



ASTIN COMMITTEE – Madrid (Spain), 19 June, 2011

Attending: Harry Panjer, Nino Savelli, Hervé Odjo, Yuji Morimoto, Enrique de Alba, Louise Francis, Miguel Usabel, Glenn Meyers (IAA), Michiel van der Wardt, David Finnis, Tor Eivind Hoyland, Eric Dal Moro, Peter Boller, Andrew Cairns

Apologies: Jukka Rantala (IAA), Arne Sandström, Henk Kriek, Colin Czapiewski, Jose Luis Lobera

Guests: Julián Oliver (Spain), Luis Alvarez (Mexico) – all agenda item 3

Item 3 and 7 were joined sessions with the AFIR committee.

1. Call to order and welcome (12.00)

Harry Panjer welcomed everybody.

2. Approval of minutes of 2010 ASTIN Committee meeting

The minutes of the Cape Town meeting dated 7 March 2010 were approved without any comments.

3. Colloquia Reports

a) *Update from Spain 2011*

Julián Oliver (Spain) gave a short overview over the program of the current ASTIN Colloquium which is a joint conference for ASTIN, AFIR and CIBACT.

The total numbers of attendees are 160 delegates plus 41 invited guests. The number of accompanying persons is 9 + 15 invited. Spain is represented by 43 delegates, Germany by 29, Switzerland by 17, UK by 14 and France by 12 delegates.

The total number of submitted papers is 36 AFIR papers and 61 ASTIN papers. Of these were 11 ASTIN papers not accepted, and 5 AFIR and 9 ASTIN papers withdrawn. The total number of papers to be submitted is 31 AFIR papers and 41 ASTIN papers.

The expected financials are

- Income €113,525 ex VAT - €133,960 incl 18% VAT
 - 51 academics €26,500 incl. VAT
 - 132 other €104,260 incl. VAT
 - 8 accompanying €3,200 incl. VAT
- Expenses €116,739 ex VAT



- Guests €18,911
- Accompanying €1,800
- Reception €18,872
- Sessions €28,814 (with Mapfre being sponsor)
- Excursion €9,296
- Gala dinner €17,747
- Organization €27,297
- This will give a small loss at €3,214

b) Update from Mexico 2012

Luis Alvarez (Mexico) gave a presentation starting with a short video. The meeting will be held in Mexico from 1 – 4 October 2012. It will be a joint conference for ASTIN, AFIR and IAALS. Information will be available at http://www.actuaries.org/Mexico2012/Home_EN.html. The organizing committee is chaired by Enrique de Alba (ASTIN), Maria de Los Angeles Yáñez and (AFIR), Oliva Sánchez (Life).

Call for papers will be announced in July 2011. The meeting will also be a celebration of the 50 years anniversary of Association of Mexican Actuaries and of the 30 years anniversary of Association of Mexican Consulting Actuaries.

The Scientific committee consists of Roberto Bonilla, Sam Cox (Canada), Enrique de Alba, Paul Embrechts, Diego Hernández Rangel, Maria Teresa Moreno Muñoz and Josefina Rodriguez Mondragón (Spain).

Harry suggested that there should be a difference in the fee for people being member of one of the respective sections of IAA and people not. Bursaries is a discussion between the committee and the organizing committee. We will have to be sure that people getting bursaries also present a paper. It will be subject to joint administration case by case.

c) Update from Netherlands 2013

The meeting is still two years into the future.

4. Secretary's Report – Henk Kriek

Apart from the minutes of last years' meeting there is no separate Secretary's Report.

5. Treasurer's Report – Nino Savelli

a) 2010 financial report

Nino presented his financial report:

- “Since financial year 2005 ASTIN financial statements are made on a **calendar year basis**. The present Treasury Report regarding financial



statements of FY 2010 is submitted for the approval by the ASTIN committee to be held on 19th June 2011 in Madrid.

- Also the FY 2010 financial statements (as either FY 2008 and 2009) have been prepared by the IAA Secretariat and they are in accordance with **Canadian GAAP** and include some significant changes in accounting policies compared to previous ASTIN financial statements approved until FY 2007. Among those, it is worth to mention here that investments are as well measured at market value at each reporting date but unrealized gains and losses are recorded in the statement of changes in net assets, whereas realized gains and losses are recorded as investment income. Moreover, the reference currency is CAD instead of Euro. In the next tables, data regarding 2009 audited financial statement will be used for an appropriate comparison.
- **The financial result of FY 2010** as excess of revenues over expenses is negative for CAD 205,847 (negative for CAD 440,197 in 2009). The difference with the 2009 results is due in large part to a less unfavourable result on currency exchanges (-107,831 in 2010 and -213,452 in 2009) and to a small gain on investments (+8,757) instead of a loss of 73,209 in 2009. Bursaries for ICA 2010 (CAD 50,000) were already included in FY 2009 as well as expenses and (balanced) revenues for the ASTIN Colloquium in Helsinki. In FY 2010 we did not have expenses and revenues for a colloquium because of the ICA in South Africa.

