

# NORTH AMERICAN ACTUARIAL COUNCIL | Annual Report 2009–2010

Moving the actuarial profession forward in North America



## ▶ TABLE OF CONTENTS

### **What NAAC Does**

Participating Organizations .....	1
Guiding Principles of NAAC .....	2
Looking Ahead .....	3

### **2009–2010 NAAC Accomplishments**

Tri-Country Cross-Border Agreement on Discipline .....	4
Organization Staff Collaboration Meeting .....	4
Promoting Continuity.....	4
NAAC SharePoint Site .....	4
NAAC Collaborative Research Group .....	4
NAAC at the International Association of Actuaries .....	5
Increased information-sharing among NAAC Member Organizations.....	5

### **NAAC Members and Staff**

Council Members.....	6
Council Photos .....	8
Staff .....	10

### **Appendix**

Participating NAAC Organizations.....	11
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### PARTICIPATING ORGANIZATIONS

The North American Actuarial Council (NAAC) brings together the nine national actuarial organizations on the North American continent:

- American Academy of Actuaries (Academy) (U.S.-based)
- ASPPA College of Pension Actuaries (ACOPA) (U.S.-based)
- Asociación Mexicana de Actuarios (AMA)
- Asociación Mexicana de Actuarios Consultores (AMAC)
- Canadian Institute of Actuaries (CIA)
- Casualty Actuarial Society (CAS) (U.S.-based)
- Colegio Nacional de Actuarios (CONAC)
- Conference of Consulting Actuaries (CCA) (U.S.-based)
- Society of Actuaries (SOA) (U.S.-based)

The primary purpose of NAAC is to build solid and lasting bridges between the professional actuarial organizations of North America. It provides a forum to promote coordination, cooperation, and trust among the leadership of the participating organizations, who represent actuaries in Canada, Mexico, and the United States. In this spirit, NAAC members exchange and share information on significant current activities, discuss profession-wide issues (not necessarily involving all Participating Organizations) and, wherever possible, develop an action plan to address those issues.

For example, NAAC:

- Seeks to develop a coordinated vision of the future direction of the actuarial profession in North America.
- Discusses international issues from a North American perspective and, if appropriate, establishes joint positions and strategies for pursuing those positions outside of North America.
- Serves as a forum to encourage the resolution of conflicts between two or more of the Participating Organizations.
- Works in a coordinated manner to address issues—where overlap of efforts exist—to make the most efficient use of the North American actuarial profession's resources.
- Identifies and promotes forums, activities, contacts, and events that can broaden organizational communications among other leaders and members of the profession.

## GUIDING PRINCIPLES OF NAAC

Section 2 of the North American Actuarial Council Working Agreement provides the official description of NAAC's purpose. It is published in the NAAC Manual and is included in publications distributed by the Participating Organizations to their members.

The Participating Organizations jointly acknowledge that:

- The operating environments in the three North American countries are very different,
- The Participating Organizations' members expect the organizations to leverage resources and take appropriate advantage of synergies, and
- Increased information sharing and dialogue among the Participating Organizations has the potential to yield collective insights valuable to each organization.

Accordingly, the Participating Organizations define NAAC's purpose as follows:

1. NAAC is to be a catalyst for dialogue on key issues facing the North American actuarial profession.
2. NAAC is to be a facilitator of opportunities for leveraging of resources across organizations.
3. NAAC is to be a source of knowledge in identifying conditions, trends, assumptions, and key issues affecting the North American actuarial profession and benchmarking best practices among member organizations.
4. NAAC is to be a forum for information sharing on current and potential activities among the North American actuarial organizations.
5. NAAC is to be a forum where networking occurs and camaraderie is built among the leaders of the North American actuarial organizations.

In fulfilling its purpose, NAAC shall abide by the following guiding principles:

- The conditions, cultures and perspectives of each individual country and their member organizations will be respected and valued.
- The autonomy of each member organization to pursue its mission and purpose will be preserved.
- The public interest will always be a primary consideration.
- The best interests of the profession will always be considered.

## **LOOKING AHEAD**

Leaders of NAAC member organizations are responsible for supporting the spirit and communicating the content of the Working Agreement to their respective organizations. In the years to come, NAAC shall serve as a forum for the exchange of ideas, common problems, and common solutions for the myriad issues facing the North American actuarial community.

