

## **American Academy of Actuaries**

**May 20, 2010**

### **Board of Directors**

### **Meeting Summary**

- The board approved the 2009 Audit Report. After a report by Academy Treasurer John Schubert, the board also approved a motion that no changes be made to the Academy's Investment Policy.
- The board approved a motion to create a permanent policy of waiving the Academy's application fee for new Associates and Fellows of the Casualty Actuarial Society and the Society of Actuaries, and for new Enrolled Actuaries as they become eligible, if application is made within 60 days after the Academy sends a membership package.
- Steve Lehmann, the Academy's International Secretary, reported on various international developments from the International Actuarial Association's (IAA) meeting in Cape Town, South Africa.
  - He discussed the IAA's initiative to develop model International Actuarial Standards of Practice, and stated that the first such proposed standard likely will focus on International Financial Reporting Standards.
  - He discussed the work of an informal roundtable group comprised of individuals involved in actuarial standard-setting organizations in different countries.
- Academy President Ken Hohman advised the board that the Council of U.S. Presidents (CUSP) has created a proposal to modify the disciplinary process for the U.S. actuarial profession. He noted that any proposed modification would require the approval of the governing boards of each of the U.S. actuarial organizations. The board approved a motion that the new disciplinary proposal be approved in principle, and that the Academy General Counsel begin drafting appropriate proposed amendments to the Bylaws to be submitted to the membership for a vote in 2011.
- Mr. Hohman updated the board on the activities of the North American Actuarial Council (NAAC). He said that NAAC hopes eventually to extend the bilateral agreement on discipline between the American and Canadian professions to Mexico.
- President-elect Mary Frances Miller reported on the Strategic Planning Committee's May 19 meeting, in which the committee reviewed and refined the Academy's Vision Statement and Mission Statement.
- Cande Olsen, the chairperson of the Volunteer Resource Committee, led a discussion regarding efforts to develop an effective program to recruit younger members and better engage them in Academy activities. The board approved a motion to form a Young Actuaries Committee.
- Fred Sievert, Immediate Past Chair of the Actuarial Foundation, provided the board an overview of the programs and activities of the Foundation.
- Bill Bluhm, the chairperson of the Governance Task Force (GTF) reported on the task force's May 19 meeting and its other recent activities, particularly its

examination of election and board composition issues. He stated that members have expressed a desire for greater transparency in the nomination process, and the Task Force discussed making the nominating criteria more transparent in response to that concern. Regarding board composition, he said the GTF recommends a greater focus on leadership composition. Mr. Bluhm then discussed issues on which the GTF had reached informal consensus and received feedback from the board, particularly on issues related to board composition.

- The board approved a motion to undertake an Enterprise Risk Management analysis of the Academy and to create a corresponding task force.
- The board received reports from the practice councils.
- The board was briefed by David Sandberg, the chairperson of the Public Plans Practices Task Force. Mr. Sandberg stated that the task force is in the process of completing a report concerning risk evaluation and management in public pension plans, which he expects to be finalized in June 2010.
- Tom Terry, the chairperson of the Public Interest Committee, advised the board that the Public Interest Committee plans to sponsor a summer summit on July 19, 2010, entitled “Leading the Profession in the Public Interest.” The summit is intended to bring together Academy leaders with an interest in public policy and advocating in the public interest.