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SPECIAL NEWSLETTER
IAA COUNCIL AND COMMITTEE MEETINGS

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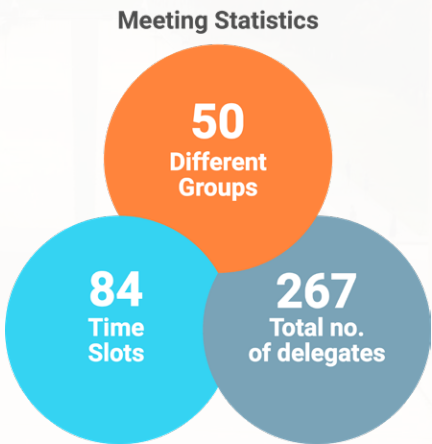
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NEXT MEETINGS

SPECIAL NEWSLETTER – WASHINGTON 2019

This Special Newsletter summarizes the fruitful activities that took place during the IAA Council and Committee meetings held in Washington, D.C. from May 14-19. These meetings are a great opportunity for member associations to network and share experiences. In addition to the committee meetings, formal and informal events are organized to encourage interaction between actuaries.

The meetings involved the following:



The attendees included the following special guests:

- Esko Kivisaari, Actuarial Association of Europe
- Ann Muldoon, Financial Reporting Council
- Assia Billig, International Social Security Association
- Mitchell Wiener, World Bank

PRESIDENTIAL TOWN HALL, IAA RENEWAL AND HOT TOPICS

On the Wednesday morning, IAA President Gábor Hanák hosted a Presidential Town Hall to provide information to 100-plus delegates on the IAA Renewal and several hot topics of interest, such as the new International Financial Reporting Standard on Insurance Contracts (IFRS 17), our relationship with the International Association of Insurance Supervisors (IAIS) and the Organisation for Economic Co-operation and Development (OECD), and the IAA Sections. The town hall presentations can be accessed online:

- [IAA Renewal](#) – Gábor Hanák and Charles Cowling
- [IFRS 17](#) – William Hines, Micheline Dionne, Derek Wright and David Finnis
- [IAIS](#) – Stuart Wason
- [OECD](#) – Christelle Dieudonné
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COUNCIL

Executive Committee and President's Report

Gábor provided an update on the Executive Committee's (EC) 2019 goals and summarized the achievements of the IAA's work on each of the strategic objectives. Please see the [Council slides](#) for more details of the report.

Items Approved by Council

- The [Mexico City Council minutes](#)
- Ratification of an [electronic ballot](#) since the Mexico City Council meeting, which included the revised Vision, Mission, Values and Strategic Objectives; the revised terms of reference of the Membership Committee; and EC appointments to fill immediate vacancies
- The [audited financial statements for 2018](#)
- The revised [Strategic Action Plan for ISAPs](#)



MEMBER FORUM

At the newly renamed Member Forum (previously the Presidents’ Forum), the agenda focused on two items, namely the IAA Renewal and public health. The first part of the morning provided an opportunity for member associations to provide feedback to the EC and Renewal Task Force on the proposals presented earlier in the week during the Presidential Town Hall. During the second half, Christelle Dieudonné, Sara Teppema, Roseanne Harris, Tom Wildsmithdone and Lisa Morgan [presented](#) on Public Health and the Role of Actuaries.

IAA/WB/IMF FORUM

On May 13, the IAA, the World Bank (WB) and the International Monetary Fund (IMF) had a joint forum in Washington to discuss global issues relating to pensions and social security. The forum, hosted by the WB, was well attended by representatives from the WB, led by senior social protection specialist Mitchell Wiener; representatives from the IMF, led by Philip Stokoe, senior economist, Government Finance Division; and representatives from the IAA, led by Barbara d’Ambrogi-Ola, Chairperson of the Social Security Committee (SSC), and Assia Billig, Chairperson of the Population Issues Working Group (PIWG).

The first topic addressed by the forum was financial reporting of social security systems. Participants discussed the current guidance in the System of National Accounts (SNA) and methodological issues relating to the guidelines in the SNA and the Government Finance Statistics Manual. A representative from Eurostat, attending via Webex, provided an update from the Eurostat Pensions Workshop, sharing their experience of compiling the Pensions Supplementary Table.

The second part of the forum was dedicated to projection models for social security programs. Interesting presentations were given covering long-term projection and microsimulation models in Finland, actuarial valuation of the Canada Pension Plan and Old Age Security, combining macro with micro modelling, and the WB’s pension model PROST.

There was a lively exchange of ideas and a strong will to keep the communication lines among the IAA, WB and IMF open and alive to identify and pursue potential opportunities to collaborate.

BANKING SEMINAR: THE EVOLUTION OF MODELING, ANALYTICS, AND RISK

On May 14, the Casualty Actuarial Society (CAS), Society of Actuaries (SOA), Canadian Institute of Actuaries and Actuarial Society of South Africa (ASSA) hosted a joint one-day seminar to provide an overview of emerging risk management challenges in the banking sector and how actuarial approaches can address those challenges.

Due to the advancements of available data and modelling capabilities over the past decade, there is a growing convergence of common challenges and problems to solve across the financial services industry, from insurance to banking.



While actuaries’ unique skill sets make them well suited for working in the insurance industry, the banking industry offers an ideal opportunity for actuarial talent. Analytical skills, forecasting, predictive modelling, and ease in managing large datasets, which are core actuarial functions, are key to many functions across a bank.