## ▶ 2009–2010 NAAC ACCOMPLISHMENTS

### **TRI-COUNTRY CROSS-BORDER AGREEMENT ON DISCIPLINE**

NAAC continued to discuss a tri-country cross-border discipline agreement among Canada, Mexico, and the United States. Through in-person meetings and conference calls, NAAC's two task forces on this issue—the Task Force on a Trilateral Cross-Border Discipline Agreement and the Task Force to Describe Actuarial Work in Another Jurisdiction—continued to make progress toward a draft agreement.

### **ORGANIZATION STAFF COLLABORATION MEETINGS**

In accordance with a NAAC recommendation, staff from all the actuarial organizations—primarily those who report to the executive directors—continue to meet regularly. The executive directors and approximately 25 staff members from various organizations discuss how to share work, such as research, event planning, and communications resources. The presidents of each organization also attend this meeting. To date, Collaboration Meetings have taken place in January 2008, August 2008, January 2009, September 2009, and August 2010.

### **PROMOTING CONTINUITY**

NAAC maintains its recurring annual process for orienting new NAAC members and sustaining momentum from year to year. Outgoing presidents report on current and resolved NAAC issues. The NAAC Manual, posted on NAAC's SharePoint site and updated as needed, as well as current and past annual reports, also help to create continuity.

### **NAAC SHAREPOINT SITE**

The NAAC SharePoint site enables NAAC members to share files and documents, including meeting materials, approved minutes, the NAAC manual, the NAAC annual report, policy statements, and other information. Access is limited to authorized users only.

### **NAAC COLLABORATIVE RESEARCH GROUP**

The NAAC Collaborative Research Group was created at NAAC's February 2009 meeting. Its mission is six-fold:

- Share information about each organization's research priorities and initiatives;
- Promote collaboration;
- Minimize duplication;
- Brainstorm on topics for potential partnered research by the organizations;
- Identify research projects with a potential for public policy advocacy; and
- Coordinate funding as needed.

The Collaborative Research Group has been holding monthly conference calls. One project that resulted is joint SOA and CAS funding of a study on the risk of severe inflation and deflation. The group also has been sharing information on ongoing projects, among which are the Actuaries Climate Volatility Index, the work of the Joint Risk Management Section, and research on medical errors, retirement, and accounting.

## **NORTH AMERICAN PROFESSION AT THE INTERNATIONAL ACTUARIAL ASSOCIATION**

Each member organization of NAAC participates actively in the work of the International Actuarial Association, bringing the perspective and the expertise of Canadian, Mexican and U.S. actuaries to the twice-yearly meetings and ongoing work of the body that brings actuaries from across the globe together.

### **Development of Model International Standards of Practice for Financial Reporting**

NAAC member organizations have shared information on their divergent approaches to the emerging issue of model international standards of practice.

### **Standard Setters' Round Table (SSRT)**

The Standard Setters' Round Table has been meeting to explore whether standards can move toward convergence worldwide; NAAC members have been examining and discussing the Round Table's ongoing work.

## **INCREASED INFORMATION SHARING AMONG NAAC MEMBER ORGANIZATIONS**

### **Disciplinary Reform in the United States**

Lawrence Sher, a member of the Council of U.S. Presidents (CUSP), reported to NAAC on CUSP's current efforts to overhaul the U.S. profession's disciplinary system and processes. He reported on the proposed system's structure and on the steps each U.S. actuarial organizations must take to ensure it is implemented

### **Mexican Members' Presentation on Implementing Solvency II in Mexico**

NAAC's Mexican members shared information on how Mexico is undergoing the change to a financial reporting system based on Solvency II principles. They have described the economic, political, and regulatory challenges arising from Solvency II.

### **Mexican Members' Presentation on the Mexican Actuarial Profession**

Mexican members in April 2010 gave a presentation on the widely varied fields in which actuaries work and on the relationship between their university-based credentialing system and the profession.

## ▶ NAAC MEMBERS AND STAFF

The North American Actuarial Council is composed of up to two officers of each Participating Organization. One of the two officers is the President of the Participating Organization, and the other is usually the President-Elect, although an organization can appoint another officer it considers more appropriate.

