

NORTH AMERICAN ACTUARIAL COUNCIL | Annual Report 2017–2018

Moving the actuarial profession forward in North America



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▶ WHAT NAAC DOES

PARTICIPATING ORGANIZATIONS

The North American Actuarial Council (NAAC) brings together nine actuarial organizations on the North American continent:

- American Academy of Actuaries (Academy) (U.S.-based)
- ASPPA College of Pension Actuaries (ACOPA) (U.S.-based)
- Asociación Mexicana de Actuarios (AMA)
- Asociación Mexicana de Actuarios Consultores (AMAC)
- Canadian Institute of Actuaries (CIA)
- Casualty Actuarial Society (CAS) (U.S.-based)
- Colegio Nacional de Actuarios (CONAC)
- Conference of Consulting Actuaries (CCA) (U.S.-based)
- Society of Actuaries (SOA) (U.S.-based)

GUIDING PRINCIPLES OF NAAC

Section 2 of the North American Actuarial Council Working Agreement provides the official description of NAAC's purpose. It is published in the NAAC Manual and is included in publications distributed by the Participating Organizations to their members.

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.

LOOKING AHEAD

Leaders of NAAC member organizations are responsible for supporting the spirit and communicating the content of the Working Agreement to their respective organizations. In the years to come, NAAC shall serve as a forum for the exchange of ideas, common problems, and common solutions for the myriad issues facing the North American actuarial community.

▶ 2017-2018 NAAC ACCOMPLISHMENTS

NAAC SHAREPOINT SITE

The NAAC SharePoint site enables NAAC members to share files and documents, including meeting materials, approved minutes, the NAAC manual, the NAAC annual report, policy statements, and other information. Access is limited to authorized users only.

INFORMATION-SHARING AMONG NAAC MEMBER ORGANIZATIONS

Discussion of Recent Developments With the International Actuarial Association (IAA)

NAAC members discussed their differing views in relation to the IAA's educational syllabus. They also discussed how the IAA has been addressing issues relating to big data.

Joint Research Opportunities

Each NAAC organization conducts its own research, and individual NAAC members may collaborate with one another from time to time on an ad hoc basis when it is in their mutual interest and benefit. They discuss project progress at NAAC meetings.

Actuaries Climate Index and Actuaries Climate Risk Index

NAAC members discussed progress being made toward the release of these indices, a long-standing research project involving the Academy, the CAS, the CIA, and the SOA. The Actuaries Climate Index has been released (actuariesclimateindex.org/) and progress continues to be made toward the Actuaries Climate Risk Index.

Big Data and the Professional Actuary

NAAC members saw a presentation highlighting the need for actuaries to use big data responsibly and in a manner that conforms to applicable rules of professionalism.

Addressing Reputational Risk

NAAC members saw a presentation on how the U.S. profession addresses reputational risk by scrupulously maintaining the independence of the profession's disciplinary and standard-setting processes.

Promoting the Profession

NAAC members discussed their respective efforts to attract high-quality and diverse candidates into the profession, as well as promoting the profession in nontraditional practice areas.

Discussion of Various Pension Issues

The Canadian Retirement System

NAAC members saw a presentation on the structure of the Canadian retirement system and the challenges it faces.

Defined Benefit Plans in Public Universities in Mexico

NAAC members were updated on the severe challenges the system faces given the current structure and state of the Mexican public retirement system.

Pension Risk Transfers

NAAC members saw a presentation that focused on the liability side of pension risk transfers and moving risk (investment and longevity) from a pension plan sponsor to an insurance company and/or plan participants.

New Risk Allocation Models in Retirement Income Plans

NAAC members saw a presentation on asset-driven liabilities; the Variable Annuity Plan (VAP) and the Market Return Cash Balance (MRCB) plan, two new types of plans to help in retirement planning. They discussed the conversion and payout options these plans offer.

Mexican Actuarial Education

NAAC members saw a presentation on Mexican actuarial education, which universities provide. They also saw a presentation on how data science is being incorporated into the Mexican actuarial education system.

Overview of the Canadian Health Care System

NAAC members saw a presentation on the Canadian health care system and issues related to the future of its financing.