Detailed descriptions and presentations for the seminar can be accessed on the [CAS website](#).

SEMINAR ON PUBLIC POLICY, SOCIAL SECURITY AND TRENDS IN MORTALITY

This full-day seminar was co-hosted by the IAA’s Mortality Working Group (MWG) and PIWG to discuss trends in:

- Pensions and social security
- Mortality due to socioeconomic differences
- Public health responses on avoidable mortality



The [seminar program and presentations](#) began with an official welcome from Brian Ridsdale, Chairperson of the MWG. (Note: presentations are available from the meeting programme hyperlinked above. A expanded version of this report can be found [online](#).)

Mitchell Wiener, senior social protection specialist with the WB, presented “Longevity Insurance: Rethinking Defined Contribution Payouts in Multi-Pillar Pension Systems”. Assia Billig, Chief Actuary at Canada’s Office of the Superintendent of Financial Institutions, was the second presenter, with “Balancing Adequacy, Sustainability, and Intergenerational Equity – Canada Pension Plan Auto Adjustment Mechanisms”.

Barbara D’Ambrogi-Ola, head of actuarial and analytical services at Ilmarinen Mutual Pension Insurance, spoke next on general trends and issues in Finland. Abraham Hernandez, Chair of the IAA PBSS Section, delivered several innovative actuarial ideas during his remarks on how we might begin mitigating the global pension crisis.

Steve Goss, Chief Actuary at the U.S. Social Security Administration, presented “Trends in U.S. Social Security Actuarial Status”. Josh Shapiro, senior actuarial advisor at Groom Law Group, gave a snapshot of America’s private single-employer, multi-employer and other public pension plans during his talk, “U.S. Private and Public Sector Panel Discussion”.

The SOA’s “Causes of Death in the U.S. Population” research was presented by Dale Hall, the Society’s managing director of research. Dr. Ayse Arik, research fellow at Heriot-Watt University, followed by provided findings on trends and regional differences in cancer morbidity and mortality risk in the UK.

Steven Baxter, head of longevity innovations and research at Club Vita, presented “Recent Developments in Longevity Trends”, highlighting the recent slowdown in mortality improvement in the UK, the potential reasons why and how this compares to observations from other countries.

Karen Glenn and Tiffany Bosley from the Office of the Chief Actuary, U.S. Social Security Administration, discussed findings regarding mortality by career-average earnings level.

R. Jerome Holman, principal of RJH Integrated Solutions, provided insight into trends in U.S. motor vehicle accident deaths. Sam Gutterman described the smoking and obesity risks to life. Assia Billig, in her role as Chairperson of the International Social Security Association (ISSA) Technical Commission on Statistical, Actuarial and Financial Studies, presented “Four Key Trends in Avoidable Mortality and How Public Health Systems Should Respond”.

In closing, Brian Ridsdale, Chairperson of the IAA MWG, and Jeff Johnson, actuary and seminar organizing committee chairperson, thanked the speakers, presenters and staff, and the sponsors: the IAA Life and PBSS Sections, and the SOA.

DINNER

Our hosts, the American Academy of Actuaries (AAA), organized a dinner for delegates at the Mayflower Hotel. A plaque was presented to the Academy in appreciation of it hosting the IAA and organizing the



delightful meal.

OUTCOMES OF COMMITTEE AND WORKING GROUP MEETINGS

Actuarial Standards Committee

Andrew Chamberlain, Chairperson



The Actuarial Standards Committee (ASC) focused on three main topics in Washington.

Firstly, we reviewed progress on International Standard of Actuarial Practice 4 (ISAP 4) – and we expect to have a heavy workload over the coming months to get this ready for Council approval at its next meeting, in Tokyo. We congratulated the task force on its work and the good responses to the consultation.

Secondly, we considered ISAP 2 and 3, which are overdue for review. Initially the ASC had thought the ISAP 2 review would be a formality, but on learning that Canada and the UK had made revisions in adopting, or proposing to adopt, the ISAP we instead set up a small group to consider whether these warrant a statement of intent (Sol) being issued to amend the ISAP. A decision will be made in Tokyo, but there are indications some changes might be appropriate. For ISAP 3 we concluded that the review should await the completion of ISAP 4 so that we could learn from that exercise and include amendments to avoid inappropriate differences if any change is warranted. A similar group will be set up to advise the ASC on whether amendment is appropriate, and if so, another Sol will follow.

As a secondary point, we have asked the Professionalism Committee (PC) to recommend that the Due Process be amended to set a maximum interval of five rather than three years between mandatory reviews (a review can always be done earlier if circumstances dictate). This will both help standard-setters by providing stability and avoid unnecessary work at the ASC.

Thirdly, we discussed how the ASC could help the other Assure committees in their work. It certainly seems the Advice & Assistance Committee (A&A) would like the ASC to help some associations in framing standards, and we will discuss this with it in more detail. The PC is being kept aware and has been generally supportive.