### 2010 NAAC COUNCIL MEMBERS

#### Academy

- President: ..... Ken Hohman
- President-Elect: ..... Mary Frances Miller

#### ACOPA

- ASPPA President-Elect: ..... Thomas Finnegan
- ACOPA President-Elect: ..... Annie Voldman

#### AMA

- President: ..... Luis Álvarez
- Vice President: ..... Crisóforo Suárez

#### AMAC

- President: ..... Jorge Fonseca
- Vice President: ..... Armando Orta

#### CIA

- President: ..... Micheline Dionne
- President-Elect: ..... Jim Christie

#### CAS

- President: ..... Roger Hayne
- President-Elect: ..... Ralph Blanchard

#### CONAC

- President: ..... Ángeles Yáñez
- Vice President: ..... Jesús Zúñiga

#### CCA

- President: ..... Lawrence Sher
- President-Elect: ..... Adam Reese

#### SOA

- President: ..... Michael McLaughlin
- President-Elect: ..... Donald Segal

## 2009 NAAC COUNCIL MEMBERS

### Academy

- President:..... John Parks
- President-Elect: ..... Ken Hohman

### ACOPA

- ASPPA President: ..... Stephen Dobrow
- ASPPA Senior Vice President:.. Thomas Finnegan

### AMA

- President:..... José Manuel Méndez
- Vice President:..... Luis Álvarez

### AMAC

- President:..... Adalberto Rojas
- Vice President:..... Jorge Servín

### CIA

- President:..... Robert Howard
- President-Elect: ..... Micheline Dionne

### CAS

- President:..... John Kollar
- President-Elect: ..... Roger Hayne

### CONAC

- President:..... Ángeles Yáñez
- Vice President:..... Jesús Zúñiga

### CCA

- President:..... Lance Weiss
- President-Elect: ..... Lawrence Sher

### SOA

- President:..... Cecil Bykerk
- President-Elect: ..... Michael McLaughlin

## COUNCIL PHOTOS



**Ken Hohman**  
Academy  
*President 2010*  
*President-Elect 2009*



**Mary Frances Miller**  
Academy  
*President-Elect 2010*



**John Parks**  
Academy  
*President 2009*



**Thomas Finnegan**  
ACOPA  
*ASPPA President-Elect 2010*  
*ASPPA Senior Vice President 2009*



**Annie Voldman**  
ACOPA  
*ACOPA President-Elect 2010*



**Stephen Dobrow**  
ASPPA  
*President 2009*



**Luis Álvarez**  
AMA  
*President 2010*  
*Vice President 2009*



**Crisóforo Suárez**  
AMA  
*Vice President 2010*



**José Manuel Méndez**  
AMA  
*President 2009*



**Jorge Fonseca**  
AMAC  
*President 2010*



**Armando Orta**  
AMAC  
*Vice President 2010*



**Adalberto Rojas**  
AMAC  
*President 2009*



**Jorge Servin**  
AMAC  
*Vice President 2009*



**Micheline Dionne**  
CIA  
*President 2010*  
*President-Elect 2009*



**Jim Christie**  
CIA  
*President-Elect 2010*



**Robert Howard**  
CIA  
*President 2009*



**Roger Hayne**  
CAS  
*President 2010*  
*President-Elect 2009*



**Ralph Blanchard**  
CAS  
*President-Elect 2010*



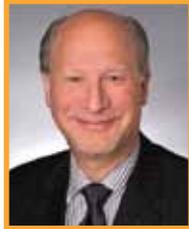
**John Kollar**  
CAS  
*President 2009*



**Lawrence Sher**  
CCA  
*President 2010*  
*President-Elect 2009*



**Adam Reese**  
CCA  
*President-Elect 2010*



**Lance Weiss**  
CCA  
*President 2009*



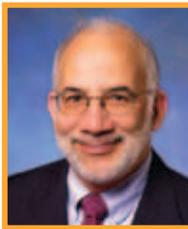
**Ángeles Yáñez**  
CONAC  
*President 2009–2010*



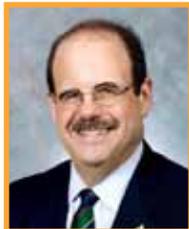
**Jesús Zúñiga**  
CONAC  
*Vice President  
2009–2010*



**Michael McLaughlin**  
SOA  
*President 2010  
President-Elect 2009*



**Donald Segal**  
SOA  
*President-Elect 2010*



**Cecil Bykerk**  
SOA  
*President 2009*

## STAFF PHOTOS

The executive directors of the Participating Organizations attend and participate in NAAC meetings, but are not members of NAAC and do not vote.

### Chief Staff Officers



**Mary Downs**  
Academy  
*Executive Director*



**Judy Miller**  
ACOPA  
*ASPPA Chief of Actuarial  
Issues and Director of  
Retirement Policy*



**Daniel Lapointe**  
CIA  
*Executive Director*



**Cynthia Ziegler**  
CAS  
*Executive Director*



**Rita DeGraaf**  
CCA  
*Executive Director*



**Mónica Orive**  
CONAC  
*Executive Director  
2009-2010*



**Greg Heidrich**  
SOA  
*Executive Director*

## OTHER STAFF

When appropriate, the Academy agrees to make its legal counsel available to NAAC; and to coordinate, upon request, with counsel for the CIA and the Mexican organizations. The Academy's general counsel is Gino Vissicchio; the Academy's assistant general counsel is Sheila Kalkunte.

