

North American Actuarial Council Working Agreement

THIS WORKING AGREEMENT sets forth the cooperative goals of the American Academy of Actuaries (Academy), the American Society of Pension Professionals and Actuaries (ASPPA), the Asociación Mexicana de Actuarios (AMA), the Asociación Mexicana de Actuarios Consultores (AMAC), the Canadian Institute of Actuaries (CIA), the Casualty Actuarial Society (CAS), the Colegio Nacional de Actuarios (CONAC), the Conference of Consulting Actuaries (Conference), and the Society of Actuaries (SOA), collectively referred to as the Participating Organizations.

In order to: foster cooperation among the Participating Organizations consistent with their individual missions as described below; eliminate unnecessary duplication of effort and activity among the Participating Organizations (thereby maximizing the efficient use of the Participating Organizations' resources); encourage mutual recognition and cross-border discipline; and enhance the image, growth and reputation of the actuarial profession in North America, the Participating Organizations agree to participate in the North American Actuarial Council ("NAAC") as described in this Working Agreement.

The Participating Organizations agree to broadly publicize this Agreement (e.g., publish it in their Yearbooks and on their web sites).

I. Missions of the Participating Organizations

Each of the Participating Organizations operates to further its self-identified mission. The missions of the Participating Organizations may be broadly summarized as follows:

► **Academy:** Nationally and internationally, to represent the entire U.S. actuarial profession in the formulation of public policy and support U.S. actuaries in fulfilling their related responsibilities; to encourage the professionalism of U.S. actuaries by fostering the estab-

lishment, communication, maintenance and enforcement of high professional standards; and to represent and advance the U.S. actuarial profession and increase the public's recognition of the U.S. actuarial profession's value.

► **ASPPA:** 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.

► **AMA:** To support the Mexican actuarial profession in maintaining high standards of professional integrity and technical expertise and, thereby, promote the dignity of the profession and enhance the public's recognition of the profession's value.

► **AMAC:** To advance the quality of actuarial consulting practice in Mexico by providing continuing education and business support services to Mexican actuaries in consulting practice.

► **CIA:** As the national organization of the Canadian actuarial profession, to serve the public through the provision by the profession of actuarial services and advice of the highest quality by: representing the Canadian actuarial profession in the formulation of public policy; promoting the advancement of actuarial science and sponsoring programs for the education and qualification of CIA members and prospective members; ensuring that actuarial services provided by its members meet accepted professional standards; and assisting actuaries in Canada in the discharge of their professional responsibilities.

► **CAS:** To advance the body of knowledge of actuarial science applied to property, casualty, and similar risk exposures by: providing basic and continuing education; conducting research; establishing and maintaining high standards of conduct and competence for its members; communicating with the publics affected by insurance; and increasing the awareness of actuarial science.

► **CONAC:** To serve as the professional membership

organization for all the actuaries licensed to practice in Mexico, regardless of their specialty area; to advise the Mexican government concerning public policy matters with actuarial implications; and to foster actuarial education and research in Mexico.

► **Conference:** to advance the quality of actuarial consulting practice, support the needs of consulting actuaries, and represent their interests.

► **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 Society of Actuaries is for actuaries to be recognized as the leading professionals in the modeling and management of financial risk and contingent events. The Society also works to anticipate future member needs through environmental scanning, strategic planning, and dynamic strategy management.

Each of the Participating Organizations takes whatever measures it deems necessary, appropriate, or desirable to attract, recruit and serve its individual members. This agreement is not intended, nor should it be construed, to restrict in any way the independent business decisions of the Participating Organizations but, rather, to document the Participating Organizations' desire to cooperate in the service of the North American actuarial profession consistent with their own missions and purposes.

II. The North American Actuarial Council

PURPOSE OF NAAC

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.

MEMBERS

The North American Actuarial Council (NAAC) comprises up to two officers of each Participating Organization. One of the two officers shall be the President of the Participating Organization. The other officer shall be the President-Elect of the Participating Organization unless the Participating Organization appoints another officer it deems more appropriate. If a designated officer of a Participating Organization is unable to attend a meeting of NAAC, the Participating Organization may designate another appropriate representative to attend the meeting in that officer's stead. The Executive Directors of the Participating Organizations attend and participate in NAAC meetings, but are not members of NAAC and do not vote.

Additional organizations may participate in NAAC at the invitation of the Participating Organizations.

MEETINGS

NAAC will meet in person up to three times a year. Arrangements for the in-person meetings (e.g., location and chairing the local meeting) shall be the responsibility of the host country. The Participating Organizations shall decide how to coordinate the agenda and provide meeting materials for the following year no later than at their fall meeting each year. The Participating Organizations agree to share equally the costs to perform this support function, with the Mexican organizations counting as one organization.

LEGAL

When appropriate, the Academy also agrees to make its legal counsel available to NAAC; and to coordinate, upon request, with counsel for the CIA and the Mexican organizations.

III. Communications Among the Participating Organizations

A Each Participating Organization shall share items of mutual interest, including items distributed to

the Participating Organization's board members (subject to board approval), with the other members of NAAC as soon as feasible after the items are available (electronically through the NAAC list server if appropriate). This sharing includes the Participating Organization's yearbook, newsletters, and board minutes, in addition to other important documents or significant studies that would be of value to the wider audience. This sharing does not apply to any item that a Participating Organization considers to be confidential.

B Each Participating Organization shall endeavor to inform each of the other Participating Organizations on a timely basis of any of its actions that are expected to have a significant effect on one or more of the other Participating Organizations or their members.

C Each Participating Organization shall invite the members of NAAC to all general membership meetings, with the registration fee waived.

Cross-Border Discipline Agreement

THIS IS AN AGREEMENT between the Canadian Institute of Actuaries (CIA) and the American Academy of Actuaries (Academy), the American Society of Pension Professionals and Actuaries, the Casualty Actuarial Society, the Conference of Consulting Actuaries, and the Society of Actuaries (collectively "the U.S.-based organizations"). The CIA and the U.S.-based organizations agree that it is in the best interests of their members to reduce the risk that their members will be subjected to multiple disciplinary investigations arising out of a single complaint, inquiry, or incident involving an alleged breach of the professional standards of the CIA and/or the U.S.-based organizations. Consequently, with regard to their members practicing in the United States and Canada, the CIA and the U.S.-based organizations agree as follows:

1 Members of the U.S.-based organizations practicing in Canada are required by the U.S.-based organizations to comply with the Rules of Professional Conduct, Standards of Practice, and eligibility requirements of the CIA. Members of the CIA practicing in the United States are required by the CIA to comply with the Codes of Professional Conduct, Qualification Standards, and Actuarial Standards of Practice of the U.S.-based organizations. The location(s) of the member's practice in each case is determined by the ultimate purpose(s) of the member's work, as determined by the facts and circumstances of the case. As between the United States and Canada, the ultimate purpose(s) of a member's work is determined by whether the work is performed pursuant to the legal or regulatory requirements of the United States or Canada, or whether it is intended for use in the United States or Canada. (Thus, for exam-