Advice & Assistance Committee

Darryl Wagner, Chairperson



Washington was again a busy and productive set of meetings for A&A. In advance of our meeting, the A&A leaders (chairpersons and vice-chairpersons of the committee and subcommittees) met to continue discussions around refreshing our A&A strategy in the context of the IAA Renewal. Topics included a vision of how A&A might operate within a new IAA structure, with emphasis on the importance of collaboration with other committees and Sections, particularly AWB. We also discussed the importance of helping developing associations to better define and articulate their aspirations. This naturally led a conversation about developing a set of “quality” measures to help associations chart their progress and future milestones, both before and after Full membership in the IAA. A&A seeks to pilot such an effort with a small number of developing associations. This would not only benefit those associations, but also help

us develop a framework for providing such advice and assistance globally.

A&A met on May 17. In addition to the topics above, the theme of the IAA restructure permeated the meeting, which was discussed very positively, because this will enable our work to be shared more widely. Several representatives of smaller associations shared their own reflections on their goals and objectives for development, and how the IAA has assisted them in their development journey. The topics of conversation included the development of a toolkit to support associations at all stages of development. This toolkit would enable a smoother transition to Associate Member (AMA) and to Full Member (FMA), and assist the maturity of our member associations over time, by enabling a framework of resources and available contacts. We envision this toolkit being used by, and fed into, many of the committees, including Education, the PC and the ASC.

In the committee meeting and separate Africa Subcommittee meeting, each of the regional subcommittees gave a positive update on the diverse work and markets that were being supported. In the Africa meeting, the Ghana association submitted a detailed proposal to hold the 6th African Actuarial Congress in March 2020. And the Asia Subcommittee shared its plans for a regional IAA event to be held alongside the Asian Actuarial Congress in October 2019. We also discussed the progress of and plans for assisting associations around the world, including Bangladesh. AWB also reported that the Section had another successful year supporting associations and events globally, and echoed the call for more mentors to participate in the very successful global mentorship program.

A&A is looking forward to continued development of a more quality-based framework for assisting developing associations, and to working more collaboratively with other IAA committees, Sections and FMAs to help further the development of the profession globally.

Communications Subcommittee

Bob Beuerlein, Chairperson



The primary area of focus for the Communications Subcommittee (CSC) meeting was an analysis of our new processes for the review of committee/working group papers. Over the coming months, the CSC will continue monitoring the feedback from reviewers and authors and report to the EC if any adjustments to the processes are required. It was also noted that the CSC would begin developing a policy for dealing with media requests.

Education Committee

Bozenna Hinton, Chairperson



The IAA Secretariat reported back on the information FMAs have provided on their plans to implement the new IAA Education Syllabus. The committee discussed the possible objectives of syllabus reviews. A group was formed to draft a standard review report and provide basic guidelines regarding performing a review.

Representatives from China and South Africa as well as from the CAS in the U.S. shared their experiences with their continuing professional development systems. The ASSA has an output-based system in place, and the update on this alternative approach was welcomed by the committee members.

Representatives from Germany and Turkey reported on their education systems and their associated implementation of the 2017 IAA Education Syllabus.

The committee discussed the proposed new Core Syllabus of the Actuarial Association of Europe (AAE). As the new syllabus is strongly based on the 2017 IAA Education Syllabus and goes beyond it regarding topics, breadth and depth, discussion took place on whether fulfilling the AAE requirements might lead to automatically fulfilling the IAA requirements. This will be further investigated after the AAE has passed its new syllabus in October.

The committee also discussed actuarial teaching and learning methods, including the effectiveness of using case studies and the use of discussion forums. Other topics covered were the prevalence of “flipped classrooms”, design thinking, gamification, self-learning and the use of social media.

Enterprise and Financial Risk Committee

Paul Braithwaite, Chairperson



Along with other routine matters, the committee received updates on the IAA restructuring process and activities of the Global CERA Association and the AFIR/ERM Section. The committee began discussions on how to better interact with the Section and work more productively together. It also discussed outlines of two potential new Risk Book chapters – one on enterprise risk management (ERM) failures and a second on the risk management function. The former would include several instructional case studies. The latter would parallel the existing chapter on the actuarial function. The committee agreed to progress with more detailed outlines of both potential chapters to submit to the Risk Book Task Force. It also approved the Own Risk and Solvency Assessment (ORSA) ERM Glossary recently developed by the ORSA Subcommittee.

General Insurance Committee

Bob Conger, Chairperson



The General Insurance Committee (GIC) continues to focus on serving as a resource pool of GI actuarial practitioners that can support the work of other IAA committees, and of IAA supranational relationship managers, by providing GI actuarial perspectives to their work. In addition, the GIC serves as a network of GI actuarial practitioners from the various IAA member associations, with a particular eye towards supporting the GI actuarial practice in new, developing and smaller associations.

Risk Book

We reviewed outlines for two proposed Risk Book chapters related to general insurance. One (which was proposed by the GIC) would focus on providing basic explanations of hazard risk, and how the nature and insurance of these risks differs from non-GI insurance; the other focuses on risks related to climate change, and is being drafted by the Resource and Environment Working Group (REWG). We also received an update on the cat risk chapter, which had been reviewed and commented by the GIC.

IFRS 17

We discussed various projects related to IFRS 17 that are underway at the IAA, particularly regarding the implications for GI insurance. We agreed to explore the idea of surveying Committee members regarding IFRS 17 projects occurring within their Member Associations, to identify areas where an exchange of issues and ideas might be mutually beneficial.

Cyber risk activities

We received an update regarding the OECD’s interest in cyber risk and insurance, and a report on the direction that the IAIS is exploring regarding the emerging risks of cyber, and in particular its potential implications for the resilience of insurance company operations. Committee members were invited to join an ASTIN working party that is developing concepts for a cyber risk index.