Academy Senior Policy Analyst Claire Mickelson provides staff support for NAAC and for the Council of U.S. Presidents (CUSP). She can be reached at 202.223.8196 or at [mickelson@actuary.org](mailto:mickelson@actuary.org)

## **PARTICIPATING NAAC ORGANIZATIONS**

NAAC brings together the five national actuarial organizations in the United States, the three in Mexico, and the Canadian Institute of Actuaries. The missions of the nine Participating Organizations may be summarized as follows:

### **American Academy of Actuaries (Academy)**

The Academy serves the public on behalf of the U.S. actuarial profession. To accomplish this, the Academy provides objective actuarial information, analysis, and education for the formation of sound public policy; identifies and addresses issues on behalf of the public in matters where actuarial science provides a unique understanding; increases the public's understanding and recognition of the value of the actuarial profession; facilitates and coordinates issues of common interest among the U.S.-based actuarial associations; provides for the establishment, maintenance, and enforcement of high professional standards of actuarial qualification, practice, and conduct; and coordinates the representation of the U.S. profession globally. The vision of the Academy is for actuaries to be recognized as preeminent experts in risk and financial security.

### **ASPPA College of Pension Actuaries (ACOPA)**

All credentialed actuarial members of ASPPA are members of the ASPPA College of Pension Actuaries (ACOPA). ACOPA is a part of the American Society of Pension Professionals and Actuaries (ASPPA). The major goal of ASPPA and ACOPA is to educate all retirement plan professionals and to preserve and enhance the employer-based retirement system as an essential part of a national retirement income policy in the United States. ACOPA is responsible for identifying and addressing the professional development needs of the actuarial membership of ASPPA. ACOPA is also the primary source of professional organizational support for pension actuaries, and is charged with carrying out ASPPA's responsibilities as one of the recognized U.S.-based actuarial organizations and as a member of NAAC.

### **Canadian Institute of Actuaries (CIA)**

The Canadian Institute of Actuaries is the national organization of the actuarial profession in Canada. The Institute is dedicated to serving the public through the provision by the profession of actuarial services and advice of the highest quality. To this end, the Institute promotes the advancement of actuarial science and sponsors programs for the education and qualification of members and prospective members. It maintains programs to ensure that actuarial services provided by its members meet accepted professional standards. The Institute also provides services to actuaries in Canada to assist them in the discharge of their professional responsibilities. The vision of the CIA is for actuaries to be recognized as the leading professionals in the financial modeling and management of risk and contingent events.

### **Casualty Actuarial Society (CAS)**

The purposes of the Casualty Actuarial Society are to advance the body of knowledge of actuarial science applied to property, casualty, and similar business and financial risks, to establish and maintain standards of qualification for membership, to promote and maintain high standards of conduct and competence for the members, and to increase the awareness of actuarial science. The vision of the CAS is to be the pre-eminent resource for education, knowledge, experience and applied research for those actuaries who specialize in property, casualty, and similar business and financial risks, including the field known as general insurance.

### **Conference of Consulting Actuaries (CCA)**

The Conference of Consulting Actuaries advances the quality of consulting practice, supports the needs of consulting actuaries, and represents their interests.

### **Mexican Association of Actuaries (AMA)**

The Mexican Association of Actuaries supports the Mexican actuarial profession in maintaining high standards of professional integrity and technical expertise, and thereby promotes the dignity of the profession and enhances the public's recognition of the profession's value.

### **Mexican Association of Actuarial Consultants (AMAC)**

The purpose of the Mexican Association of Actuarial Consultants is to advance the quality of actuarial consulting practice in Mexico by providing continuing education and business support services to Mexican actuaries in consulting practice.

### **National College of Actuaries (CONAC)**

The National College of Actuaries serves as the professional membership organization for all the actuaries licensed to practice in Mexico, regardless of their specialty area; advises the Mexican government concerning public policy matters with actuarial implications; and fosters actuarial education and research in Mexico.

### **The Society of Actuaries (SOA)**

The Society of Actuaries is an educational, research, and professional organization dedicated to serving the public and Society members. Its mission is to advance actuarial knowledge and to enhance the ability of actuaries to provide expert advice and relevant solutions for financial, business, and societal problems involving uncertain future events. The vision of the SOA is for actuaries to be recognized as the leading professionals in the modeling and management of financial risk and contingent events.