBANON
IAA should look at small organizations’ needs as well as emerging organizations

Pensions: funding and accounting

AUSTRALIA
Global risk assessment

ISSUES INTERNAL TO THE PROFESSION
1. New fast track procedure
   • Frequency and time to response
   • Balance: capacity to react timely and demographic process
   • 20% can veto
   • The draft in progress is available to observers and members of the drafting committee.
   • Because of subsidiarity, who of IAA or its members should reply?
   • We should take the lead in making public statement; not just respond to requests.
   • Could normal due process be revisited to address some issues coming up?
2. What are the big issues? Which opportunities are occurring? A global risk assessment. Reputation of the profession.
3. Presentations of individual organizations of what they are doing presently. Have more active participation from audience.
4. Where we want the IAA to go forward? It is difficult to find binding issues. Define binding principles or have a platform to exchange? Example: minimum education standards. Other example: response to IASB. We should have professionals within the IAA for some support for more grip on texts and thoughts. Academy experience: have public policy analysts with writing and editing skills—not necessarily actuaries’ forte.
5. Small organizations draw strength from the IAA. IAA draws lots of support from large associations.
6. Responsibility of large associations not to let the devaluation of the profession because of limited resources of smaller associations.

CLOSING REMARKS
Issues to discuss further: fast track where we are expected to give fast answers. We all have to be more active. IAA needs a clear message of what member associations want. We have to take account of what goes on in each country.

Increased fees are an issue.

We must better explain the benefits of being a member of IAA.

We need your feedback.