It is to be emphasized that being the reference currency CAD instead of Euro, then gain/losses in currency exchanges since FY 2008 are more significant because the major part of ASTIN assets and transactions (e.g. Bulletin's publisher invoice and ASTIN investments) are in Euro or USD currency.
- As regards to **ASTIN membership**, for year 2010 the IAA Secretariat has been collecting annual fees for a total amount of CAD 76,240 (CAD 65,720 in 2009) from the local associations, for either ordinary members and benefactor members. The number of ASTIN members for 2010 is approximately 1,500 (in 2009 approximately 1,600).

In 2010 the administration fees paid by ASTIN to IAA Secretariat have been CAD 22,845 (16,090 in 2009) for the increase to 15 CAD per member (10 in 2009 and 6 in 2008). The large increase in the last years is due to major services provided by the Secretariat.
- The total value of **ASTIN assets** as at 31st December 2010 is CAD 1,140,527 (CAD 1,309,487 in 2009). These assets are including cash deposits, bonds, mixed funds, notes, certificates and stocks.

Since 2007 the main operational ASTIN bank accounts are located in Ottawa at Scotia Bank, where the cash is almost exclusively concentrated. Moreover, the investment bank Banque Degroof in Luxembourg has also some cash, mainly (in Euro and USD accounts). The total current assets as at 31st December 2010 are corresponding to CAD 158,649 (CAD 238,087 in 2009).

As regards the ASTIN investment portfolio, its value at the closing date is CAD 981,878 (CAD 1,071,400 in 2009), mostly invested in Government Bonds, listed Shares and mixed Funds. At the moment the ASTIN portfolio is



managed by Banque Degroof in Luxembourg. It is worth it to remember that in these days ASTIN investments are in the process of being transferred from Europe to Canada (by cash in CAD currency), under the supervision of either IAA officers (namely Secretary General Jean-Louis Massé and Executive Director Nicole Séguin) and Harry Panjer and myself, as respectively ASTIN Chairman and ASTIN Treasurer. That should facilitate the asset management and the allocation mix to be progressively in line with IAA guidelines. IAA Secretariat and Banque Degroof have both verified that this transfer can be operated in full compliance with local and international taxation rules. Since the last update we received, the cash transfer to Canada should have been occurred the last Friday 17th June 2011 for a cash amount of approximately CAD 1,035,000.

The changes in the assets portfolio in 2010 have obtained realised capital gain for CAD 8,757 (losses for CAD 73,209 in 2009).

Unrealized capital gains as at December 2010 are CAD 81,395 (CAD 42,082 as at December 2009); as previously mentioned according to the Canadian GAAP they are not included in the Income statement but only in Net Assets statement.

As at December 2010 total Net Assets are CAD 1,051,544 with a decrease of roughly CAD 165,000 compared to previous year (CAD 1,218,079).

- As to **ASTIN Bulletin**, the expenses for printing and shipping the two issues concerning May and November 2010 on charge of ASTIN section have been CAD 136,718 (CAD 134,632 in 2009).
Moreover, it is to be remembered that, because of the new structure of the ASTIN Bulletin being now the Journal of the IAA, since 2007 ASTIN section contributions for ASTIN Bulletins expenses not only by AFIR sections but also from the other IAA sections (LIFE and PBSS).
- After the fees' increase decided two years ago, regarding the significant net assets value to afford non-standard expenses in the next future, I suggest ASTIN keep the individual **ASTIN fees** for the next year at the same level of 2010 (50 CAD for the Ordinary Members and 90 CAD for the Benefactor Members).
- Since FY 2006 the ASTIN financial statements have been **audited** by IAA's auditor. For the present financial statement 2010 the auditors released a positive review on March 2011. Since the last year the auditors prepare only one consolidated statement for the IAA including all the Sections. The IAA financial statement 2010 (including also Sections' statements) has been approved in the IAA Meeting session the last April 2011 held in Sydney."

