



Ian New
President

P R E S I D E N T ' S R E P O R T
J a n u a r y 2 0 0 9



Linda Page
Vice President

NZSA Conference 2008

Conference 2008 has come and gone! Judging from the feedback forms, attendees really enjoyed themselves and went away with new learnings, and new (and renewed) networks of fellow professionals. It was interesting to see the wide range of 'top 3' sessions chosen by attendees, confirming that we are a diverse group with diverse interests. I regard it as vitally important for the New Zealand actuarial profession to have such opportunities to interact and exchange views and opinions, in both formal and informal settings.

Maggie Gwaze has kindly set out her thoughts on the conference as a student attendee at her first actuarial conference – see the article at the end of this newsletter, "I survived my first conference". Thanks Maggie!

The Conference Committee members of Margaret Cantwell (Convenor), Ross Simmonds, and Swee Chang can rightly be very pleased with the result. Thank you also to those attendees who completed their feedback forms – this feedback will provide valuable input into the planning of our 2010 NZSA conference.

Peter Brown and his Prize Committee have now commenced the task of selecting nominations for the Richard Bruynel Research Prize. This will be a thorough process and we anticipate making an announcement in May 2009.

Jean DeSantis has attended actuarial conferences and special interest seminars in the United States, but this was her first NZSA conference. She had the following to say:

"Was very impressed with the variety of the sessions offered and the quality of the speakers presenting; I especially enjoyed the plenary sessions. Was even more impressed upon the discovery the entire conference was planned by only three committee members. Thoroughly enjoyed the social events; they were structured in such a way that facilitated the opportunity to meet and talk with many of the friendly individuals within the NZ actuarial community.



John Smith
Secretary



Greg Lee
Council Member



Peter Brown
Past President



Linda Caradus
Council Member



Heathcliff Neels
Treasurer

Was amazed with how comfortable people were in actively engaging in discussions during sessions. Looks forward to participating in future NZSA events.”

NZSA Subscriptions

At our 2008 AGM, members approved the recommendation to maintain NZSA subscriptions at the previous year’s level. You should each have received an invoice in early December for your annual subscription through to 30 September 2009.

Please can I ask you to take 3 actions in relation to this:

1. If you have not already done so, please pay your subscription promptly so that we avoid the administration cost of chasing up;
2. Please review your CPD records to confirm that they are up-to-date and that you are undertaking sufficient quality CPD. Be aware that the Institute of Actuaries of Australia randomly select a group of IAAust members each year and audit their individual CPD records - some NZSA members have already had their records audited through this process;
3. Take a moment to confirm that your contact details in the ‘Members’ section of the NZSA website are accurate – if they need updating, you can do this yourself by clicking the ‘Change my details’ button at the top of the Members page. Any problems, contact Fran Jenkins at <society@actuaries.org.nz>

Priorities for 2009

I took the opportunity at our 2008 AGM to run through the priority areas for NZSA for 2009. These had been discussed at a joint meeting of Council and Committee Convenors in October.

NZSA priority areas for 2009:

- Complete new Professional Standards 6, 8, 9 & 10, and assess approaches to securing greater external input to NZSA standards
- Work with RBNZ in their development of the new prudential regulation regime for the insurance sector, including development of solvency standards
- Monitor emerging legislation that impacts upon the work of actuaries, and make submissions as appropriate
- Generate CPD opportunities including one-day General Insurance and Financial Services seminars; sessional meetings in Auckland and Wellington; and a Professionalism course
- Improve the functionality of the website, and include a list of actuarial consultancies
- Assess the need for increased resources for the NZSA Secretariat
- Engage with the Institute of Actuaries of Australia to explore the possibility of accreditation for one or more New Zealand universities

There is a significant amount of work involved here, particularly around ensuring our Professional Standards are robust and up-to-date. We rely heavily on all those members who voluntarily contribute their time to supporting our profession. If you are in a position to contribute your time and expertise in one of these areas, please do ask about getting involved. You will find that this can also be very rewarding in terms of interaction with fellow professionals.

Council

Council held its first meeting subsequent to the Annual General Meeting on 8 December. We have a stable and experienced Council and the following incumbents agreed to continue in their respective roles for a further year:

Vice President: Linda Page

Secretary: John Smith

Treasurer: Heathcliff Neels

Greg Lee, Linda Caradus, and Peter Brown (Immediate Past President) complete our current Council.

We also assign a Council member to each NZSA Committee, to be the primary liaison person between Council and the Committee, and again we have been able to maintain continuity with these arrangements. The table below lists the various Committees, the Committee Convenors, and the liaison Councillor. The profession is indebted to the Committee Convenors, who often bear the bulk of the work of their Committee.

