

Presidents Forum

Saturday, May 28, 2016 — 08:30 am – 12:30 pm
Corinthia Hotel – St. Petersburg, Russia

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 Vancouver 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 work accomplished since Vancouver. The first phase of the project involves a demand study which has been circulated to all Full and Associate member associations, covering several aspects related to the profession, such as:

- Where are actuaries currently being utilized
- What type and level of work
- Evolution of the actuarial profession
- Demand and growth of the profession

To date approximately 50% of member associations have responded. The deadline for submitting a response was June 3rd. The results of phase 1 will be shared with the Presidents Forum. The task force will provide further updates at the next meeting in Cape Town on phases 2 and 3.

He also encouraged member associations not represented on the task force but wishing to be involved to submit the name of their representative to the IAA Secretariat.

b) Principles Underlying IAA Education Syllabus Governance

Fred Rowley, in his role as Chair of the Task Force, [presented](#) on the background which led to the creation of this task force, and outlined the terms of reference and principles which will guide its work. The task force would welcome input from member associations on several questions outlined in the presentation.

The following comments were raised:

- Steve Lowe (USA-CAS): We support a minimum syllabus, but also an aspirational syllabus. We also believe that more than one aspirational syllabus may be possible (life and non-life).
- Craig Reynolds (USA-SOA): We support the current syllabus and believe that the current and proposed new syllabus is a minimum and allows for sufficient flexibility.

- Rob Stapleford (Canada): What is the view of the task force on the new syllabus, is it a minimum or aspirational?
 - Fred Rowley: The entire syllabus is aspirational, but there is a minimum coverage required.
- Tom Wildsmith (USA-AAA): There is large diversity in the profession and significant difference in knowledge in each practice area, country, etc. We need a minimum syllabus to guarantee that IAA member associations meet the requirements for membership. The aspirational syllabus is a tool to meet our goals of being the best.
- José Mendinhos (Portugal): Agree with previous speaker.
- Thomas Béhar (France): We should agree on a minimum level, and associations can use any additional topics that they may wish to include in their syllabus.
- Sari Ropponen (Finland): We are pleased that a representative from a small association was chosen to be included in the task force membership so that our views can be represented.
- Yas Fujii (Japan-JSCPA): The implementation of the minimum syllabus is stronger than the current wording in the internal regulations; this should be reviewed.
- Steve Lowe (USA-CAS): Strenuously object to last point in principle 5 and would request that the task force review the necessity, as it may create a syllabus arms race.

Fred reiterated that the terms of reference would be reviewed following the meetings in St. Petersburg taking into consideration the comments provided at Presidents Forum and Council.

3. The role of actuaries in risk management

Malcolm introduced the next presenters, Philip Shier, Thomas Béhar and Malcolm Kemp who [presented](#) on the role of actuaries in risk management in the European context.

The following comments were raised:

- Carlos Lozano (Mexico): Can we associate the CERA designation to the risk management function?
 - Philip Shier: Broader than the technical function, we must demonstrate that actuaries have the skills and experience to fulfil this role, and CERA is included in those skills.
- Wilhelm Schneemeier (Germany): In Germany, there are approximately 25% of actuaries working in risk management, but actuaries aren't in CRO function at the group level. We need to demonstrate to employers the skills actuaries possess.
- Jill Hoffman (Singapore): Many actuaries working for European multi-nationals need to report based on solvency 2. It will have a trickle down effect to other regulatory bodies in other countries as well.
- Lindsay Smartt (Australia): Are there any best practices for how companies are structuring the risk management function?
 - At the moment it is driven from the regulatory side, therefore nothing yet.

4. Data Analytics - Opportunities for the profession

Malcolm introduced the next speaker Lindsay Smartt who [presented](#) on data analytics and the opportunities for the profession.