ASTIN Colloquia

We heard enthusiastic reviews from ASTIN and GIC members who participated in the April colloquia in Cape Town, and a warm invitation to participate in the upcoming Paris colloquia from May 10–14, 2020 (in both cases, the colloquia include ASTIN and several other IAA Sections).

IAA Renewal

We discussed and explored ideas related to the Advance pillar of the strategic plan, and providing input to the Renewal Task Force.

Health Committee

Christelle Dieudonné, Chairperson



After welcoming new members (Sara Teppema, of the SOA; Gordana Letica, Croatian Actuarial Association; Francisco Baquero, Asociacion Colombiana de Actuarios; and David Bogata, Slovenian Association of Actuaries) and the Health Committee (HC) vice-chairpersons (Roseanne Harris and Tom Wildsmith), we talked about the IAA Renewal, to give an update to HC members about the ongoing discussion.

As the HC has been working closely with the Health Section (IAAHS), this session was again a great opportunity to share ideas and present the results of the survey on the evolution of the role of health actuaries. This survey has been launched by the IAAHS, with the HC contributing to content and assisting with distribution. Roseanne Harris, who was leading this project within the HC, presented the results. It has been decided to identify further projects linked to this survey in collaboration with the IAAHS.

We discussed ongoing and potential new projects:

- Measurement of health care inflation: Tom Wildsmith presented the “outline” paper that has been updated following a few comments received by the OECD.
- Health hot topics around the world (an IAAHS initiative).

It has been agreed that we will request FMA interest on both subjects.

Following the interest of HC members in sharing knowledge during the meeting in Washington, we had

the pleasure of welcoming Ashleigh Theophanides (Chairperson of the Big Data Working Group, or BDWG) who did a presentation, [“Big Data and the Role of Actuaries”](#). This was really appreciated, and the HC will define a few topics that could be developed with the IAAHS and BDWG using webinars.

Lastly, the HC was pleased to provide a presentation during the Members Forum on public health and the role of actuaries. This was really appreciated by the audience and demonstrated the interest of FMAs in sharing ideas and knowledge.

On behalf of the HC, I would like to thank the AAA, which gave us this opportunity during the Members Forum, and the HC members, who did a great job being involved in these presentations and projects.

Insurance Accounting Committee

William Hines, Chairperson



The IAC focused its time in Washington on discussing the amendments to IFRS 17 that the International Accounting Standards Board (IASB) will expose for comment during the middle of 2019. While the topics for which amendments will be proposed are known based on prior IASB discussions, we agreed that it will be important to wait for the actual wording from the exposure draft (ED) in order to identify all of the comments that should be made. With a 90-day comment period expected, we will need to develop and finalize our comment letter prior to the next face-to-face meeting in Tokyo.

Education & Practice Subcommittee

David Finnis, Chairperson



The Education and Practice Subcommittee of the IAC was sharply focused on responses to the ED of International Actuarial Note 100 (IAN 100). The IAN, which is intended to provide educational support and guidance for actuaries in respect of IFRS 17, had prompted 24 responses by the close of the exposure period at the end of April, mainly from IAA FMAs, represented by more than 1,000 comments on the ED.

Given that the comments on the ED had only been received less than three weeks before the Washington meetings, the subcommittee’s work concentrated on the major themes from the responses, and allocation to existing working groups for each chapter of the IAN. Five key questions had been asked at the time the draft was exposed. Answers to these questions indicated that the current draft was largely on track. However, there were some important messages regarding the focus of the IAN on the requirements of the standard, the level of detail included in the IAN and the use of examples.

During the meeting, we were able to deal with high-level issues such as overlapping of material between different chapters, the appropriate level of detail and ongoing development of guidance. Additionally, the various working groups were reviewed and refreshed and a clear plan for the comprehensive completion of comments on all the responses was put in place. Our next steps, including the internal review requirements of the IAA, were clearly established, enabling us to be fully prepared for our next meeting in Tokyo.

Insurance Regulation Committee

Stuart Wason, Chairperson



During its recent meeting in Washington the Insurance Regulation Committee (IRC) focused on how to be more proactive in its engagement with one of the IAA’s important supranational organizations: the IAIS. The following are a few highlights from the meeting.

The primary focus of the IAIS in recent years has been on standards development for internationally active insurance groups in the form of ComFrame, and on the development of an International Capital Standard (ICS). Beginning in 2020, the IAIS will shift its focus towards a number of emerging issues. These include fintech, cyber security and resilience, climate risk and sustainable economic development.

In our meeting in Washington, we discussed our views on emerging risks for the insurance industry and supervisors. It was agreed that the topics of climate change/risk, big data, fintech, etc., seemed to hold the most promise for constructive IAA/IAIS interaction. While the source actuarial expertise on these emerging risk topics exists in various IAA groups, Sections and committees (e.g. the REWG, GIC and BDWG) individual FMAs may have considerable expertise on these topics that can be utilized. The IRC should be focused on narrowing down the broad expanse of each topic so that a number of high-impact topics can be identified and pursued in the months before Tokyo. The IAA’s IAIS Relationship Manager (Stuart Wason), Fred Rowley, Nick Dexter and the IAA’s Executive Director (Mathieu Langelier) have a number of planned points of contact with IAIS leaders to sharpen the focus and impact of IAA work on emerging risk topics.

