



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 8



Linda Page
Vice President

This is my first newsletter as your new President. I feel genuinely honoured to be the Society's President and I am really looking forward to the year ahead.

Council

Council held its first meeting subsequent to the Annual General Meeting on 12 December and we welcomed Linda Caradus onto Council at that meeting. We are fortunate in having a stable and experienced Council with incumbents continuing in each of the following roles:

Vice President: Linda Page

Secretary: John Smith

Treasurer: Heathcliff Neels

We have reviewed the committee liaison arrangements and the following appointments were made:

Conference 2008 – Ian New

Education - Linda Page

Experience Investigation - Linda Page

General Insurance – Peter Brown

Health – Linda Page

Investment – Greg Lee

Life Insurance – Linda Caradus

Professional Conduct – Ian New / John Smith

Professional Standards – John Smith

Superannuation & Savings – Greg Lee

Banking Group - Ian New

Richard Geisler

Ric stepped down from Council at the Annual General Meeting. As a former President of the Society, Ric (together with his Council) had the foresight to initiate significant change in terms of the governance of the Society. This resulted in new Professional Disciplinary procedures, an updated Code of Professional Conduct, and a revamping of the way in which



Professional Standards are approved. On behalf of members, Peter Brown presented Ric with an engraved clock at the AGM as a token of the profession's appreciation of Ric's leadership and guidance over the past few years as President and Immediate Past President.



John Smith
Secretary



Greg Lee
Council Member



Peter Brown
Past President



Linda Caradus
Council Member



Heathcliff Neels
Treasurer

Wellington 50th Anniversary Dinner

The third and final dinner to celebrate the Society's 50th Anniversary was held in Wellington on November 30. This was a special evening, following on from the Financial Services Forum and Annual General Meeting held earlier in the day.

We hosted Kerry-Anne Bruynel at this dinner, together with Mr & Mrs Keith and Henreeka Bruynel. Our guests were very appreciative of this invitation. It is intended that the inaugural 'Richard Bruynel Research Prize' will be awarded to the presenter of a paper to our 2008 Conference. Council has discussed the criteria for this award, and these are being refined for publication on our website.

Financial Services Forum

A successful Financial Services Forum was held in Wellington on November 30. There were several members involved in the organisation of this event (thank you!). Special thanks go to Linda Page for driving the logistics and ensuring that we had a good turn-out of members and high quality sessions.

A total of 46 members plus speakers were involved in the day. External presenters included Toby Fiennes and David Williams from the Reserve Bank; the Insurance & Savings Ombudsman Karen Stevens; and we welcomed back Catherine Johnston and Grant Peters from the Sydney office of Ernst & Young. Thanks also to members Herwig Raubal, David Chamberlain, Hamish Farrar, Janet Hayden and Paul Newfield for the sessions they ran.

We always look to learn from such events, and one of the thoughts is that we find it easier to attract larger numbers to one-day seminars if they are run in Auckland. We welcome feedback from the membership as to whether the location of seminars is likely to represent a significant factor in terms of attendance.

Institute of Actuaries of India Convention

The Institute of Actuaries of India is holding its 10th annual actuarial conference (Global Conference of Actuaries) in Mumbai on 7 and 8 February 2008. Last year more than 400 people attended the conference and a warm welcome awaits any of our New Zealand members who decide to attend. *Full details are available on the Institute's website at www.actuariesindia.org*

Swiss Association of Actuaries Summer School

The Swiss Association of Actuaries will hold their 21st International Summer School on 7 – 11 July 2008 in Lausanne, Switzerland, with a focus on Generalised Linear Models (GLMs) and their non-life and life insurance applications. *Further details at www.saa-iss.ch*

Regulatory Publications

There were a number of documents published by Government agencies in the weeks leading up to Christmas. A list of some of the key ones follows.

Taxation of the life insurance business: proposed new rules

This discussion document represents the next step in the Inland Revenue's review of the taxation of life insurance business. Submissions are due by 12 February 2008. The Life Insurance Committee are working towards producing a response by this deadline. *The document is available at www.taxpolicy.ird.govt.nz*

Guidelines: Insurance and the Human Rights Act 1993

The Human Rights Commission issued updated guidelines in December for the application of the Human Rights Act for Insurance. This follows consultation with the industry and community groups over

the previous couple of years. The NZSA has been involved in this process through the good work of Anne Lord. The Guidelines incorporate the Society's Guidance Note No.3 as Appendix 3.

Anne comments that for the most part the new guidelines clarify and expand on the previous guidelines, rather than requiring substantial changes. The new sections include:

- A new section on how insurance works. This aims to explain why loadings and special terms are necessary.
- An updated section on expenses. Insurers are still able to pass on the costs of investigating specific cases, but the costs should not be significant to act as a deterrent.
- A new section on mental health, requiring that mental illness is treated consistently with physical disability.
- A new section on genetic information, supporting the continuation of the existing voluntary moratorium on genetic testing. This provides the opportunity to promote debate within NZ about future options, and for the NZSA to be involved in this discussion.
- Reinsurers are explicitly exempted from the guidelines, as they offer a service to insurance companies, rather than to individuals. This is a change from the previous guidelines, which were unclear. This means that in some cases direct insurers may need to offer cover without support from reinsurers.

