



SOCIETY OF ACTUARIES

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IFAA approved in Brussels

by Curtis E. Huntington

As a result of actions taken on September 9, 1995, in Brussels, Belgium, the International Actuarial Association (IAA) has a new section — the International Forum of Actuarial Associations. The Society of Actuaries (SOA) is one of the full founding members of the IFAA. Robert Collett, president and chief executive officer of Milliman & Robertson and current chair of the Committee on International Relations, will serve as the Society's first IFAA delegate.

The IFAA came into being after receiving a unanimous vote of endorsement from the IAA Council in Brussels, held in conjunction with the recent International Congress of Actuaries. As Article 2 of the IFAA regulations explains, "Recognizing the important and increasing role of actuaries throughout the world, the IFAA has as its principal objective the promotion, across international boundaries, of high standards of professionalism and education within the world's actuarial associations."

Article 3 details some specific actions that fall within this broad objective, including "a forum for discussion among actuarial associations of matters relating to the initial and continuing education of actuaries, professional conduct and discipline, the role of actuaries in relation to matters of government regulation and public policy, and the setting of standards of practice in relation to particular national and international jurisdictions."

In addition, the IFAA is empowered to "accredit those actuarial associations which meet agreed requirements in relation to the education and professionalism of their members" and "suggest, where appropriate, international standards of practice." The IFAA is specifically directed to "avoid overlap or duplication with the activities of regional groups of actuarial

associations." This last provision recognizes some of the existing regional cooperative agreements existing in Europe and North America.

To become a full member, an organization has to have in place a code of professional conduct that "includes the common principles accepted in November 1992 by the actuarial associations affiliated to the Groupe Consultatif des Associations d'Actuaries des Pays des Communautés Européennes, or which substantially conforms to these principles." This is the group of actuarial associations from countries in the European Union. Organizations must also have a formal, professional discipline process in place, as well as a formal process for adopting standards of practice if appropriate.

The IFAA will be directed by a committee of delegates composed of a chair, a deputy chair, the immediate past chair, one delegate from each full member and associate member, and two persons appointed by the IAA council. The president of the IAA will serve as the immediate past chair during the first full term of the IFAA. Paul McCrossan, currently a member of the SOA Board of Governors and head of the working group that developed the regulations, will serve as the initial chair. Walter Rugland, former SOA president, will serve as one of the two council appointees.

The IFAA committee itself will use a weighted voting system. Associations with up to 75 fully qualified actuaries will be eligible for one vote, grading up to four votes for associations with 1,501 or more fully qualified actuaries. The Society of Actuaries, as one of the largest actuarial associations in the world, will qualify for four votes.

Initially, the IFAA intends to establish three subcommittees. The accreditation subcommittee will be charged with examining applications for full membership or associate

membership and for bringing recommendations forward to the IFAA committee on a timely basis. The education subcommittee will be charged with recommending the minimum endorsed educational requirements for all new fully qualified actuaries of full member associations of the IFAA after the year 2005.

Finally, a third subcommittee will be organized to develop a due process to be followed in making representations on behalf of the profession.

Curtis E. Huntington is professor of mathematics at the University of Michigan and will serve on the new committee as the delegate representing the American Society of Pension Actuaries (ASPA). He can be reached at his e-mail address chunt@math.lsa.umich.edu

Fair Value of Insurance Liabilities Conference

A conference based on the papers submitted in response to the call for papers on "Market Valuation of Insurance Liabilities" will be held December 7 and 8 at New York University. Irwin Vanderhoof, editor of the hardbound publication that will be based on the papers, is organizing the conference's content. Formal discussions from the accounting profession, Wall Street, the SEC, and the academic community are being invited. Copies of accepted papers will be available immediately after the conference, and the hardbound publication will include accepted papers and discussions presented at the conference. Comments or questions should be directed to Warren Luckner at the Society of Actuaries' Research Department, phone: 708/706-3572; fax: 708/706-3599; or e-mail at 73462.21@compuserve.com