Another area of focus for the IRC in the coming year may result from the implementation of the ICS in its initial monitoring period. The area of need relates to practical actuarial advice on the problems associated with introducing such a standard across jurisdictions and the need for additional comparative analysis.

The IRC is also continuing its important work on improvements in the presentation and content of the Risk Book, as this material is increasingly being used in supervisory actuarial training.

Greg Martin presented the results of the recent Australian royal commission on market conduct in Australia. It is estimated that the cost to the insurance industry of correcting inappropriate market conduct is about \$10 billion. There was a discussion about whether this type of market participant behaviour exists elsewhere. This type of development marks a shift towards authorities addressing market conduct risks more seriously.

The IRC is developing a Risk Book chapter on conduct risk.

Membership Committee

Mike McDougall, Chairperson



Associate member applications

- The Associação dos Actuários de Moçambique (Actuarial Association of Mozambique) has met the documentation requirements to be admitted as an AMA of the IAA. It is recommended for Associate membership.
- L’Association Tunisienne des Expert Actuaire (the Association of Tunisian Expert Actuaries) has met the requirements for Associate membership. We have recognized that this is not the only actuarial association in the country; another association is considering applying for Associate membership. As the association has met the requirements for membership and in the absence of any evidence of unprofessional conduct in its rivalry with the other association, we have agreed that it be recommended to Council for Associate membership.

Financial arrears

- The committee noted that the Association des Actuaire Beninois (Association of Actuaries of Benin) and Institut National des Actuaire au Sénégal (Institute of Actuaries of Senegal) are both three years in arrears with the payment of their annual dues. The Secretariat will inform them that their memberships will be terminated should outstanding dues not be paid before the meetings in Tokyo.
- The committee noted that 15 FMAs and 14 AMAs are at least one year in arrears with their membership dues. This represents 20% of FMAs and 54% of AMAs. It is proposed that the EC consider levying a surcharge on payments made after March 31.

Membership confirmation forms

- Responses to membership confirmation forms were due by March 31. As of May 17, only 36 FMAs (46%) and four AMAs (15%) have submitted their 2018 confirmation forms. Three FMAs and 12 AMAs have outstanding forms for two or more years. It is recommended that the EC consider an appropriate sanction for associations – especially FMAs – who have multi-year outstanding confirmation forms.
- A combination of unsubmitted confirmation forms and some misunderstanding of the categories of membership that needed to be declared in the confirmation forms makes it impossible to authoritatively comment on whether associations are paying dues on a consistent basis. However, based on the available returns where confirmations forms have been properly completed, the membership numbers declared are consistent with expectations.

OECD Subcommittee

Christelle Dieudonné, Chairperson



The OECD Subcommittee was set up jointly by the IRC and Pensions and Employee Benefits Committee. Its mission is to coordinate interaction with the OECD based on the memorandum of understanding between these organizations.

Christelle talked about the presentation she made at the Presidential Town Hall on the IAA’s work with the OECD. The purpose of this presentation was to provide an understanding of how the OECD works, and the relationship the IAA has with the Organisation and how it can be strengthened.

Discussion also took place on the following areas of the OECD Subcommittee’s work:

- Comments that it has provided on the following OECD papers:
 - Project proposal on legislative and regulatory impacts on cyber insurance cover
 - Draft paper on long-term care and health
 - Question on actuarial regulation
 - International Organisation of Pension Supervisors’ supervisory guidelines on the integration of environmental, social and governance (ESG) factors in the investment and risk management of pension funds
- Meetings attended by IAA delegates:
 - OECD meeting of the Working Party on Private Pensions (WPPP) and Insurance and Private Pensions Committee (IPPC)
 - Face-to-face meetings with representatives from the WPPP and IPPC
- Future and ongoing projects on de-risking, flood insurance, long-term care and health, and cyber risk.

It was noted that as a result of our strong relationship with the OECD, a greater variety of topic areas is being addressed jointly and the actuarial profession, thanks to its perspective and knowledge of risk, is having an extremely positive impact on the work of global stakeholders.

Pensions and Employee Benefits Committee

Charles Cowling, Chairperson



There was an excellent discussion on the IAA’s current renewal and restructure project, with considerable enthusiasm for working much more closely with the PBSS in future, including holding the first meeting of 2020 jointly with the PBSS at the start of the Paris Colloquium rather than within the IAA meetings in Brussels which immediately precede the Paris Colloquium.

There was a report from the PBSS Colloquium in Cape Town and in particular on two of the presentations given in Cape Town – “De-risking Pensions” and “Mitigating the global pensions crisis”. It

was agreed that the de-risking presentation was a good basis for a joint project between the PEBC and the PBSS and one which may be of interest to the OECD.

A note on the Role of Actuaries in Defined Contribution Systems was considered and feedback sought. In addition, an updated was provided on the PEBC’s funding monograph and a call for country updates ahead of a redraft of the monograph later this year.

There was a discussion of the work that the IAA is doing in partnership with the OECD, IOPS and IASB/ FASB, as well as an an update on work of the AAE including their cash flow project and the issue of intergenerational equity in pensions.

Alf Godhes presented a potential project to the PEBC on creating an index of the expected cost of providing for retirement. Some preliminary work will be done (linking to the PBSS) to see if this project is worth developing and it will be discussed further in Tokyo later this year.