NZSA Committee	Convenor	Liaison Councillor
Conference 2010	Charmaine Green	Ian New
Education	Charmaine Green	Linda Page
Experience Investigation	Linda Page	Linda Page
External Relations	Andrea Gluyas	Ian New
General Insurance	Neil Christie	Peter Brown
Health	Peter Davies	Linda Page
Investment	Peter Cosseboom	Greg Lee
Life Insurance	Hamish Farrar	Linda Caradus
Professional Conduct	Murray Hilder	Ian New / John Smith
Professional Standards	Herwig Raubal	John Smith
Superannuation & Savings	Janet Hayden	Greg Lee
Banking Group	David Chamberlain	Ian New

A full list of Committee members is available on the 'About Us – Committee Members' page of the NZSA website.

NZSA Conference 2010

As you will have seen above, I am delighted to confirm that Charmaine Green has agreed to be convenor of the Conference Committee for our 2010 Conference! Yes, no sooner do we complete one biennial conference than we need to commence planning for the next one. Charmaine's initial tasks are to pull together a Committee, and to agree a venue and timing.

So if you would like to get involved, please contact Charmaine or me. It is only through booking early that we can secure our first choice of location and dates.

IAAust Biennial Convention 2009

The Institute of Actuaries of Australia are holding their Biennial Convention in Sydney from 19 – 22 April 2009. As anyone who has been to previous IAAust Biennial Conventions will know, this promises to be a quality event with a wide range of concurrent sessions and rich content. I encourage you to consider attending. More information is available from the email circulated to NZSA members on 5 January, and from the Australian Institute's website: www.actuaries.asn.au

NZSA General Insurance Seminar 2009

The next NZSA General Insurance Seminar will be held in Wellington in the second half of 2009. Look out for further details to be announced in the coming months.

Regulatory Developments

Prudential Regulation of Insurance

Members are well aware that the NZSA is engaged with the Reserve Bank of New Zealand around their development of the new prudential regulation arrangements for the insurance sector. We were very pleased to have Richard Dean of the RBNZ attend part of our recent NZSA conference and present the session on 'Insurance Prudential Supervision'.

Members will also have seen the email circulated on 19 December 2008 to NZSA members on behalf of the RBNZ, seeking expressions of interest in carrying out two distinct phases of consultancy work in this area under the direction of the RBNZ. The NZSA has a working group in support of this development, lead by Paul Rhodes and including Peter Brown, Robert Cole, and Jean DeSantis. The development of the RBNZ's new prudential regulation regime for insurance will clearly be of great interest to actuaries over the 2009 year.

Taxation: Life insurance, OCR deductibility, KiwiSaver

We were pleased to have Anthony Merritt of the IRD lead a 'Life Office Tax Workshop' session at our NZSA conference, and that he was also able to attend the conference dinner later that day. It is important that the NZSA proactively engages with Government and Officials in areas that impact upon actuarial work.

As reported in the October newsletter, NZSA lodged a submission on the Taxation (International Taxation, Life Insurance and Remedial Matters) Bill in early October 2008. This Bill subsequently lapsed upon the dissolution of Parliament prior to the general election. However, the Bill was reinstated following the election and opened for submissions up until 15 January 2009. NZSA has taken this opportunity to lodge a fuller submission that takes into account further review and consideration of the Bill.

Professional Standards Update

I am hopeful that current work on a number of NZSA professional standards will be completed in the near future:

PS5 (Update) *Solvency Reserving for Life Insurance Business*

Feedback has been received on PS5. The Life Committee has completed the review of the feedback and the final standard has now been forwarded to Council for adoption.

PS6 (New) *Actuaries Providing Advice under the Friendly Societies and Credit Unions Act 1982*

An updated draft of PS6 *Actuaries Providing Advice under the Friendly Societies and Credit Unions Act 1982* was circulated by email in December, taking into account feedback received on the original exposure draft. Any further feedback is due to John Feyter by midday 20 January 2009.

PS8 (New) *Economic Valuations*

Feedback from the membership has been received by the drafting committee and amendments have been made. The primary issues concern the scope of the standard and reporting requirements. The drafting committee is considering these.

PS9 (New) *Communication of Professional Advice &*

PS10 (New) *Financial Reporting for Superannuation Schemes under IAS19*

The respective drafting committees have received feedback from the membership and are in the process of considering this.

Global Enterprise Risk Management Qualification

Fred Rowley, Past President of the Institute of Actuaries of Australia, reports that the concept of a global ERM qualification for members of the actuarial profession moved "several steps closer to implementation" during the Limassol meetings of the International Actuarial Association ("IAA") held in November 2008.

"The syllabus and learning objectives are already close to being finalised", he said. "At these meetings between the presidents of the participating associations, we moved much closer to a high-level consensus on the terms of education standards, mutual recognition, and our implementation plans. We expect several of those participating associations to start awarding the global qualification to their members during 2009."

"The profession is already well-equipped to contribute to the growth and stability of a range of entities within the financial sector. What this means is that we are several steps closer to implementing a truly global qualification for actuaries in the crucial area of ERM, covering the entire financial sector. The project is a team effort, but we are particularly pleased to have learned from the practical experience of the Society of Actuaries (USA) in implementing the CERA qualification."

The project started formally with the signing of a Statement of Intent at the Dublin IAA meetings in October 2007. Since then it has accelerated rapidly to include a group of 15 of

the IAA's member associations, which spans the globe, including the Americas, Europe, Africa, the Middle East and Australasia.

