



## RECENT PUBLIC STATEMENTS

- [International Public Sector Accounting Standards Board \(IPSASB\) Exposure Draft 34: Social Benefits: Disclosure of Cash Transfers to Individuals or Households and Consultation Paper on Social Benefits: Issues in Recognition and Measurement](#) The response was prepared by the Social Security Committee, chaired by Robert L. Brown. The IAA's comments were written from the perspective of actuaries involved in the provision of social insurance benefits. Long-term sustainability is of primary importance to actuaries, as they are often directly involved in projecting and evaluating the long-term sustainability of social security systems.
- [Pro-Active Accounting Activities in Europe \(PAAinE\) Discussion Paper: Distinguishing between Liabilities and Equity](#) The response was prepared by the Insurance Accounting Committee, chaired by Sam Gutterman. The interest of the IAA relates primarily to the implications of the proposed approach to distinguishing between liabilities and equity as it would be applied to insurance or other contracts offered by insurers, and in particular to contracts that contain participation features (PFs).
- [PAAinE Discussion Paper: Financial Reporting of Pensions](#) The response was prepared by the Pensions and Employee Benefits Committee, chaired by Esko Kivisaari.
- [International Association of Insurance Supervisors \(IAIS\) Guidance Paper and Standard: Use of Internal Models for Regulatory Capital Purposes](#) The response was prepared by the Solvency Subcommittee of the Insurance Regulation Committee, chaired by Stuart Wason.

## EXPOSURE DRAFTS

**Preliminary Exposure draft:** Potential IAA Standards regarding International Financial Reporting Standards – IASP 2 Revised – Actuarial Practice

**Deadline September 30, 2008**

## IAA Newsletter

July 2008

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### OFFICERS - 2008

David G. Hartman, President  
Yves Guérard, Secretary General  
Katsumi Hikasa, President-Elect  
Hillevi Mannonen, Immediate Past President

## MICRO-INSURANCE

The topic of micro-insurance is gaining much attention these days. A group of actuaries gathered in Quebec City to discuss what the profession can do in this area and agreed that a Task Force of the IAA would be in order. Steps are now being taken to identify individuals interested in working on this. Please contact the [Secretariat](#) if you wish to have your name added to the list.

If you are interested in the topic of micro-insurance, read the attached [newsletter](#) published by CGAP.



To subscribe to the newsletter in English, French or Spanish, send an email to: [insurance@microfinance.lu](mailto:insurance@microfinance.lu)

[ILO Microinsurance Innovation Facility – Find out more](#)

## ENTERPRISE RISK MANAGEMENT and FINANCIAL ECONOMICS

### ERM Webinar

A major event this year has been the successful running of the international “Webinar” on Enterprise Risk Management held on January 16. David Ingram, a member of the IAA’s Enterprise and Financial Risks Committee (EFRC), was instrumental in developing and launching this event with organisational support provided by the Society of Actuaries (SOA) in the United States. A number of EFRC members participated in the event program as speakers.

The Webinar, with its international participation and orientation, was an outstanding success with 530 registrations from 47 countries. From the completed surveys received, it is estimated that there was an average of three listeners per registration for a total of about 1,600 listeners.

This event is a great example of what international cooperation can achieve. Volunteers have already registered their willingness to repeat the Webinar, so be on alert for the announcement of the next event.

### Annual ERM Symposium

The annual ERM Symposium was recently held in Chicago April 12-14. This event has attracted over 500 participants each year in recent years. If you were not able to attend, you can now access recordings and handouts of most of the sessions at <http://www.ermssymposium.com/handouts.php>

### Report of the Financial Economics Task Force

The Financial Economics Task Force of the IAA Enterprise and Financial Risks Committee has been

working on a report for the last couple of years. This report has now been finalised and has been generally approved by the IAA committees dealing with pensions, insurance, risk and accounting.

The report deals with the main issues for actuaries in terms which do not require a PhD in the topic! It is encouraging that there has been a lot of convergence of thought over the last two or three years (since the Task Force was set up). But there are still areas where practise does not always match what should happen and it is hoped that this readable document will help move things along.

