June 14, 2004

Mr. Yoshihiro Kawai
Secretary General
International Association of Insurance Supervisors
c/o Bank for International Settlements
Centralbahnplatz 2
CH-4002 Basel, Switzerland
(Email: yoshihiro.kawai@bis.org)

Dear Mr. Kawai,

**Re:** Consultation Paper on the Proposed IAIS By-laws

The International Actuarial Association (IAA) appreciates the opportunity given to comment on the Consultation Paper on the Proposed IAIS By-laws released by the By-laws Task Force on April 16, 2004.

At this stage these comments represent the views of the members of the Committee on Insurance Regulation only. The comments have not been approved formally by the Full Member associations of the IAA. We intend to submit these comments for due process and formal approval by the IAA membership and, in due course, will provide that formal response. In the meantime, these comments should be regarded as an informal commentary, rather than as a formal policy statement of the IAA.

If, upon reading these comments, you identify any points that you would wish to pursue, please do not hesitate to contact the chairperson of the Committee, Jukka Rantala, or any of the other members of the Committee. The IAA will be pleased to develop these ideas further with you.

Yours sincerely,

Yves Guérard
Secretary General

Attachment

cc: Mr. Alex Lee (Email: alex.lee@bis.org)
    Mr. Jukka Rantala (Email: Jukka.Rantala@etk.fi)
A Commentary on the
CONSULTATION PAPER ON THE PROPOSED IAIS BY-LAWS
Released by the International Association of Insurance Supervisors
By-laws Task Force: April 2004

International Actuarial Association
The International Actuarial Association (the “IAA”) represents the international actuarial profession. Our fifty Full Member actuarial associations represent more than 95% of all actuaries practicing around the world. The Full Member associations of the IAA are listed in an Appendix to this statement. The IAA promotes high standards of actuarial professionalism across the globe and serves as the voice of the actuarial profession when dealing with other international bodies on matters falling within or likely to have an impact on the areas of expertise of actuaries. The IAA appreciates the opportunity to provide comments on this IAIS document.

Due Process
These comments have been prepared by a committee of the IAA, the members of which are listed below by name and association. It is now intended that the comments will be circulated for approval to the Full Member associations of the IAA as part of our due process procedures. Accordingly, these comments do not constitute a formal response by the IAA. The final copy of this draft statement will be transmitted to the IAIS as soon as this draft statement has passed through the IAA’s due process.

Members of the IAA Insurance Regulation Committee
Jukka Rantala Chairperson
David Sandberg Vice-Chairperson
Félix Arias Bergadà Col.legi d'Actuaris de Catalunya
Andrew Chamberlain Institute of Actuaries
Morris Chambers Canadian Institute of Actuaries/Institut Canadien des Actuaires
Isagani de Castro Actuarial Society of the Philippines
Joubert Ferreira Actuarial Society of South Africa
K S Gopalakrishnan Actuarial Society of India
David Hartman Casualty Actuarial Society
Gyula Horváth Magyar Aktuárius Társaság
Thomas Karp Institute of Actuaries
Toshihiro Kawano Institute of Actuaries of Japan
Philipp Keller Association Suisse des Actuaires
Jean-Michel Kupper Association Royale des Actuaires Belges
Won How Lo Actuarial Institute of the Republic of China
Helge-Ivar Magnussen Den Norske Aktuarforening
Bruce Maxwell Society of Actuaries in Ireland
Dina Mikelsone Latvijas Aktuāru Asociācija
Ibrahim Muhanna Cyprus Association of Actuaries, Lebanese Association of Actuaries
Gennaro Olivieri Istituto Italiano degli Attuari
Ian Perera New Zealand Society of Actuaries
IAA Comments
The IAIS Task Force on the Revisions to the IAIS By-laws has prepared a consultation paper to solicit comments from members and observers on the proposed IAIS By-laws. The Insurance Regulation Committee of the IAA appreciates the opportunity to give its view on the proposals.

The Insurance Regulation Committee of the IAA compliments the Task Force on the quality of the consultation paper. We think that the Task Force has generally succeeded in its target to make the by-laws consistent with the current IAIS status, activities, and in particular with the revised Insurance Core Principles. We have no comment on details but would like to make a general remark.