CIA Governance Update

NAAC members were updated on the thorough governance review the CIA performed of its own structure to increase its nimbleness and flexibility.

NAAC Agenda-Setting

In keeping with their previous commitment to do so, NAAC members have addressed broad discussion topics to encourage spontaneous discussion, which helps to identify naturally collaboration opportunities among NAAC member organizations.

▶ NAAC MEMBERS AND STAFF

The North American Actuarial Council is composed of up to two officers of each Participating Organization. One of the two officers is the president of the Participating Organization, and the other is usually the president-elect, although an organization can appoint another officer it considers more appropriate.

2018 NAAC COUNCIL MEMBERS

Academy

President: Stephen A. Alpert
President-Elect: Shawna S. Ackerman

ACOPA

President: William G. Karbon
President-Elect: John R. Markley

AMA

President: Jorge Campa
Vice President: Patricio Belaunzarán

AMAC

President: Roberto Rocha
Vice-President: Rosalba Del Castillo

CIA

President: Sharon Giffen
President-Elect: John L. Dark

CAS

President: Brian Z. Brown
President-Elect: James K. Christie

CONAC

President: Luciano Devars
Vice President: Ana María Ramírez

CCA

President: John H. Lowell
President-Elect: Edward M. Pudlowski

SOA

President: Mike Lombardi
President-Elect: James M. Glickman

2017 NAAC COUNCIL MEMBERS

Academy

President: Robert M. Beuerlein

President-Elect: Stephen A. Alpert

ACOPA

President: Kurt F. Piper

President-Elect: William G. Karbon

AMA

President: Jorge Campa

Vice President: Patricio Belaunzarán

AMAC

President: Roberto Rocha

Vice President: Rosalba Del Castillo

CIA

President: David Dickson

President-Elect: Sharon Giffen

CAS

President: Nancy A. Braithwaite

President-Elect: Brian Z. Brown

CONAC

President: Carlos Lozano Nathal

Vice President: Jorge Luis López-Araiza

CCA

President: Donald E. Fuerst

President-Elect: John H. Lowell

SOA

President: Jerry J. Brown

President-Elect: Mike Lombardi

NAAC MEMBER PHOTOS



Shawna S. Ackerman
Academy
President-Elect 2018



Stephen A. Alpert
Academy
President 2018
President-Elect 2017



Robert M. Beuerlein
Academy
President 2017



John R. Markley
ACOPA
President-Elect 2018



William G. Karbon
ACOPA
President 2018
President-Elect 2017



Kurt F. Piper
ACOPA
President 2017



Jorge Campa
AMA
President 2016-2018



Patricio Belaunzarán
AMA
Vice President 2016-2018



Roberto Rocha
AMAC
President 2016-2018



Rosalba Del Castillo
AMAC
Vice President 2016-2018



John L. Dark
CIA
President-Elect 2018



Sharon Giffen
CIA
President 2018
President-Elect 2017



David Dickson
CIA
President 2017



James K. Christie
CAS
President-Elect 2018



Brian Z. Brown
CAS
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President-Elect 2017



Nancy A. Braithwaite
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President 2017



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John H. Lowell
CCA
President 2018
President-Elect 2017



Donald E. Fuerst
CCA
President 2017



Luciano Devars
CONAC
President 2017-2019



Ana María Ramírez
CONAC
Vice President 2017-2019



James M. Glickman
SOA
President-Elect 2018



Mike Lombardi
SOA
President 2018
President-Elect 2017



Jerry J. Brown
SOA
President 2017



NAAC STAFF

The executive directors of the Participating Organizations attend and participate in NAAC meetings, but they are not members of NAAC and do not vote.

Chief Staff Officers



Mary Downs
Academy
Executive Director



Judy Miller
ACOPA
Executive Director (ret.)



Marty Pippins
ACOPA
Executive Director
(as of May 2018)



Michel Simard
CIA
Executive Director



Cynthia Ziegler
CAS
Executive Director



Kelly Fanella
CCA
Executive Director



Patricia Luna
AMA, AMAC, and
CONAC
Executive Director



Greg Heidrich
SOA
Executive Director

OTHER STAFF

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

Academy Senior Policy Analyst Claire Mickelson provides staff support for NAAC. She can be reached at 202-223-8196 or at mickelson@actuary.org.