The [report](#) is available on our website. Members of the Task Force (originally led by Charles Gilbert and latterly by David Kingston) are available to present the report both to IAA and national organisations.

## IAA COUNCIL AND COMMITTEE MEETINGS – JUNE 11-14, 2008 – QUÉBEC CITY

The [Special Newsletter](#) issued on June 27 was a full report on the decisions taken during the IAA Council and committee meetings in Quebec City. If you missed it, you can still access it online. An electronic copy of the [Decennial Report](#), covering the years 1998 to 2008, was distributed and is accessible on the IAA Web site.

## NEXT COUNCIL AND COMMITTEE MEETINGS – NOVEMBER 1-4, 2008 – LIMASSOL, CYPRUS



The meeting schedule, registration form, bedroom reservation and tour details for the upcoming



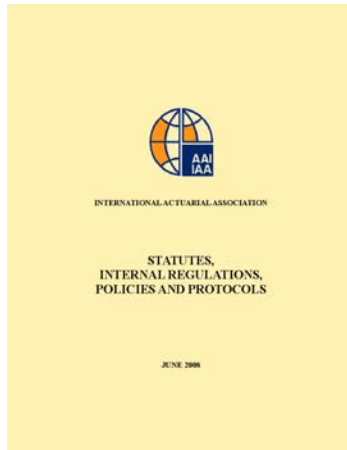
Council and Committee meetings in Limassol, Cyprus have been announced and are available online.

Visit

[http://www.actuaries.org/index.cfm?lang=EN&DSP=EVENTS&ACT=MEETINGS\\_LIMASSOL](http://www.actuaries.org/index.cfm?lang=EN&DSP=EVENTS&ACT=MEETINGS_LIMASSOL)

## IAA POLICIES AND PROCEDURES

At each IAA Council and committee meeting, delegates receive a hard copy of the [IAA Handbook](#) that contains all of our policies and procedures, including Statutes and Internal Regulations. If you were not able to attend our meetings in Quebec City, or if you have misplaced your copy, note that it is available online.



## OUTREACH

### International Association of Insurance Supervisors (IAIS) – Solvency & Actuarial Issues Subcommittee

On April 10, Stuart Wason, Chairperson of the Solvency Subcommittee of the Insurance Regulation Committee, made a [presentation](#) to the IAIS Solvency & Actuarial Issues Subcommittee titled Guidance paper on the use of internal models for risk and capital management purposes by insurers. Overall, the IAIS was very supportive of the April 2 draft and encouraged the IAA to work expeditiously to complete its work.

### First Iberian Congress of Actuaries

President David Hartman participated in the First Iberian Congress of Actuaries held in Lisbon, Portugal at the end of May. He delivered the keynote address titled [The IAA and Meeting the Challenges to the Actuarial Profession](#).

### China Association of Actuaries

Secretary General Yves Guérard represented us at the launch of the China Association of Actuaries on May 9 in Beijing, China. His [address](#) is available online. The IAA provided a gift of a special bound volume of the two issues of the ASTIN Bulletin for 2007, as well as a 160GB Maxtor USB, bearing the following inscription:

*Presented by the  
International Actuarial Association*

*on the occasion of the  
official launch of the*

*中国精算师协会  
China Association of Actuaries*

*Beijing, 9 May 2008*

The covering presentation letter reads as follows:

*To: China Association of Actuaries*

*Please accept this gift as a symbol of the portability and accessibility of the scientific knowledge held in the common actuarial database available to the global actuarial profession.*

*More importantly, accept it as an initial contribution to your Enterprise Risk Management planning. May it contribute to the security of your system and protect your Association against the unexpected.*

You can view more photos of the launch ceremonies at the following links.

