

NEW ZEALAND SOCIETY OF ACTUARIES

Newsletter March 2003



Introduction

I guess it was too ambitious to think I could write the newsletter on a regular basis. The last one was some time ago although I would argue in my defence that the President's annual report was in essence a newsletter.

New Council Member

Doune Connett has been seconded to fill the vacancy on Council. This arose with the resignation of Christine Ormrod. Firstly thanks to Christine for all her input which still continues with her chairmanship of the super committee. Secondly welcome to Doune.

The full Council comprises:

Charles Hett, Anne Lord, Herwig Raubal, Brian Lenehan, Doune Connett and Mark Weaver.

Reports from different committees

Superannuation The IRD has been consulting with various bodies re ideas on how to extend the 6 cents concession on employer contributions currently available to higher rate tax payers to all taxpayers. The committee has made a submission on this issue which the Government has stated will now be included in the Budget and enacted effective 1 April 2004. The committee has also written to the Chairman of the Periodic Review Group stating that as a Society we will be looking to contribute actively to the work of the committee.

The revision to PS2 is nearly complete and I expect Council to agree a new standard effective 31 March 2003. The standard will then apply to all valuations due at this date. Meetings were held in Wellington and Auckland to consider a revised draft. Thanks to all those who attended. The standard has been subject to legal comment from the Society's lawyers.

The current members of the committee are Christine Ormrod, Craig Ansley, Mike Robinson, Bobby Schoonraad, Mark Weaver.

Life Insurance The major issue currently before the committee is reviewing GN5 (Prudential Reserving for Life Offices). The committee expects to have a new draft for comment later in the year.

The Committee is also closely monitoring the development of international accounting standards for life offices.

In addition we expect to be working with the ISI on discussing amendments to the current Life Act 1908 with the Ministry of Economic Development.

The current members of the committee are Herwig Raubal, Linda Caradus, Doune Connett, John Errington, Eric Judd, Linda Page and Ian Perera.

Health Committee Council decided at its last meeting to establish a new committee for this area. Previous it was the responsibility of the general insurance committee. Peter Davies has agreed to chair the committee. The terms of reference are:

"To increase members' knowledge about the financing and insurance of health-related services and the health industry. In particular to focus on current issues of actuarial interest in both private and public sector health provision.

To liaise with the Australian Institute and other International actuarial bodies on issues and ways actuaries are involved in the financing and provision of health to people.

To provide views and opinions from the actuarial profession on the financing and insurance of health services.

Liaising with other industry and professional bodies.

And to organise sessions to facilitate the discussion on the work undertaken by the Committee."

Council has asked the committee to first review the current guidelines on premium rates for health insurance contracts.

Conference Planning has started for the 2004 conference under the chairmanship of Andrea Gluyas assisted by Heathcliff Neels and Mark Weaver. If anyone else would like to be involved please contact Andrea.

Investment The committee is looking at the following:

- preparing a guidance note on Treatment of Deferred Tax Liability/Asset for unrealised gains, and
- continuing to liaise with the NZ Society of Investment Professionals to explore ways to work together.

The current members of the committee are Peter Lynn, Craig Ansley, Brian Lenehan, Greg Lee, Mark Weaver.

Education The committee has asked me to highlight the following:

"New graduates wishing to start the Institute of Actuaries exams must be members of both the New Zealand Society, which administers the exams in New Zealand, plus either the UK or Australian Institute. There is a strict deadline for being a member in order to sit each session of exams. The Education Committee would like to suggest that employers initiate the two applications when they offer a position to a new graduate, rather than waiting until the graduate is on board, as it may take some time to gather the appropriate referees and for the applications to be processed in New Zealand.

For further details see the Society's website or contact Fran."

The current members of the committee are Charmaine Green, Peter Davies, Andrea Gluyas, Steve Taylor, Peter Yeates. Charmaine is currently on leave at the moment and Andrea is filling her chairman role.

Human Rights The committee is looking at working with the Human Rights Commission on revising the guidelines for the insurance.

The current members of the committee are Anne Lord, Murray Hilder, John Melville.

General Insurance The committee has recently met. It has nothing specific to report on at the moment.

The current members of the committee are Peter Brown, Richard Beauchamp, Robert Cole, Peter Davies, Stephen Jeffery, Janet Lockett, John Melville, Paul Rhodes, Tim Spicer.

International Accounting Standards

This is a growing area and affects a number of committees. Ian Perera has volunteered to co ordinate the response of the Society .

Government Actuary

It is now some time since the role of GA was advertised and I hope to see a new appointment made soon. The role is important to the profession and I am looking for the new appointee whoever they are to build the role back to one where the individual involved participates in a wide range of Government issues adding an actuarial voice to Government policy deliberations.

Relationship with Australia

I am keen to see us develop our relationship with Australia. While as a fellow of the Institute in London my heart lies in England logic presupposes that the future must lie with Australia. A key issue would be mutual recognition. Apparently Australia has mutual recognition with most international societies except the Society of Casualty Actuaries in the US. Apparently though this may change soon. I had a useful discussion on the subject last week with Tony Coleman ex Australian President. A paper on how to progress and why the idea makes sense will go to Council shortly and I have an invitation to the Australian Council in Sydney in April.

All thoughts and ideas from anyone are welcome.

Objectives of the Society

Charles Hett the vice president of the Society is doing some work on this for Council and it would be useful to discuss his results with all members some time mid year.

Lunches

We still need new convenors for Wellington and Auckland.

Injury Surveillance Ministerial Advisory Panel

The Society put forward Janet Lockett to serve on this Ministerial Panel. Janet was not selected but it was important for us to participate in the selection process.

Securities Commission

The Commission is looking for nominations. I understand there may be some volunteers from the profession. It is an area where we could make a contribution bringing practical industry knowledge.

Reflections on the 2002 Conference

I thought the conference went extremely well and fully reflected all the effort put in by Peter Brown, Anton Gardiner and Neil Christie. The Society expects to make a small profit. As ever there were a number of issues that I feel we could do better next time. These included:

- Having the AGM late on the first day
- Trying to do a little less so allowing more time in each session
- With all the addresses from the overseas presidents the comment was made perhaps the NZ president should do one. (Thanks Ray for the idea.)

I felt a particular success was having outside participants such as the papers from Treasury.

Mark Weaver