Frank Todisco from the US Government Accountability Office gave a fascinating presentation on GAO’s report on the US retirement system and the collapse of the Central States Pension Fund and the PBGC multi-employer program.

Professionalism Committee

David Martin, Chairperson



Comprehensive presentations were made on the disciplinary processes of the Actuaries Institute, Australia and the ASSA. These were followed by a detailed description of the standard-setting process in the U.S. by the AAA. All three generated lively discussions.

A report from the ASC said that work was continuing well on ISAP 4, prepared in connection with IFRS 17. The target is for approval of the ISAP at Council in Tokyo. The Due Process Task Force’s report on this was noted. ISAPs 2 and 3 are due for review, but it was agreed to consider increasing the minimum period for review of ISAPs.

Following presentation at the previous meeting of a voluntary survey in a new format to explore the usefulness of ISAPs, a similar exercise by the AAE was presented in respect of European model standards.

Progress on the development of an IAN related to IFRS 17 (IAN 100) was noted. Following extensive comments after its initial exposure, a further draft is expected by September.

A working group on revising the Due Process for production of IANs reported, and various minor changes to their draft document were suggested.

Following a report at the previous meeting about changes required to Professionalism Guideline 2 (on cross-border work), the membership of the task force to do this work was confirmed.

The sub-group developing educational material on professionalism reported on its progress. It is anticipated that a webinar will be held shortly based on material from one of the case studies being developed for this project.

There was a short discussion on the restructuring of the IAA. Developments from the Restructuring Task Force in respect of the Assure function, including professionalism, are awaited.

There was a meeting of the Standard Setters Round Table (SSRT) immediately preceding this meeting and it was proposed then, and agreed in the PC meeting, that the next meeting of the committee would include a session covering standard-setting matters, jointly chaired by the chairpersons of the PC and the SSRT. This would enable discussions on this topic to be heard by a wider audience, including those whose associations do not set standards but might consider doing so.

Scientific Committee

Thomas Béhar, Chairperson



The Scientific Committee's (SC's) purpose is mostly to monitor the activities of the six working groups: BDWG, Banking (BWG), Microinsurance (MiWG), MWG, PIWG and REWG (see below). The SC consists of six appointed members, with each acting as liaison to a WG, and the chairpersons of each group acting as ex officio members. The SC welcomed three new members: Bob Beuerlein, Kurt Wolfsdorf and Lindsay Smartt. The main activities of the WGs were monitored during the session.

The first topic covered the potential impact of the IAA restructure on the WG activities, in the presence of some senior IAA officers and some IAA renewal task force members. The discussion was not conclusive and will continue after the Washington meetings.

The WGs contribute to the three main IAA functions (Impact, Assure and Advance). The percentage of contribution varies according to the WG. WGs, Sections and committees that are dealt with in the Advance scope are invited to exchange about their respective activities and cooperate non-formally for the time being. Seven questions were raised to the Renewal Task Force and the EC:

1. How do we ensure that we do not affect the values of innovation and proactiveness that WGs contribute today and that support the future of the profession?
2. How do we organize cross-communities: WGs versus Sections?
3. How do we keep the input from expert networks to the three functions?
4. How do you deal with the relationship between limited-time task forces and expert networks?
5. How do you best leverage the perspective and expertise of the global profession?
6. How do you liaise between expert networks and FMAs?
7. How will the governance function currently performed by the SC of the work of the WGs be covered in the new structure?

Division of work between the IAA functions

| | IMPACT | ASSURE | ADVANCE |
|------|--------|--------|---------|
| PIWG | 35% | 10% | 55% |
| REWG | 35% | 25% | 40% |
| BDWG | 25% | 10% | 65% |
| MWG | 15% | 10% | 75% |
| MIWG | 15% | 15% | 70% |
| BWG | 15% | 15% | 70% |
| SC | 23% | 14% | 65% |

A point was made about the supranational activities of the WGs. The most active links are the following:

- the Microinsurance Network, International Labour Organization and IAIS for the MiWG
- the Geneva Forum and OECD for the PIWG
- the ISSA, OECD, World Meteorological Organization, Warsaw International Mechanism, United Nations Framework Convention Climate Change (UNFCCC), UN Environment Programme Finance Initiative (UNEP FI) and IAIS for the REWG
- the Geneva Forum for the MWG.

Among all WG activities listed below, the following key communications may be produced during the coming months: a banking toolkit; a banking curriculum guide; a paper on the application of actuarial skills in banking; a paper on the actuarial perspectives of inequality; a paper on flood risk; a paper on climate change, insurance and vulnerable populations; a project on actuaries and inclusive insurance; a non-life microinsurance educational pricing toolkit; and, papers are under development on topics such as insurance principles in the age of big data, professionalism in big data, epidemics and, mortality underwriting.

As the SC has limited attendance, any FMA interested in participating in the work of a particular group is strongly invited to contact a member of that group. Their 2019 workplans give an overview of their activities in the coming months.

Big Data Working Group

Ashleigh Theophanides, Chairperson



The Washington BDWG meeting proved to be an introspective exercise, with the main focus placed on the role and mandate of the WG within not only the SC but also the wider IAA organization.