**May 8:**

<http://community.webshots.com/album/563616308gCwUJy?vhost=community>

**May 9:**

<http://good-times.webshots.com/album/563616219bZbJPC?vhost=good-times>



## World Bank

A delegation of the IAA Social Security Committee comprising Robert Brown (Chairperson), Jan Hagberg (Vice-Chairperson), Jean-Claude Ménard and Ken Buffin, participated in a meeting with eight senior officials from the World Bank. Among the positive results of this meeting were renewed efforts for enhanced cooperation between the two organizations, for finding ways of using actuarial stochastic valuations to evaluate financing of social security schemes, and for holding more joint conferences.

The WB and IAA are both users of mortality projections. The WB would welcome a proposal by the IAA to develop reliable mortality estimates, especially for low-income countries where such estimates do not exist. There is a need to have specific mortality tables by level of income. In that regard, the projections from the United Nations may not be accurate enough. As a first step, the proposal would respond to two questions: Why do we need such mortality estimates? How could the IAA produce such estimates?

The WB also welcomed the IAA proposal to offer actuarial expertise on health care issues.

## Society of Actuaries – Spring Meeting

Francis Ruygt, Co-Chairperson of the Actuarial Standards Subcommittee and Co-Vice-Chairperson of the Insurance Accounting Committee chaired session 67 on risk margins at the SoA Spring meeting in Quebec City June 17 and 18. His [presentation](#) is available online.

## NEWS FROM YOUR SECTIONS

### IAAHS, IACA, PBSS

A very successful Joint Colloquium of the IACA, PBSS and IAAHS Sections of the IAA took place in Boston, USA from 4 to 7 May 2008. This was the first time that three sections had jointly organised a conference, apart from the four-yearly International Congresses of Actuaries. Bringing together around

200 participants and 25 accompanying persons from 34 countries, this was a truly international and diverse occasion.

Although predominantly focused on pensions, social security and health issues, the program featured sessions from all areas of traditional actuarial practice, as well as some new areas, such as determining the liabilities of the State of West Virginia in respect of environmental reclamation and restoration of coal-mining sites!



In the opening plenary session the President of the IAA, David G. Hartman, gave a presentation on [Global challenges and opportunities facing the Actuarial Profession](#). The Chairmen of the three participating IAA Sections, Mike Toothman (IACA), Chris Daykin (PBSS) and Howard Bolnick (IAAHS)

took part in a panel discussion with Dave, facilitated by Paul Thornton, in which they gave their assessment of the areas of greatest change facing members of their respective Sections over the next 10 years, what actuaries will need to do to meet those challenges and how well-placed the actuarial profession is to compete with other professions and experts.

A repeated theme, taken up by several speakers in the closing session, was the need for actuaries to avoid a narrow technical focus and take time to understand the broader environment and the potential impact that the results of technical actuarial work might have. In both the social security and health fields, actuaries need to work alongside economists and other technical experts, many of whom have traditionally been much more broadly focused than actuaries.



In total there were 25 submitted papers and 48 sessions. The program is on the [Colloquium website](#) with links to all the papers and presentations.

At the IACA dinner Paul Thornton was presented the Max Lander award for his contributions to the consulting actuarial profession.



## LIFE

The Society of Actuaries (SOA) hosted the 2nd Life Section Colloquium in conjunction with its Life Spring Meeting in Québec City, Canada in June. The Life Section co-sponsored sessions with the SOA on June 16 and 17, and on June 18, the Casualty Actuarial Society and the Canadian Institute of Actuaries were additional sponsors.

The [presentations](#) for Life Section sessions are available online.

## ASTIN

The 38<sup>th</sup> ASTIN Colloquium hosted by the UK (United Kingdom) Actuarial Profession in Manchester, UK from July 13-16, 2008 attracted 170 attendees.

The invited speakers covered a variety of topics. Julia Slingo, Director of the Centre for Global Atmospheric Modelling, Department of Meteorology, University of Reading, UK, gave a very persuasive presentation on the reality of global warming. Professor Christian Genest of Laval University gave a presentation titled "Accounting for Extreme-Value Dependence in Multivariate Data." The fourth plenary session was given by David Ingram of Standard & Poor's who talked about Insurance Enterprise Risk Management. In addition to the

plenary sessions, there were 45 papers which were presented in concurrent sessions.