Fred Rowley said "We know there is considerable interest well beyond the current project group, including many associations within the Groupe Consultatif [in Europe], and I expect many new associations will join us in the near future."

Dave Hartman, President of the International Actuarial Association, said "This exciting initiative is a credit to the vision and energy of the IAA's member associations, and is particularly significant at this time of global financial crisis. Regulatory bodies around the world are already looking for ways to ensure that the global economy is never again impacted on this scale by the consequences of failures in risk management, and financial entities are looking for better ways to look after their customers' interests."

"The actuarial profession has always been deeply involved with risk management in its traditional fields of activity, especially in insurance and superannuation," he said. "This qualification will ensure that individual actuaries around the world can demonstrate their leading expertise in modern quantitative techniques across broader sections of the financial services industry - and beyond."

NZSA is registered as an interested party in this initiative, with Andrea Gluyas as our point of contact.

Congratulations!

Congratulations to the following NZSA members who have recently completed the actuarial examinations:

Leigh Boekestein
Ben Coulter
Nick Smart

I believe all Fellows can identify with the huge sense of achievement upon completing the exams though of course CPD never stops!

Council Meetings

The next meeting of Council is scheduled for Monday 9 February 2009.

If you have an issue you would like Council to consider please do not hesitate to contact either Fran Jenkins or me and we will arrange for it to be placed on the agenda of the next meeting.

New Members

We welcome the following new members of the New Zealand Society of Actuaries:

Students

Fiona Cooke
Jeffrey Azzato
Mark Channon
Laura-Jane Gregory
Yuan Yuan
Andrew Coon

Ian New
President

“I survived my first conference”

By Maggie Gwaze

As a student attending my first actuarial conference I wasn't sure what to expect. My manager had hinted to me that I should perhaps submit a post-conference summary of what I had learnt. With the fear of summarising the conference looming over my head I made sure I'd read the synopsis and papers for sessions I had planned to attend. Despite my diligence I still expected the whole experience to be daunting.

Non-actuaries would probably joke that 120 actuaries in a confined space implies boringness and morbidity. However, what struck me on my arrival at Taupo was the friendliness and candid nature of the delegates I met. Being fairly new to New Zealand, it was also a great way to meet new people in the industry whilst being in Taupo compliments of the company and of course to see my workmates getting their dance groove on at the conference dinner.

The programme lived up to its promise of being both entertaining and providing a wealth of knowledge. It was a relief to know that not every presentation consisted of alphas, betas and complex actuarial theory. After the conference I knew how much gold was left in the world, how many actuarial jokes can be successfully slipped into one presentation and I'm sure after the talk on actuaries in the community, I wanted to join 'Actuaries sans Frontiers'.

Despite my preconceptions of everyone around me being totally engrossed in plenary sessions, actuarial papers and presentations, everyone I approached with a question, no matter how complex or trivial, gave me all the time and attention I needed in a relaxed and friendly manner. In some instances I found myself standing around people much more experienced than myself, when I wasn't asking questions I put on my intelligent look and nodded my head vigorously in an attempt to seemingly understand the conversation.

Apart from the sessions, informal discussions with actuaries and fellow students proved to be an invaluable source of information about the industry and the different areas of work.

By the end of the fourth day we had been fed and watered nicely. New friendships had formed and by then I knew the maximum number of actuarial jokes any human being should know – 6 (5 too many). I gathered that only accountants enjoy actuarial jokes as this gave them a sense of apparent social superiority over actuaries.

Day 1

After a 4 hour drive from Auckland, I only had 5 minutes to unpack my bags and headed straight to the AGM. After saying 'aye' a few times, we quickly moved onto the 1st plenary session. I was incredibly tired but found myself daydreaming about the wine tasting that was to follow.

Day 2

A problem with hot water in the wing I was staying meant a few actuaries went with a cold shower that morning. I chose jet boating as my social event and I recall sitting in the boat and thinking to myself, 'doing wheelies in a jet boat sure does beat an afternoon in the office'.

Day 3

With 6 sessions in one day, this day was by far the most exhausting. By the time we got to the afternoon sessions, delegates were slumped in their chairs with eyes half- closed practicing

what looked like subliminal learning. I didn't have the luxury of subliminal learning as the possibility of writing a summary of the conference was still an imminent threat.

The conference dinner that evening, was yet another networking opportunity. It was an interesting evening as I danced to music older than myself and was glad that this brief retro moment in my life would remain in Taupo. I also said to one of my colleagues, 'thank goodness actuaries don't have to rely on their dancing skills to make a living!'

Day 4

I do not usually attend actuarial sessions on a Saturday morning but there is a first time for everything. In between gobbling down my brunch I found the final session more easy-going than I expected and an appropriate close to the conference.

I thoroughly enjoyed the conference and certainly look forward to the next one.

Article by Richard Korte:

Richard has also written an article on the NZSA Conference and this appears in the December edition of "Actuary Australia" – together with some photos!