The Insurance Regulation Committee believes that the IAA has a very good working relationship with the IAIS. The IAA has established working groups and named individual actuaries who have been able to give technical advice and expertise to the work of the IAIS. We have commented extensively on IAIS draft standards and principles papers. IAA representatives have also attended, as observers, some IAIS committee meetings and participated in the panels at IAIS conferences. A good relationship with the IAIS is important to us since a great deal of actuarial work is mandated, regulated, or proscribed by regulators. On the other hand, the IAA represents professional objectives in much the same way as the goals of insurance supervisors are based on policyholders’ benefit and on public interest.

The current formal status of the IAA within the IAIS is that of an observer with no specific reference to our professional nature. The IAIS is in a special membership category of the IAA, that of institutional member. Membership in this category is granted to important institutions involved on an international level with matters of concern to actuaries. Although we are content with our present cooperation with the IAIS, we kindly ask the IAIS to consider the advisability of having a special treatment of such IAIS observers, which are international organisations representing professions having in most jurisdictions functions important and/or critical to the supervisory process. This could provide the IAIS with further opportunities to strengthen its cooperation with such organisations and thus best utilize their potential to contribute to the work of the IAIS.
Appendix

Full Member Associations of the IAA
Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires (Argentina)
Institute of Actuaries of Australia (Australia)
Aktuarvereinigung Österreichs (AVÖ) (Austria)
Association Royale des Actuaires Belges (Belgique)
Instituto Brasileiro de Atuária (IBA) (Brazil)
Canadian Institute of Actuaries/Institut Canadien des Actuaires (Canada)
Cyprus Association of Actuaries (Cyprus)
Česká Společnost Aktuářů (Czech Republic)
Den Danske Aktuarforening (Denmark)
Egyptian Society of Actuaries (Egypt)
Eesti Aktuaaride Liit (Estonia)
Suomen Aktuaariyhdistys (Finland)
Institut des Actuaires (France)
Deutsche Aktuarvereinigung e. V. (DAV) (Germany)
Hellenic Actuarial Society (Greece)
Actuarial Society of Hong Kong (Hong Kong)
Magyar Aktuárius Társaság (Hungary)
Félag Islenskra Tryggingasterfræðinga (Iceland)
Actuarial Society of India (India)
Society of Actuaries in Ireland (Ireland)
Israel Association of Actuaries (Israel)
Istituto Italiano degli Attuari (Italy)
Institute of Actuaries of Japan (Japan)
Japanese Society of Certified Pension Actuaries (Japan)
Latvijas Aktuāru Asociācija (Latvia)
Lebanese Association of Actuaries (Lebanon)
Persatuan Aktuari Malaysia (Malaysia)
Colegio Nacional de Actuarios A. C. (Mexico)
Het Actuarieel Genootschap (Netherlands)
New Zealand Society of Actuaries (New Zealand)
Den Norske Aktuarforening (Norway)
Actuarial Society of the Philippines (Philippines)
Polskie Stowarzyszenie Aktuariuszy (Poland)
Instituto dos Actuários Portugueses (Portugal)
Academia de Actuarios de Puerto Rico (Puerto Rico)
Singapore Actuarial Society (Singapore)
Slovensko Aktuársko Drustvo (Slovenia)
Actuarial Society of South Africa (South Africa)
Col.legi d'Actuaris de Catalunya (Spain)
Instituto de Actuarios Españoles (Spain)
Svenska Aktuarieföreningen (Sweden)
Association Suisse des Actuaires (Switzerland)
Actuarial Institute of the Republic of China (Taiwan R.O.C.)
(Draft Comments of the IAA, not having completed the required due process as of the date of submission)

Faculty of Actuaries (United Kingdom)
Institute of Actuaries (United Kingdom)
American Academy of Actuaries (United States)
American Society of Pension Actuaries (United States)
Casualty Actuarial Society (United States)
Conference of Consulting Actuaries (United States)
Society of Actuaries (United States)