The papers and presentations are available online on the [Colloquium website](#).

Jean Lemaire, who has been a member of the ASTIN Committee since 1981, was elected an Honorary Chairman of ASTIN – only the third in its 51 year history.

## AFIR

The 18th International AFIR Colloquium is being hosted by the Istituto Italiano degli Attuari and will be held in Rome, Italy, October 1-3, 2008. A call for papers has been issued and more details are available on the official AFIR Website at [www.IAA-AFIR.org](http://www.IAA-AFIR.org)

## JOIN or RENEW YOUR MEMBERSHIP IN THE IAA SECTIONS

Annual membership fees for all sections are low at \$40 CAD each (except for AWF whose dues are \$20 CAD). If you are not already a member, it is not too late to join. Contact your home association.

## CONGRESSES

The next Congress is less than two years away!! It will take place in Cape Town, South Africa March 7-12, 2010. Read the [third Congress newsletter](#) to learn more. Visit their website often [www.ica2010.com](http://www.ica2010.com) to follow developments and pre-register.

The Congress following this one will be held in Washington, D.C. from March 30 to April 4, 2014.

Congresses are normally held every four years. Any association interested in organizing a future Congress of the IAA can signal its interest to the Member Services Committee by contacting [Chairperson Ibrahim Muhanna](#); the committee will consider all proposals received. The next open date is 2018. Two associations, the Institute of Actuaries of Australia and the Deutsche



Aktuarvereinigung e. V. (DAV) of Germany, have submitted separate proposals to host the 2018 Congress.

## Congress Bursaries

It has been a long-standing tradition amongst actuaries in the IAA to subsidize their fellow actuaries from developing countries to allow them to participate in our most prestigious event, the international Congress.

The IAA is now seeking financial support to provide bursaries for the upcoming 29th International Congress of Actuaries which will be held from 7-10 March 2010 in Cape Town, South Africa. Your generous donations will help you make a difference in the developing actuarial world.

The [call for contributions](#) is available online.

## LONG RANGE PLANNING

The International Actuarial Events Calendar is the perfect tool for your long-range planning. Visit it often through the link on the IAA's home page. Member associations are encouraged to post their events in the calendar to make the tool as useful as possible. If you have misplaced your association's login and password, send an email to [secretariat@actuaries.org](mailto:secretariat@actuaries.org).

## NEWS FROM MEMBER ASSOCIATIONS

### Casualty Actuarial Society (CAS), United States

#### New Issue of Variance: Advancing the Science of Risk

The third issue of Variance, which was released last month, includes papers on methods of loss reserving, impact of capital level on premiums and shareholder return, stochastic modeling, credibility modeling, and more. Papers can be accessed at [www.VarianceJournal.org](http://www.VarianceJournal.org).

If you've developed a unique way to solve a problem, share your ideas with the rest of the actuarial community by submitting a paper to Variance. Submissions guidelines and other information for authors can be found on the Variance Web Site.

### 2008 Discussion Papers Now Available

"Practical Applications of Multivariate Statistics" was the topic of the CAS's 2008 Discussion Paper Program. The papers were presented last month at the CAS Spring Meeting in Quebec City, Quebec and are now available on the CAS Web Site.

### Casualty Loss Reserve Seminar Set for Washington, D.C.

The 2008 Casualty Loss Reserve Seminar (CLRS) will be held at the Omni Shoreham in Washington, D.C. on September 18 and 19. The CLRS is an opportunity to present and discuss significant loss reserving issues and their related financial reporting implications. The CAS, the American Academy of Actuaries, and the Conference of Consulting Actuaries have devised this year's program to include a range of topics to interest professionals and students from a wide array of disciplines, including insurance, accounting, and risk management. See [www.casact.org/clrs](http://www.casact.org/clrs) for details.

