

American Academy of Actuaries
May 25, 2011
Board of Directors
Meeting Summary

The American Academy of Actuaries Board of Directors met on May 25, devoting significant time to governance and Board composition issues as well as finances, discipline reform, model international actuarial standards and a public advocacy paper on ensuring lifetime income.

Academy Governance

The Board continued its consideration of the Academy's governance and structure as a follow-up to the presentation of the report of the Governance Task Force at the October 2010 meeting. In an effort to reduce the size of the 29-member board and to reduce the length of the presidential officers' total service from four years to three, the Board decided to submit to a vote of the membership a proposed amendment to the bylaws to remove the position of penultimate past president from the Board of Directors [for the current language in the [Academy bylaws](#) regarding Board composition, see Article III—Board of Directors, Section 1, Composition]. The Board also voted to have the Immediate Past President chair Board meetings, effective immediately. The Board determined that such a change in the bylaws is administrative, editorial or technical and does not involve questions of policy or affect the substantive rights of the Academy's members and, therefore, could be approved by the Board without submitting the question to a vote of the membership [to review the [amended bylaws](#), see Article III—Board of Directors, Section 3, Meetings and Article VI, Duties of Officers, Section 1, President]. The Board also continued its examination of various other issues arising from the report of the Governance Task Force and the subsequent work of the Board.

Volunteer Resource Committee (VRC) and Young Actuaries Committee (YAC)

The board voted to transfer oversight of the Volunteer Resource Committee (VRC) and Young Actuaries Committee (YAC) from the President-Elect to the Secretary.

Joint Discipline

The Board heard reports on the ongoing efforts to streamline the discipline process by creating a joint discipline process for all of the U.S.-based actuarial organizations. The Board approved a measure to submit the necessary bylaws changes to a vote of Academy members, with the Board's strong recommendation that the members approve the proposed changes. The proposed amendments would authorize the Board, on a two-thirds vote, to enter into, withdraw from, or amend a joint discipline agreement.

Audit, Finance and Strategic Budgeting

The Board received and approved the report of the Audit Committee, which included the results of the 2010 audit. The auditor noted no significant deficiencies or material weaknesses. The Audit Committee reported that it expects to retain the current audit firm for the 2011 audit but that it either will rotate the partner leading the audit within that company or will change the company that performs the 2012 audit.

Following a discussion of upcoming opportunities and risks regarding the Academy's twin missions of public policy and professionalism, the Board requested that each Practice Council consider these far-reaching issues when development resource requests during the upcoming budget process.

The Board also asked Secretary Steve Rosen to develop a proposal (to be discussed at the Board's October meeting) to enhance Academy marketing targeted to employers.

International

IAA

International Secretary Steve Lehmann briefed the Board on the most recent meeting of the International Actuarial Association (IAA), held April 7–10 in Sydney, Australia. Work continues among drafting committees on five model standards: a general standard, a standard on International Financial Reporting Standard (IFRS) 4, a standard on International Accounting Standard (IAS) 19 (pensions), a standard on social security, and a standard on Enterprise Risk Management. Solvency II is being implemented in Europe and the National Association of Insurance Commissioners is moving forward with its Solvency Modernization Initiative. The IAA also is developing papers on systemic risk and developing a common framework for solvency assessment.

NAAC

President Mary Frances Miller updated the Board on the May meeting of the North American Actuarial Council (NAAC). Of note were a presentation on the NAIC's Solvency Modernization Initiative and a presentation from Mexican members on implementation of Solvency II in member countries of the Interamerican Federation of Insurance Companies.

Outstanding Volunteerism Award Created

The Board approved a proposal to create the Outstanding Volunteerism Award to be presented to an Academy member who has performed in a way that is conspicuously above and beyond what is reasonably expected of Academy volunteers during the preceding 12 months.

Lifetime Income Advocacy Statement

Public Interest Committee Chairperson Tom Terry presented his committee's current draft of an Academy advocacy statement on lifetime income, with members of the Board offering substantive comments and suggestions to tighten and strengthen the statement in advance of exposure to the general membership.

Summer Summit

The Board heard an update from President-Elect Dave Sandberg on planning for the July 11 Summer Summit. Attendees will use the conceptual approach and discipline of Enterprise Risk Management (ERM) to complete a comprehensive assessment of risks and opportunities relating to the Academy's long-term mission, business goals, strategies, and operations.

Meeting Dates

The Board determined 2012 meetings dates for both the Executive Committee and the Board of Directors.

- The Executive Committee is scheduled to meet in 2012 on April 4, August 7, and December 5.
- The Board of Directors is scheduled to meeting in 2012 on January 18, May 17, and October 11.