The following questions/comments were raised:

- Name not given: In this area, actuaries can bring value in the ethics and professionalism.
- Rob Stapleford (Canada): International cooperation makes sense because many of the users of big data operate internationally.
- Thomas Béhar (France): We have launched our credential in this practice area. Interested to hear from other associations wishing to coordinate.
- Fiona Morrison (UK): Agree with comments from Canada and with international coordination.
- Rainer Fürhaupter (Germany): We have launched a working group to look at this area and early discussions indicate that an international credential, similar to CERA would be important.
- Jan Kars (Netherlands): In favor also and volunteers are available.

Following the break, Malcolm reminded attendees that the IAA had now setup a Working Group to look at Big Data, which is very much related to the topic presented. On the question of possible accreditation, a number of individuals have expressed an interest and Malcolm suggested that they could form a task force to look at that. He invited those who are interested to let the Secretariat know.

5. Branding

Peter Doyle, Chair of the Branding & Communications Subcommittee (BCS), prefaced his [presentation](#) by highlighting that the [topic of branding](#) was first raised in the IAA by the Society of Actuaries at the Presidents Forum meeting in Paris (2006). The question was passed on to the Strategic Planning Subcommittee which subsequently established a Branding Task Force that delivered a report to EC. The main recommendations included creating a permanent body to oversee branding; maintain a budget; establish a brand for the profession from the point of view of the IAA; and, to establish a branding toolkit for smaller associations. He also pointed out that several of the hot topics currently being discussed relate to branding: international knowledge platform; big data; banking; new syllabus; microinsurance; etc.

He reported that in the last few months, the BCS had hired an external branding consultant and that their work had resulted in the draft branding materials circulated to member associations prior to St. Petersburg. BCS has received a dozen written comments from member associations, nevertheless the BCS would welcome any additional comments at the meetings in St. Petersburg and afterwards.

The following comments were provided:

- Is the creation of new credentials in data analytics and CERA diluting the brand of the actuarial profession?
- The role that actuaries play in the public interest is important and should be emphasized more in the messaging.
- Develop the best messaging possible and use it consistently, and make it available to member associations as a resource. Associations will need to tailor the messaging to their various jurisdictions or specialities.

6. Conflicts of interest between auditors and the appointed actuary

Malcolm asked Vladimir Novikov to introduce the next topic and speaker Marya Bogomolova of PWC Russia. Ms. Bogomolova [presented](#) on the situation of auditor and appointed actuary in Russia. This was followed by a breakout session to discuss viewpoints from other countries. The breakouts reported back on the following points:

Breakout Group #1:

- In larger countries, auditors employ their own actuaries to assist the audit partner
- Importance of standards developed by actuaries
- Don't focus on numbers, but rather on explanation of the actuarial opinion.
- Duty to the public and report to regulators

Breakout Group #2:

- It's normal for auditors and actuaries to have different audit opinions. Each use different assumptions (going concern vs long-term) to establish valuations.
- Important for good dialogue between auditor and actuary

Breakout Group #3:

- Actuaries are a resource for auditors
- Good to have external actuaries working with auditors to establish sound assumptions
- Company actuaries should be available to be questioned on assumptions

The following additional comments were provided:

- Ultimate goal is to protect the public and provide an appropriate view of the company or pension plan; there is a tremendous thrust placed upon the actuarial profession.

7. Topics for the next meeting

Malcolm invited presidents to suggest topics for the next meeting.

The following topics were suggested:

- Follow-up on data analytics, including privacy laws that may affect the collection of data (Lindsay Smartt)
- Ethical issues past and current facing the profession. How were/or are they dealt with? (Voice not recognized)
- Negative/low interest rates, and impact on insurance business (Stuart Leckie)
- Actuarial research (Fiona Morrison)

Malcolm asked participants to communicate with Roseanne da Silva directly if they had any other topics to suggest.