### Changes to the CAS Basic Education Structure

After years of study and discussion, the CAS Board of Directors approved changes to the CAS basic education structure that will affect current Exams 5-9. Details on the changes are available in the Admissions section of the CAS Web Site.

### Mark Your Calendar for the CAS Annual Meeting

The 2008 CAS Annual Meeting will be held at the Sheraton Seattle Hotel & Towers in Seattle, Washington from November 16-19. Non-members are encouraged to attend and take advantage of the multiple sessions and networking opportunities.

For more information on these initiatives and other CAS events, please visit the CAS Web Site, [www.casact.org](http://www.casact.org)





## NEWS FROM INSTITUTIONAL MEMBERS

### International Social Security Association (ISSA)

The Technical Commission on Statistical, Actuarial and Financial Studies of the ISSA has agreed to holding a technical seminar in Limassol, Cyprus on 30-31 October 2008. This seminar will provide a key platform for exchanges on the theme "Optimal funding of social security pension schemes". The purpose of this technical seminar is to bring economists and actuaries together to debate on competing views of social security pension design. It is expected that around 100-120 participants will attend from various ISSA organizations.

## MISCELLANEOUS

### Actuarial Sciences for Africa

This project was started in 2006 in order to establish a thorough and professional actuarial education at the Bachelor and Master Level for West Africa in Benin. The project is in co-operation with the private economic institute ISM-Adonai in Benin, the state university of Benin (UAC) and the University LMU in Munich, Germany.

The initiative is supported by reputable academics, universities and sponsors from the fields of science, culture and business, and it is an example of an innovative development action at a high educational level. The education is performed partly by local professors, but mainly by actuarial lecturers from abroad. These lectures by foreign experts are held in form of block courses.

In the context of this project, a programme is also being set up to lay the foundation for an effective and efficient supervisory structure in Benin. In January 2008 a Fact Finding Mission of representatives from LMU, Munich, visited Benin in order to investigate possibilities for support and lay the basis for establishing closer relationships with African universities. A study published in 2007 by the "United Nations Conference on Trade and

Development" elaborates that actuarial education is one of the key elements for the development of a stable and efficient insurance industry.

With this initiative for establishing an actuarial education in Benin, an important step towards a self-supporting and lasting economic development is being implemented. Any support for the project would be highly welcome.

For further details visit

[www.actuarialsciencesforafrica.org](http://www.actuarialsciencesforafrica.org) or  
[contact@actuarialsciencesforafrica.org](mailto:contact@actuarialsciencesforafrica.org)

### 40 Years of Actuarial Education at Australian Universities

On Monday, 29 September 2008, Macquarie University is holding a one day conference marking 40 years of Actuarial Education at Australian Universities. Hopefully this will evolve into an annual or biannual Actuarial Education Conference rotated between the Australian "actuarial" universities.

You are invited to contribute and participate. Please pass on this announcement to anyone who may be interested.

Themes of the conference and other details are available at: [www.actuary.mq.edu.au/aaac](http://www.actuary.mq.edu.au/aaac)

### Growth in Actuarial Population!

#### IAA volunteers produce more actuaries!!

It is with great pride that two of our volunteers saw their children receive their actuarial Fellowships: Jonathan Daykin of the United Kingdom, son of Chris and Kate (also an actuary), and Andrea Bykerk Christopherson of the United States, daughter of Cecil and Loree Bykerk.



*L to R: Kate Daykin, Chris Daykin, Jonathan Daykin, Nick Dumbreck, then President, Institute of Actuaries, United Kingdom*



*L to R: Cecil Bykerk, Andrea Bykerk Christopherson, Ed Robbins, Immediate Past President, Society of Actuaries*

## Actuarial Books Available

The IAA still has available several actuarial books ranging from seminar, congress and colloquia transactions to the proceedings of various actuarial associations such as the United Kingdom Institute, the Society of Actuaries and the Canadian Institute of Actuaries, to books on topics of actuarial mathematics and science. The IAA is ready to donate these books to actuarially developing associations for whom these would be an asset,

subject to the association assuming the cost of shipping. Please contact [Céleste Leclerc](#) at the IAA Secretariat if you are interested in consulting the full list.

