

**American Academy of Actuaries
October 5, 2010
Board of Directors
Meeting Summary**

Annual Meeting of the Board of Directors

- The Annual Meeting of the Board of Directors was convened and the board elected the slate of officers recommended by the Nominating Committee:
 - President-Elect, David Sandberg
 - Secretary, Stephen Rosen
 - Vice President Casualty, Tim Wisecarver
 - Vice President Health, Thomas Wildsmith
 - Vice President Professionalism, John Gleba

All officer terms will commence at the conclusion of the Academy's Annual Meeting on Nov. 8, 2010.

Regular Meeting of the Board of Directors

- The board elected the 2011 presidents-elect of the other four U.S.-based actuarial organization:
 - Joseph Nichols, ASPPA College of Pension Actuaries (ACOPA);
 - Pat Teufel, Casualty Actuarial Society (CAS);
 - Donald Fuerst, Conference of Consulting Actuaries (CCA); and
 - Bradley Smith, Society of Actuaries (SOA).

Their terms will commence at the conclusion of the Academy's Annual Meeting on Nov. 8, 2010.

- As an informational item, the board heard the Nominating Committee's slate of five candidates for regular director positions on the board of directors. Academy members will vote on this slate of candidates at the Nov. 8 Annual Meeting and Luncheon:
 - Catherine Murphy-Barron (1-year term)
 - Shari Westerfield (2-year term)
 - Marc Oberholtzer (3-year term)
 - Jeffrey Petertil (3-year term)
 - Stephen Preston (3-year term)

The regular director terms will commence at the conclusion of the Academy's Annual Meeting on Nov. 8, 2010.

- The board approved the recommendation to engage Calibre, CPA, to conduct the Academy's 2010 audit. The board noted that Calibre was first retained in 2005 and that a new audit partner or firm will be considered for the 2011 audit.

- The board approved a proposed \$10 increase (approximately 1.7 percent) in annual Academy dues as recommended by the Executive Committee and part of the planning for the 2011 Academy budget. The budget assumptions include waiver of the \$75 new member application fee for new associates of the SOA and the CAS. President Ken Hohman noted that the total dues for a U.S. actuary to belong to both the Academy and either CAS or SOA compares favorably to what U.K. or Australian actuaries pay in dues to belong to their single national actuarial organization.
- The board approved a proposal to create an ERM Committee instead of an ERM Subcommittee within the Risk Management and Financial Reporting Council.
- The board received and will consider a final report submitted by the Governance Task Force. The board thanked and disbanded the task force, which has now completed its work. The board will convene a special full-day meeting in January to consider the report and its recommendations. The task force report details the group's examination of these issues:
 - The nature of the Academy as (1) purely a member organization, (2) purely an association of associations, or (3) a hybrid of the two
 - Election issues: Nominations
 - Election issues: Election process
 - Board composition
 - Board committees (related to governance)
 - Board transparency and member communication
 - Academy reimbursement of board-related travel expense
 - Public advocacy issues
 - Governance Task Force (whether to constitute a permanent governance committee)
 - Role of the Academy within a multi-organization U.S. market
 - Relationship of the Academy with ABCD and ASB
 - Relationship with international actuarial organizations

Members are invited to review the entire report online and submit comments on the report, via a form on the members-only section of the Academy website, to assist the Academy's board with its deliberations.

- The board received and discussed the report from the Public Plans Practices Task Force. The board also adopted the following statement:

The Board of Directors of the American Academy of Actuaries supports greater disclosures with respect to public pension plans, including:

- Risk management framework;
- Projected cash flows;
- Funded status; and
- A disclosure of assets and liabilities using a range of actuarial assumptions.

- The board approved in principle the current proposal, developed by the Council of U.S. Presidents (CUSP) in consultation with the ABCD, to reform the disciplinary process. Under the proposal, a disciplinary recommendation by the ABCD would be submitted for determination to a single representative joint disciplinary panel and, in the event of an appeal, a joint appeal panel. The proposal would create a more efficient disciplinary process with greater consistency in outcomes. For the Academy, this will require bylaws changes and a vote of the membership to ratify those changes in 2011, with the other organizations following a similar process and timeline. The goal remains for the revised process to go into effect in 2012.
- The board received a report from International Secretary Steve Lehmann, who covered the following topics:
 - International Financial Reporting Standards (IFRS)—The IASB has issued exposure drafts, to which the IAA has been responding. Implementation of IFRS, which was initially scheduled for June, 2013, has been pushed back to January, 2014.
 - Solvency II and other solvency issues—The International Association of Insurance Supervisors (IAIS), National Association of Insurance Commissioners (NAIC), and the IAA all have been following developments in this area, including COMFRAME (common framework for regulating globally active insurance groups). Regarding the NAIC, it has been working on its Solvency Modernization Initiative (SMI) and has been considering whether U.S. solvency regulations must be changed. Dave Sandberg, president-elect of the Academy, has been named chair of the IAA's COMFRAME task force.
 - Standards of Practice and Standard Setters Round Table—Several initiatives regarding international standards of practice are underway internationally. The board noted that U.S.-based actuarial organizations remain very interested in these proposals, and will monitor developments for any consequences on U.S. actuaries.
- The board received a report from President-Elect Mary Frances Miller on the work of the Strategic Planning Committee. The committee has developed a proposed-revised vision and mission statements for the Academy and intends to pare down the components of the current strategic plan by focusing more on high-level goals. The proposed-revised vision and mission statements will be shared in a survey to be fielded with the new Academy Advisors panel. The committee plans to deliver its final report to the board in May 2011.