8. Other Business and Next Meeting

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

PRESIDENTS' FORUM ATTENDANCE ROSTER

ST. PETERSBURG, RUSSIA

ARMENIA

Actuarial Society of Armenia
Astghik Ananyan, President

AUSTRALIA

Actuaries Institute Australia
Lindsay Smartt, President
David Bell, Chief Executive Officer

AZERBAIJAN

Actuarial Association of Azerbaijan
Khadija Gasimova, Member and Representative
of the Supervisory Board

BELGIUM

Institut des Actuairens en Belgique
Philippe Demol, Chair International Committee

BRAZIL

Instituto Brasileiro de Atuária (IBA)
Flávio Vieira Machado Da C. Castro, President

CANADA

Canadian Institute of Actuaries
Rob Stapleford, President
Michel Simard, Executive Director
Alicia Rollo, Director, Membership, Education & Professional
Development

CARIBBEAN

Caribbean Actuarial Association
Cathy Lyn, Past President

CHINESE TAIPEI

Actuarial Institute of Chinese Taipei
Ching-Hom Tzeng, President

DENMARK

Den Danske Aktuarforening
Mikkel Jarbøl, President

FINLAND

Suomen Aktuaariyhdistys
Sari Ropponen, President

FRANCE

Institut des Actuairens
Thomas Béhar, President
Régis De Laroullière, Director

GERMANY

Deutsche Aktuarvereinigung e. V. (DAV)
Wilhelm Schneemeier, President
Rainer Fürhaupter, Past President
Birgit Kaiser, Managing Director

HONG KONG

Actuarial Society of Hong Kong
Stuart Leckie, Council Member/Past President

JAPAN

Institute of Actuaries of Japan
Hideyuki Sumi, President
Ikuo Kudoh, General Secretary

Japanese Society of Certified Pension Actuaries
Yasuyuki Fujii, Chair, Committee on International
Relations

KENYA

The Actuarial Society of Kenya
Sundeeep Raichura, Council Member

LATVIA

Latvijas Aktuaru Asociacija
Inga Helmane, President

LEBANON

Lebanese Association of Actuaries
Ibrahim Muhanna, Immediate Past President

MEXICO

Colegio Nacional de Actuaries
Carlos Lozano, President

MOROCCO

Association Marocaine des Actuairens
Mohamed Amrani, President
Mustapha Lebbar, Vice-President

NETHERLANDS

Het Koninklijk Actuarieel Genootschap
Jan Kars, President

POLAND

Polskie Stowarzyszenie Aktuariuszyszy
Jacek Skwierczynski, President

PORTUGAL

Instituto dos Actuários Portugueses
José Mendinhos, President

SINGAPORE

Singapore Actuarial Society
Jill Hoffman, ExOfficio

RUSSIA

Russian Guild of Actuaries
Vladimir Novikov, President

SOUTH AFRICA

Actuarial Society of South Africa
Roseanne Da Silva, President
Peter Withey, President-Elect

SOUTH KOREA

Institute of Actuaries of Korea
Sangrae Park, President

SWITZERLAND

Association Suisse des Actuaire
Lutz Wilhelmy, Board Member

UNITED KINGDOM

Institute and Faculty of Actuaries
Fiona Morrison, President
Jane Curtis, Past President
Derek Cribb, Chief Executive Officer
Elisa Elschner, Public Affairs Executive

Association of Consulting Actuaries
David Fairs, Chairman

UNITED STATES

American Academy of Actuaries
Tom Wildsmith, President
Bob Beuerlein, President-Elect
Cecil Bykerk, Past President
Mary Downs, Executive Director

ASPPA College of Pension Professionals & Actuaries
Joe Nichols

Casualty Actuarial Society
Stephen Lowe, President
Nancy Braithwaite, President-Elect
Cynthia Ziegler, Executive Director

Conference of Consulting Actuaries
Don Fuerst, President-Elect

Society of Actuaries
Craig Reynolds, President
Jeremy Brown, President-Elect
Errol Cramer, Past President
Greg Heidrich, Executive Director
Ann Henstrand, Senior Director, International

GUEST SPEAKERS

Marya Bogomolova, PWC Russia
Malcolm Kemp, Institute and Faculty of Actuaries

OBSERVERS

Philip Shier, Chairperson, Actuarial Association of Europe

INTERNATIONAL ACTUARIAL ASSOCIATION

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