## OTHER EVENTS

### European Actuarial Academy Seminars

#### Pricing in General Insurance

October 1st to 3rd, 2008  
St. Petersburg, Russia

organised by the European Actuarial Academy EAA in co-operation with the Russian Guild of Actuaries.

#### Introduction

A competent pricing in general insurance is a very important function enabling a successful management of an insurance company. It is based on high-levelled statistic and stochastic actuarial knowledge, used in all types of general insurance, but differently with regard to various product lines.

This seminar will focus on practical knowledge and actuarial techniques required for an efficient product development in non-life insurance.

Registration and seminar details are available at [www.actuarial-academy.com](http://www.actuarial-academy.com).

#### Reserving in Non-Life Insurance

November 6th – 8th, 2008  
Brussels / Belgium

organised by the European Actuarial Academy EAA in co-operation with the Association Royale des Actuaire Belges.

#### Introduction

Forecasting future claims development plays a major role in non-life insurance. This holds for pricing purposes as well as for reserving, where the IBNR-reserve of a company for not yet (fully) reported claims can grow to several times its yearly premium income.





The calculation of IBNR-reserves is a careful process, because slight changes in model assumptions may have a huge impact on the resulting reserve. In the past decades, IBNR-models have evolved from simple calculation methods to advanced stochastic models which can capture reality better and better.

In this seminar the process of IBNR-reserving will be pursued in a systematic way and at an introductory level. This will be done by taking into account the context of reserving, because it is not a stand-alone activity, it is a part of integral risk and capital management.

Registration and seminar details are available at [www.actuarial-academy.com](http://www.actuarial-academy.com).

## MEMBER SERVICES

### Virtual Actuarial Library

Do you know that the IAA Web site gives you access to a Virtual Actuarial Library? The icon labelled "Virtual Actuarial Library" launches a search into a seamless universe comprising over 200,000 documents from over 70 sites of interest to actuaries such as the libraries of actuarial associations, a number of academic libraries and international organisations, etc. A search box is also available on the homepage. As you search only within a selected group of sites, this drastically reduces the number of non relevant answers. You can further narrow the search universe by selecting in or out specific libraries by document type and by year. Within the whole universe or the part you selected, your search proceeds automatically from a single click; you do not need to write down the addresses one by one.

The search tool itself is quite flexible in helping you define your search algorithm through a combination of AND, OR, NOT, NEAR, etc. You can build detailed search queries by using the "Advanced Search" option and get detailed instructions by clicking on "Help". Of course you can use the

automatic translator to insert key words in other languages to widen your search algorithm.

We have assembled this Virtual Global Actuarial Library to facilitate access to our core body of actuarial knowledge and to professional information of interest to actuaries. We believe this search tool is a very efficient way of sharing knowledge within the global actuarial profession and of improving the quality of actuarial services around the world. Although we have publicized this library on numerous occasions, we note that the rate of utilization remains limited. Anecdotal evidence indicates that many members are not aware of the existence of this tool or are not aware that, as a full member of a Full member association of the IAA, they are members of the IAA and have free access to all these services.

As use of the Search tool increases, we expect to receive suggestions for the inclusion of target sites that we have not yet integrated into the database. If your site is not included in the Virtual Actuarial Library or if you know of other useful sites, please contact Christian Levac at [christian.levac@actuaries.org](mailto:christian.levac@actuaries.org) with any suggestion or comment on the use of the tool itself.

### Online Translation

When you find an interesting document, if you wish to the document translated select your text or copy the URL, and proceed to the icon labelled "Online Translation", which allows you to translate it into one of the 8 languages supported by our customized translation tool. The languages are Chinese, English, French, German, Japanese, Spanish and Russian. Do not expect polished translations. We are working on improving the results by adding terms and expressions in a custom actuarial dictionary, but it is still a work in progress. However, it will give you the gist of the document or message and will allow you to decide if you wish to have it professionally translated.