The Treasury report on 2010 is approved by the Committee. Nino is thanked for his work.

b) Transfer of funds to IAA management



As mentioned in the financial report, the IAA investments are being transferred from EUR to CAD. All is liquidated and will be in CAD cash next week. It is better than move the assets. IAA Guidelines request that almost 100% should be invested in Canadian funds. Revenues from members are in CAD. Only expenses of ASTIN Bulletin are in EUR. Therefore we are looking for another publisher – it would be sensible to look for a Canadian publisher. The decision will be taken by the ASTIN editorial board where Andrew is our representative. Colloquia expenses do not have any effect on exchange rates.

c) 2011 due levels

The Treasurer proposes to keep the individual **ASTIN fees** at the same level of 2009 (50 CAD for the Ordinary Members and 90 CAD for the Benefactor Members). This proposal is supported by the Committee.

d) Confirmation of approval of Benin 2011 seminar funding of up to CAD 15,000

After some discussion the funding of up to CAD 15,000 is formally approved by the Committee (it was earlier approved by e-mail vote).

Joe Marker is approved as unpaid speaker for one week in Benin early 2012.

e) Request for funding RFP on Risk Adjustment – discussion of Sections roles in such requests

Two request papers have been sent out to all sections. ASTIN has more funds than other sections but does not want to be bankers for the other sections. There was some debate as to whether ASTIN members would support it. People may not see the implications yet. However, we do not want to miss the boat on an important topic.

After some discussions Harry asked if it could be reasonable to say, that ASTIN will contribute up to a certain percentage and up to a certain amount. Peter felt that in the long time, our members will prefer that we support the project. There were some concerns regarding the time table and whether actuaries get sufficient influence. Harry mentioned that AFIR had the concern that a commercial firm could benefit from the results. The need for a project oversight group was also mentioned.

The motion that ASTIN will contribute with up to 20% of the total cost subject to a maximum amount of CAD 20,000 was approved.

6. Report of chairman from Committee of Section Chairpersons (Harry Panjer)

Harry made some short comments on the forwarded minutes from Sections Chairs Meeting in Sydney 7 April 2011.



Ad. 6. Allocation of Secretariat's expenses to Sections. ASTIN has far the most monies including IAA. We made active decisions to spend money. Note that Canadian rules limit the ratio of surplus to expenses for a non-profit.

Ad. 7. Assets Investments. The discussion of investment guidelines is ongoing.

Ad. 8. Risk management. There was some discussion of ASTIN's role in Benin. We are not running the program – we are simply financing the program.

7. Editor's Report - Andrew Cairns, Editor-in-Chief

Three volumes have been published since last meeting. The two 2010-volumes were covering 950 pages – the largest so far. The submission rate has been increasing: in 2010 there were 84 submissions. However, the acceptance rates have been falling from 44-45% to 35% – i.e. maintaining or improving standard. Out of the 84 submissions, there were 15 immediate rejections without refereeing process. The handling time has improved since implementing the online system – a best estimate is 100 days. Christian Levac is very successful in assisting running ASTIN Bulletin.

There are no details in statistics on citations for 2010. The number went down from 2008 to 2009.

Andrew is ASTIN representative in the management board of ASTIN Bulletin. The board appoints the Editor in Chief. The online system has made the job as editor much easier.

After discussion, Andrew and his team are thanked for their valuable contributions.

8. Approval of changes in ASTIN Section rules (Harry Panjer)

A law firm has been looking at all the rules for all sections in order to standardize them. In the future, ASTIN and AFIR will have much similar rules.

The term “General Assembly” has been changed to “Assembly Meeting”. The question of why we should change the name to “Assembly meeting“ was raised. But in article 14b, it was stated that “Meetings of General Assemblies and Extraordinary General Assemblies shall collectively be referred to as “Assembly Meetings” in these Rules.” We can still use the term “General Assembly”.

The motion for acceptance of the Rules was approved. The committee recommends formal approval of the Rules to the General Assembly.

9. Report on AGM and elections (Harry Panjer, Glenn Meyers)

Five members of the committee will step down. Those who are not eligible for re-election are:

- Harry Panjer (Canada) currently Chairman
- Henk Kriek (Netherlands) currently Secretary
- Nino Savelli (Italy) currently Treasurer
- Tor Eivind Høyland (Norway)



Resignation after serving a full four-year term:

- Arne Sandström (Sweden)

There are five nominees for the five vacant places in the committee:

- Enrique de Alba (Mexico)
- Yuriy Krvavych (Ukraine/Australia)
- Eric Dal Moro (France)
- Michiel van der Wardt (Netherlands)
- Miguel de Usábel (Spain)

In the future, there will be an electronic bullet among all members if there are competitive nominations.