The Guidelines are available at www.hrc.co.nz

2007 Review of Retirement Income Policy

This significant publication from the Retirement Commission has received widespread media coverage. The Commission received 23 submissions, including the Society's, as input to the review. The Review sets out 27 wide-ranging recommendations and represents 'compulsory' reading for just about all our members. *The document is available at www.retirement.org.nz*

Prudential Regulation of Insurance

This document has been issued out of the work of the Cabinet Economic Development Committee, subsequent to the Cabinet's decision in June 2007 that the Reserve Bank of New Zealand would take over licensing and prudential supervision of insurance companies. The latest document sets out more detailed proposals for the prudential regulation and supervision of the insurance sector, and the legislative powers. The proposals apply to life, health, and general insurers.

Regulation of Financial Advisers

The Financial Advisers Bill is currently passing through Parliament and represents the Government's next significant development in the regulation of financial advisers. It is currently anticipated that the Bill will have its first reading in February, after which the Select Committee will call for submissions.

This legislation is an area where the NZSA needs to clearly understand the potential impact upon the work of our members. Earlier proposals have suggested that lawyers and chartered accountants may have some level of exemption, so this aspect needs to be monitored to ensure that an exemption is available for actuaries if appropriate. The primary NZSA group involved with these developments is the Investment Committee.

NZSA Conference 2008

A reminder that the 2008 Conference will be held at the Wairakei Resort near Taupo on 19 – 22 November, 2008. The format will be different from previous years in that this conference is planned to commence on Wednesday afternoon and run through to Saturday lunchtime. Please put the dates in your diaries – and start researching that interesting area that you know you would like to write a presentation on!

Focus Areas Looking Ahead

At the AGM, I outlined the areas where I would like to see the Society focus its efforts, in addition of course to our 2008 Conference. I identified four groups of action areas.

1. Review of Professional Standards

Completion of the review of Professional Standards is really important. The exposure draft of the CPD standard has been issued, and this will be discussed at meetings early in 2008. The international position where members belong to multiple actuarial bodies needs to be clarified. And going forward we will need to create opportunities in New Zealand for completing CPD.

2. Review of Financial Products and Providers

The current Review of Financial Products and Providers is a major development in New Zealand. We need to continue to engage on this review and influence the outcomes.

3. Professional interaction

I am keen to promote interaction between members. So whilst I know we have limited resources, I would like to see more interaction through meetings to discuss papers, or lunches with invited speakers. I am keen on an inclusive profession, re-engaging with members who may have moved on to alternative fields. And also being awake to opportunities – for example, the area of wider Risk Management where the US and Australian professions are being proactive.

4. International developments

We are influenced more and more by international trends and developments such as International Financial Reporting Standards. We need to engage with the international actuarial body to the extent that resources allow.

These are the areas that are top of mind for me, but it is really important that Council

recognises what the membership thinks. So your feedback is essential!

Professional Standards Update

An exposure draft of a professional standard on *Continuing Professional Development* has been issued with the intention of replacing the existing guidance note. The drafting group comprises Wayne Hawkyard as convenor with Charmaine Green and David Chamberlain as members. Given the level of members' interest in this area and the practical implications of the standard to all members, it is important that members have ample opportunity to discuss the proposals. Consequently, sessional meetings will be organised in the near future to facilitate debate, and members can therefore ignore the feedback deadline communicated with the exposure draft. A revised deadline will be publicised when the meeting dates have been set. In the meantime, members should feel free to provide feedback direct to Wayne Hawkyard if they wish.

Feedback on the draft standard on *Economic Valuations* is currently being assessed by John Melville. Likewise, feedback on the proposed changes to PS5 is with the Life Insurance Committee.

As the Professional Standards Committee reported to the AGM, a number of other standards are in the process of development.

Reverse Mortgage Code

The Banking Group has provided feedback to the Office for Senior Citizens on an early draft of a Code of Practice for Mortgage Based Home Equity Conversion Products. Being an early draft, the Code is being treated as confidential by the OSC, so we have not put the Society's response on our website. Any member interested in this area is welcome to contact the new convenor of the Banking Group, David Chamberlain.

Council Meetings

In 2008, Council intends to meet on the 2nd Monday of every month (except January and November). The next meeting is scheduled for Monday 11 February 2008.

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.

Global ERM qualification for Actuaries

Members may have seen the recent announcements around an agreement to develop a new global enterprise risk management qualification. The Institute of Actuaries of Australia has been at the forefront of this agreement, which also includes the London Institute, the Scottish Faculty, and the actuarial professions of Canada, South Africa and Mexico. Harry Panjer (who some members may know from his visits to this part of the world) of the University of Waterloo in Canada, will be leading the team working on the syllabus for the qualification.

New Members

Student	Nicholas Smart Rosanna White John Cordue Audrey Feng Jamie Young Nicola Thompson Leck Sheng Tham
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Committee Appointments

The following appointments to committees have been approved at recent Council meetings.

Banking Interest Group – David Chamberlain (Convenor)

Finally.....

I am keen to see an ‘inclusive’ profession in New Zealand that maintains engagement with members who may have moved on into different pastures. If there are former members, or members who could be re-engaged, please have a think about how this might be done to achieve a win-win for the individual and the profession. Likewise, it is important that we continue to attract talented individuals into the profession. Please feel free to give me a call or drop me an email if you have ideas on maintaining a strong and vibrant profession.

Ian New
President