Throughout the discussions and various talking points, all group members agreed that big data will continue to play an influential role in the actuarial profession, across all industries and business sectors. Thus, the WG will need to be at the forefront of any new developments and applications of big data, not only to advise on the potential uses but also to highlight possible pitfalls or shortcomings thereof. Moreover, it was decided that the group needs to have a stronger presence within the wider IAA, with some of the key efforts being that of hosting and supporting big-data-centred webinars by collaborating with the other committee.

Tied together with the above-mentioned aim, the group has made significant progress in the putting together of a framework promoting a common understanding of the principles of professionalism in the field. We are targeting the finalization of a review of papers that deal with the professionalism requirements of actuaries in the area of big data and machine learning.

Another important initiative that the group will be driving is the creation and development of the IAA Big Data Survey. The WG looks to collaborate with the other committees and Section leaders. The focus of the survey will be around understanding the current impact and influence big data has within the various fields of IAA members, whilst also looking to gain further insights on how we can structure future relevant big data seminars or sharing of related information.

Mortality Working Group

Brian Ridsdale, Chairperson



The MWG met twice in Washington and hosted an informal dinner. The meetings included presentations from local guest speakers who spoke about their roles in their relevant U.S. organisations as they related to analysing mortality trends: Joe Silvestri from the U.S. Government Accountability Office; Steve Goss, Karen Glenn, Michael Morris and Mark Bye from the Social Security Administration; and Ted Goldman from the Pension Benefit Guarantee Corporation. In addition, guest speaker Steven Baxter, from Club Vitae in the UK, spoke about recent longevity trends in pension schemes.

Group members discussed progress on MWG research projects. There was also a country report update from South Africa and updates on the recent developments in the U.S. and the UK. In the time since its previous meeting, MWG members have hosted a webinar and completed papers and presentations outside the group on numerous occasions, as well as having organized (with the PIWG) the above-mentioned Washington seminar on public policy, social security and trends in mortality. The MWG’s website is [here](#).



Population Issues Working Group

Assia Billig, Chairperson



The PIWG identifies demographic issues of interest to actuaries on which the actuarial profession at an international or national level can make useful contributions in the public interest.

The main items of business for the PIWG at its meeting in Washington were discussions of our current progress on papers being prepared, future projects and the role that the PIWG should play within the new structure of the IAA.

The paper “[Interaction Between Pensions and Housing](#)” has been published by the IAA. It was promoted through an IAA webcast led by Martin Stevenson. We have been informed that this paper has led to further

work on this issue by the AAA and the Institute of Actuaries of Japan (IAJ).

A paper on actuarial aspects of inequality has been submitted to the SC and the CSC for their review prior to release. The PIWG is looking forward to finalizing it.

The two next subjects to be considered are (1) the impact of new working patterns on areas of actuarial work, and (2) fertility.

The PIWG had a productive discussion on its future role in the restructured IAA. It was agreed that our work has been used widely by FMAs and supranational organizations. The cross-practice nature of the group allows for proactively addressing emerging issues that may impact actuarial work. It was agreed that the cooperation between the working groups, IAA Sections and committees should be enhanced.

At the close of the meeting Assia Billig stood down as Chairperson of the PIWG due to work commitments. The acting Chairperson to the end of 2019 is Martin Stevenson.

Resource and Environment Working Group

Sam Gutterman, Vice-Chairperson (filling in for currently vacant Chairperson position)



Enthusiasm for the activities of the REWG was evident at the Washington meeting. Two REWG working papers, (1) “Flood Insurance Risk” and (2) “Climate Change, Vulnerable Populations and Insurance”, are in the process of being copy-edited and should be available from the IAA website within the next few months.

The first is already being reviewed for possible inclusion in an FMA actuarial exam syllabus – it is an example of actuarial aspects of an environment risk that affects many individuals and businesses around the world. The second involves an issue that many actuaries have not dealt with in their normal activities; that is, alternative insurance approaches that can be taken in response to the needs of vulnerable populations in respect to adverse effects of climate change.

The REWG has begun to produce a series of relatively short briefing papers addressing key issues within its terms of reference to bring them to the attention of actuarial associations and actuaries. The first, published late in 2018, addressed the topic of decarbonization. An IAA webinar was held on this briefing paper in January. Several more are planned for the next 12 months, covering such environment issues as water quality risks, adaptation to climate change, and ESG disclosure as it relates to the pension actuary.

The REWG has been active in relation to several UN activities. In December, Sam Gutterman and Charles Levi attended the Katowice (Poland) meeting of the UNFCCC, while in February Simon Brimblecombe and Gábor Hanák attended a meeting of the UNEP FI Principles of Sustainable Insurance in Munich, Germany.

With the Washington meeting, Rade Musulin has stood down as Chairperson of the REWG due to his full-time move to Australia. He was thanked for his service. Micheline Dionne will become a co-vice-chairperson of the REWG.

Social Security Committee

Barbara D’Ambrogio-Ola, Chairperson



Thirty members and invited guests representing various countries throughout the world participated in our meeting in Washington. It started with the hot topic of the IAA’s restructuring and the future role the SSC can play. Invited guest Charles Cowling, Chairperson of the Renewal Task Force, gave an update and answered our questions.

The SSC leadership participated in the abovementioned IAA–WB–IMF Pension and Social Security Forum on May 13. Barbara and invited guest Mitchell Wiener, representing the WB, gave a short presentation on topics discussed during the day. Afterwards, we had a lively discussion on such important issues such as disclosures of household pension assets in Europe, discount rates to be used in valuations of social security assets and liabilities, modelling challenges and more.