Glenn is IAA representative in the committee and will conduct a fair election at the General Assembly tomorrow.

10. Activity planning for the next year together with key performance indicators (Harry Panjer)

We should prepare a plan and use it as a framework to plan future activities. The plan should contain key performance indicators. A general discussion took place of possible projects. Focus should be on how to have future colloquia to be a success regarding participation and ASTIN's role in ASTIN Bulletin.

The final planning is listed at the end of the minutes.

11. ICA 2014 – ASTIN topics (Andrew Cairns)

Andrew represents ASTIN in Scientific Committee (Louise represents CAS). There will be topics for 18 1.5 hours slots, including three parallel sessions of ASTIN topics. There will be three keynote speakers. ASTIN can have its own invited speaker. There has not yet been a lot of discussion of scientific themes. The scientific committee had a discussion about the possibility of a joint research project across sections.

12. Membership and promotion of ASTIN

The recorded number of members depends of actual payments at a certain date. There may be errors in the registration.

There is a discussion in IAA of sending the payment request directly to individual members instead of through the organizations in the hope of getting more members. The committee is afraid that this may have the opposite effect.



13. Date and time of 2012 ASTIN Committee meeting in Mexico

The Committee meeting will be held Sunday 30 September 2012 from 12 to 18.

14. Other Business

Harry thanked the members of the committee for their participation in the meeting.
Peter thanked Harry, Henk and Nino who finish their duties

The meeting adjourned at 18.10 hrs.

Respectfully submitted,

Mette Havning
Vice-chairman

Attached: ASTIN Work Plan 2011-12



ASTIN Project/Activity	Description	Key performance indicators	ASTIN Committee responsible person
1. ASTIN Colloquium 2012	Joint colloquium with AFIR/ERM and Life sections	20 countries represented 200 non-Mexican attendees 100 Mexican actuary attendees 200 Mexican student attendees 75 submitted papers	J-L Lobera
2. Prizes for ASTIN papers	ASTIN to fund up to \$15,000 for prizes for papers (emphasis on young authors and those from actuarially developing countries)	1. Prizes administered by scientific committee and IAA 2. Prizes awarded.	J-L Lobera
3. ASTIN Bulletin	Promote non-life insurance research in ASTIN Bulletin	At least 25 articles on ASTIN-related topics should be accepted for 2012 Bulletin	A. Cairns
4. Benin education projects	Support the travel expenses of volunteer lecturers	1. At least 4 lecturers recruited and supported. 2. Budget of up to \$15,000	P. Boller
5. RFP on Risk Adjustment	Provide support for and promote other support.	1. Up to \$20,000 support but not to exceed 20% of total project support. 2. Participation of an ASTIN rep on project oversight group	G. Meyers
6. Support of education on Takaful insurance	Investigate possible development of a project relating to insurance under Takaful principles	1. Discussion with EC the background work being done. 2. Completion of a project plan for subsequent approval.	P. Boller H. Panjer
7. Support of education in African countries	Promote the actuarial profession through actuarial education projects	1. Co-operation with IAA Africa 2. Committee in identifying possible activities. Investigation of Morocco	P. Boller E. Dal Morro
8. ASTIN membership - Asia	Increase membership in ASTIN by actuaries in Asia	Development of a strategy for Asia	Y. Morimoto
9. ASTIN membership	Increase ASTIN membership to above current level	1. Increase the value proposition for ASTIN members (e.g. differential fees for non-ASTIN members for colloquia) 2. Improve method for joining/renewing ASTIN membership through member associations.	P. Boller D. Finnis D. Finnis C. Levac



ASTIN Project/Activity	Description	Key performance indicators	ASTIN Committee responsible person
10. ASTIN research	Promote ASTIN-related topics to younger researchers	Develop and promote prizes for ASTIN-related research papers.	A. Cairns
11. ASTIN research	Develop listserves for specific ASTIN-related topics	1. At least three active listserves 2. 100 persons joining the listserves	P. Boller C. Levac
12. ICA 2014	Develop ASTIN-related topics	Complete content of 18 1.5-hour program slots	A. Cairns
13. Linking ASTIN to IAA committees	Structure a process for feedback from committees to ASTIN for consideration	Completion of development and implementation	P. Boller
14. Blue Book (vol 2.)	Funding for the development and completion of a second volume.	1. Consultation with IAA Solvency Subcommittee 2. Development of an operational and funding plan	P. Boller H. Panjer