NAAC PARTICIPATING ORGANIZATIONS

NAAC brings together the five national actuarial organizations in the United States, the three in Mexico, and the Canadian Institute of Actuaries. The self-described missions of the nine Participating Organizations are summarized as follows:

American Academy of Actuaries (Academy)

The Academy serves the public and the U.S. actuarial profession. To accomplish this, as the public voice for the United States actuarial profession, the Academy provides independent and objective actuarial information, analysis, and education for the formation of sound public policy; provides for the establishment, maintenance, and enforcement of high professional standards of actuarial qualification, practice, and conduct; advances actuarial practice by informing and educating its members on public policy and professionalism issues and current and emerging practices; identifies and addresses issues on behalf of the public interest on matters in which actuarial science provides a unique understanding; increases the public's understanding and recognition of the value of the actuarial profession; provides opportunities for professional development of its members through volunteerism and service to the profession; facilitates and coordinates response to issues of common interest among the U.S.-based actuarial associations; and coordinates the representation of the U.S. profession globally. The vision of the Academy is that financial security systems in the United States be sound and sustainable, and that actuaries be recognized as pre-eminent experts in risk and financial security.

ASPPA College of Pension Actuaries (ACOPA)

All credentialed actuarial members of ASPPA are members of the ASPPA College of Pension Actuaries (ACOPA). ACOPA is a part of the American Society of Pension Professionals and Actuaries (ASPPA). The major goal of ASPPA and ACOPA is 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. ACOPA is responsible for identifying and addressing the professional development needs of the actuarial membership of ASPPA. ACOPA is also the primary source of professional organizational support for pension actuaries, and is charged with carrying out ASPPA's responsibilities as one of the recognized U.S.-based actuarial organizations and as a member of NAAC.

Canadian Institute of Actuaries (CIA)

As the national organization of the actuarial profession in Canada, the Canadian Institute of Actuaries (CIA) serves both the public interest and the profession by promoting the advancement of actuarial science; providing for the education and qualification of current and prospective members; providing professional guidance to its members and ensuring that actuarial services they provide meet the highest standards; and advocating for the profession and providing timely and relevant contributions to the development of public policy. The vision of the CIA is for its members to be recognized as trusted leaders in the quantification and management of risks and contingent events.

Casualty Actuarial Society (CAS)

The purposes of the Casualty Actuarial Society are to advance the body of knowledge of actuarial science applied to property, casualty, and similar business and financial risks, to establish and maintain standards of qualification for membership, to promote and maintain high standards of conduct and competence for the members, and to increase the awareness of actuarial science. The vision of the CAS is to be the pre-eminent resource for education, knowledge, experience and applied research for those actuaries who specialize in property, casualty, and similar business and financial risks, including the field known as general insurance.

Conference of Consulting Actuaries (CCA)

The Conference of Consulting Actuaries advances the quality of consulting practice, supports the needs of consulting actuaries, and represents their interests.

Mexican Association of Actuaries (AMA)

The Mexican Association of Actuaries supports the Mexican actuarial professionals working on the insurance and surety industries in maintaining high standards of professional integrity and technical expertise through strong continuing education programs, and thereby promotes the dignity of the profession and enhances the public's recognition of the profession's value.

Mexican Association of Actuarial Consultants (AMAC)

The purpose of the Mexican Association of Actuarial Consultants is to advance the quality of actuarial consulting practice in Mexico by providing continuing education and business support services to Mexican actuaries in consulting practice.

National College of Actuaries (CONAC)

The National College of Actuaries serves as the professional membership organization for all the actuaries licensed to practice in Mexico, regardless of their specialty area; advises the Mexican government concerning public policy matters with actuarial implications; and fosters actuarial education and research in Mexico.

The Society of Actuaries (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 SOA is for actuaries to be recognized as the leading professionals in the modeling and management of financial risk and contingent events.