



Richard Geisler
President

NEW ZEALAND SOCIETY OF ACTUARIES

PRESIDENT'S REPORT

SEPTEMBER 2004



Doune Connett
Vice President

Council Notes

Winter is nearly behind us but seems to keep hanging around for one more final go. At least we have a bit of socialising among the members to warm the long evenings.

Council organised dinners in Wellington and Auckland in August. Although we had hoped for a bit better turnout in both cities, those that were there enjoyed an evening with Graham Rogers, President of the Australian Institute. His overview of current issues facing the profession in Australia was very helpful in setting our own course for review.

In Wellington we also invited Law Commission members, Richard Clark and Bruce Robertson and spouses. Along with very pleasant socialising, the evening included a fairly vigorous, open discussion of obligations of professional bodies to the public good. It was a great opportunity to debate with well respected members of another organisation.

We always agree there should be more of these events. Perhaps the success of these will suggest it can be done.

Nominations

Nominations for one Council seat and the Presidency are open until 15 October. You have been advised of the process but if there are any questions, please contact Fran.



Brian Lenehan



Linda Page?



Mark Weaver
Past President



Herwig Raubal?



Peter Cosseboom

Joint Membership

If you are a member of the UK, US or other major actuarial body and wish to enjoy the benefits of the IAAus, there are options. Overseas affiliate membership of the IAAus is currently available for about \$250 per year which allows attendance at meetings and access to information. For those with UK/US qualifications wishing to take a more active participatory stance to Australia, the IAAus Council is considering extending the terms of its mutual relationship agreements with other societies such that the "domiciled in Australia" requirement includes a fellow domiciled in New Zealand.

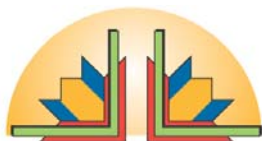
The Council will be considering the proposed budget at the October meeting. If you have any thoughts on programs the Council should support, please make them known. The budget will be presented as part of the discussion on dues for the next year.

Recent Submissions

Given the major review of the UK profession chaired by the Sir Derek Morris, the Council made a brief submission to report on our sessional meetings here on the topic in August. The submission is on our web site.

Through Council, the Life and Health committees made comment on the 1st draft of the Law Commission Report. As the report is not a public document at this stage, we are not able to publish our response on

the web site. We can share our response with members and ask that you contact Fran for a copy.



New Zealand Society of Actuaries Conference

14 - 17 November 2004, Napier

All members will have received the registration brochure and will see that we have a great venue and program in Napier. I encourage you to register if you have not already done so. Registration is easy by mail or online at www.conference.co.nz/actuaries. Details of all the speakers and topics are now available on the "Speakers" page.

Your participation at the conference is an excellent opportunity to meet with colleagues, discuss issues and advance the knowledge of the profession and of course learn something new. I hope to see you there.

James Hardie

The Commission of Inquiry in Australia on the James Hardie asbestos issue, headed by Mr. Jackson QC has made its report. As much as anything, this report serves to highlight to all actuaries that they need to be aware of both how their work may be used and how important it is to question the brief they receive from a client.

In some circumstances, it may be necessary, even without an ongoing relationship with a client to monitor the client to see if assumptions and recommendations made may still be relied upon. And, it may be prudent for the actuary to advise the client on the importance of monitoring their position.

I note that the President IAAus has issued a statement on the matter including the following.

"In response to the Commission of Inquiry, the Institute of Actuaries of Australia established a taskforce to monitor hearings and provide advice to the Institute including recommendations regarding standards of practice and referral of members to the Professional Conduct Committee as appropriate.

"The report from the Commission of Inquiry was released yesterday and I would expect our taskforce, chaired by Tony Coleman, to make its report to Council within the next two weeks. I understand there will be a number of recommended amendments to the Code of Conduct and Professional Standards to provide guidance to actuaries in their professional conduct"

The NZSA will continue to monitor the outcomes of this issue as well as the review of the UK profession. Although we will advise members of the implications as we see them, I encourage you to keep informed of these developments and make your own assessment in respect to your own practices.

In the News

Congratulations to **Daniel Mussett** at Russell Investment Group who was featured in New Zealand Herald article on 25 August. In addition to a very handsome picture, Daniel portrayed the profession in glowing terms for anyone considering a career as an actuary. Daniel, here's hoping you and all our students passed those exams in September.

IAA

In May, the IAA Council passed an amendment to declare that all IAA standards will initially be prepared as Class 4

standards. This means that the standard is educational in nature representing a statement of good practice and gives member organisations time to implement local compliant standards.

The IAA also follows the principle of 'subsidiarity' and will not interfere in matters or actions which are in the hands of a local association. IAA would consider itself to be subsidiary to NZSA when we have an applicable standard and the standard is 'stronger'. In this context, 'stronger' does not refer to rigor of the standard but to the level of compliance required.

All of this means that NZSA has the opportunity to chart its own course in terms of standards and regulation of the profession. However, to ensure our members can rely on NZSA standards and not be subject to IAA standards, we must produce standards which are seen to over-ride the IAA standard and require compliance with those standards.

As is the case overseas, review and updating standards is becoming a high priority and requiring a larger commitment of time by members to help in the review.

Review of Complaints Process

The Committee will provide to members a proposed disciplinary process and accompanying recommendations prior to the Conference. It is expected that the process will have the following characteristics:

- ◆ It is as **open** as possible from the point investigation determines there is a proper complaint to be answered
- ◆ The process has a satisfactory degree of **independence**
- ◆ Procedures used are **fair**
- ◆ Complaints are resolved in a **timely** manner
- ◆ Decisions are **principle based**
- ◆ Enhances the **credibility and standing** of the profession
- ◆ **Effectively** Protects the public

There will be an opportunity to discuss the recommendations on Sunday afternoon after the AGM and, if needed, at a follow-up session later in the conference. A ballot vote will be taken sometime after the conference.

New Members

Ordinary

Boris Zlatopolsy Robert Hall
Albert Kwok

And Finally

Get those registrations in for the conference, watch for the papers to be posted on the web, make those nominations for Council and President, keep your employer and clients happy, make time for family, and occasionally give yourself a treat.

Keep in touch
Richard Geisler
President