Assia Billig, Co-vice-chair of the SSC, presented the new self-adjustment mechanism proposed for the Canada Pension Plan. A representative of Japan, Nobu Shimizu, gave an interesting presentation about social security system in his country.

Attendees heard about developments in respect of ongoing projects. A paper entitled “Balancing Adequacy and Sustainability in Social Security Systems” is being reviewed by the CSC. After its members’ comments are addressed, the final version will be sent to SSC members for approval. As part of the Analysis of Workers Compensation Systems throughout the World project, a survey was carried out during December. Aldona Skučaitė, Co-vice-chair of the SSC, presented initial results. It was agreed that the number of countries covered needs to be increased and the scope of the project should address coverage of the informal labour market.

David Bogataj, Chairperson of the Mortality Task Force of the AAE Social Security Subcommittee, briefly discussed the AAE paper “Meeting the Challenge of Ageing in the EU” released in March. We also heard updates on activities of the ISSA and the PIWG.

OUTCOME OF SECTION BOARD MEETINGS

AWB

Mike Smith, Chair



AWB held its Annual General Meeting in Washington on May 16. Chair Doug Carey opened it by welcoming all in attendance, and presented the Treasurer’s Report for Treasurer Steven Glicksman, who was unable to attend. Executive Director Renata De Leers presented the Annual Report, highlighting past, present and future accomplishments of AWB to the meeting attendees.

At the meeting, three members of the AWB Board completed their terms: Chair Doug Carey, Vice-chair Gayane Arsenyan and Secretary Dilara Asadova. We thank each for their dedication and their service to AWB as Board members and Officers, and look forward to their continuing efforts in furthering the AWB mission.

IAA Delegates Mary Frances Miller and Jules Gribble oversaw the election for new Board members and Officers. From the results of an electronic ballot, three new Board members were elected: Thanuja Krishnaratna, Sonal Shah and Mike Smith. Each Board member’s mission is to promote AWB activities, recruit new members and find new projects for our AWB members. The Board then voted in Mike Smith as Chair, Arpita Das as Vice-chair and Vladimir Bubalov as Secretary, with Steven Glicksman continuing as Treasurer and Renata De Leers as Executive Director.



AWB, in addition to managing its own projects, coordinates with and assists the A&A Committee and its regional subcommittees in the realization of their goals. AWB provides access to qualified and interested actuaries who may assist the A&A Committee and help with other IAA projects in addition to the multiple opportunities arising outside the IAA structure. A key role of AWB is managing these projects, for which it provides actuaries to ensure adherence to high-quality standards.

AWB expresses its sincere gratitude for your interest, your continued support and future collaboration in the achievement of the AWB and the IAA mission.

The next AWB Annual General Meeting will be held in May 2020 during the IAA Council and Committee Meetings in Brussels, Belgium.

IACA

Gerd Warnke, Chair



Nigel Sloam, IACA’s Vice-chair, reported on steps that will be taken to strengthen IACA’s marketing efforts. An important part of this will be the development of a website that allows easy interaction with members and that also works well with social media.

A decision was made to increase the frequency of the IACA’s newsletter, which will be issued every two months. This may result in fewer pages per issue, but with more actionable content.

The IACA rules will be amended to permit electronic voting. The proposed change to the rules will be prepared for in-person voting at the Brussels General Meeting in 2020. If passed, this will enable IACA to react quicker on emerging developments. IACA has also decided to allocate some of its travel expense budget to special tasks at the discretion of IACA’s Chair and Executive Director. The new travel expense rule will be included in the proposed changes to be voted on at the General Meeting.

IACA is exploring holding a colloquium in Dublin in 2021, together with IAALS. Bill Sayre, a representative from IAALS who was present at the IACA meeting, and Adam Reese, IACA’s Executive Director, reported on preliminary discussions they had held with Yvonne Lynch, the Irish Society of Actuaries’ Executive Director.

The Tender Warehouse is developing well as a member resource. As access is restricted to members, data analytics were obtained by the IAA Secretariat that showed that there had been almost 100 visits to the Warehouse page since January. A survey will be conducted of members to obtain feedback.

The preparations for the 2020 Paris Colloquium are under way, with the call for papers to be issued shortly. Doug Carey, IACA's 2020 Colloquium Chair, noted that there will be up to 15 parallel sessions where IACA will be able to give a presentation or present a paper. Doug is confident that there will be numerous interesting papers and presentations for the IACA program track.

NEXT MEETINGS



*IAA COUNCIL AND COMMITTEE MEETINGS
November 18-22, 2019 Tokyo, Japan*

The next meetings of the IAA Council and Committees will take place at the Westin Hotel in Tokyo, Japan, from November 18–22 at the invitation of the IAJ. Our room block with the hotel is now ready for booking. Please [click here](#) for venue information and to access the IAA group reservation link.

The schedule is in the works, and here is a sneak peek to start planning your trip:

- Sunday, November 17: Executive Committee (Part I)
- Monday, November 18: Presidential Town Hall
- Wednesday, November 20: Official dinner hosted by the IAJ
- Thursday, November 21: Council
- Friday, November 22: Executive Committee (Part II)

Further details will be posted on the IAA website as preparations continue.