

This English translation of “2015 Annual Report” of the Institute of Actuaries of Japan is an unofficial translation. Only its original Japanese texts have effect, and the translation is to be used solely as reference material to aid in the understanding of the original one.

この「2015年度事業報告」の翻訳は公定訳ではありません。効力を有するのは日本語の資料であり、翻訳はあくまでその理解を助けるための参考資料です。

2015 Annual Report

From April 1, 2015 to March 31, 2016

1. Matters concerning Annual General Meeting of Members

The General Meeting of Members was held on June 9, 2015 at the main conference room of the Institute of Actuaries of Japan, and

“Report on a summary of business activities in 2014”

was presented, and the following three proposals were put before the meeting and approved as proposed:

- Item 1: 2014 Approval of a Balance Sheet and Net Assets Variation Statement as well as Inventory of Properties
- Item 2: The approval of revision of Directors' compensation and cost etc.
- Item 3: Election of the Directors and Auditors.

2. Movement of members

Movements of members during the current year were as follows: for corporate members, 1 member withdrew from the IAJ; for individual members, 302 members were newly admitted and 192 members withdrew from the IAJ. The number of members as of the end of March 2016 is as shown in the table below.

Withdrawal corporate member:

Hartford Life Insurance 1 withdrawal corporate member

Fellows	1,579	persons
Associates	1,318	persons
Students	1,963	persons
Semi-total	4,860	persons
Corporate members	110	corporations
Total	4,970	persons/corporations

3. Business report

[Related to examination]

(1) Implementation of 2015 qualification examination

A 3-day qualification examination was held from December 14 to 16, 2015 in Tokyo (at TOC Gotanda) and Osaka (at Temma Training Center) and the successful examinees were announced on February 16, 2016. The total number of examination subjects for the primary examination was 3,411 subjects and the total number of subjects passed was 821 subjects. The total number of examination subjects for the secondary examination was 1,301 subjects and the total number of subjects passed was 170 subjects. There were 82 examinees who passed all the subjects.

(2) Implementation of 2015 CERA examination

The CERA examination was held on October 12, 2015 in Tokyo (at TKP Otemachi Conference Center) and the successful examinees were announced on January 18, 2016. There were 56 examinees and 8 examinees passed the examination.

(3) Revision of textbooks

The textbook for “Pension” was revised. And the publisher of “Life insurance mathematics” changed from Japan research institute of Life Insurance to the Institute of Actuaries of Japan.

[Related to education, training and research presentation]

(1) Implementation of 2015 actuary courses

The basic courses covering 12 subjects and the intermediate courses covering 7 subjects were offered for a period from May 8, 2015 to October 13, 2015. 106 people took the basic courses and 40 people took the intermediate courses.

(2) Implementation of 2015 Kansai Committee actuary courses

Kansai Committee actuary courses covering 2 subjects, namely life insurance mathematics and pension mathematics, were offered for a period from August to October 2015. 3 people took the life insurance mathematics course and 4 people took the pension mathematics course.

(3) Implementation of 2015 additional actuary exercise courses

The courses covering 4 subjects, namely life insurance mathematics exercise, non-life insurance mathematics exercise, pension mathematics exercise and modeling exercise, were offered for a period from October 1, 2015 to December 2, 2015. 45 people took the life insurance mathematics exercise course, 59 people took the non-life insurance mathematics exercise course, 40 people took the pension mathematics exercise course, and 12 people took the modeling exercise course.

(4) Holding of 2015 Annual Meeting and IT Annual Meeting

A 2-day Annual Meeting was held on November 10 and 11, 2015 at Keidanren Kaikan and Tokyo Station Conference. A 2-day IT Annual Meeting was held on January 21 and 22, 2016 at Mitsui Life Insurance Co., Ltd. (Otemachi Nomura Building).

(5) Holding of regular meetings

① May 26, 2015

“Let’s understand CREA - Reviewing activity of ERM Qualification Committee”

By Mr. Masaaki Yoshimura (Milliman)
Mr. Naoyuki Matsudaira (Capitas Consulting)
Mr. Kenji Shirai (Tokio Marine Holdings)

② July 16, 2015

“The IFoA Qualification Process for CERA”

By Mr. Trevor Watkins (IFoA)
Mr. Lindsay Smitherman (IFoA)

③ July 24, 2015

“Irrationality of insurance”

By Mr. Jaqui Wassenaar (RGA)

④ August 31, 2015

“The point of presentation easily understood to audiences”

By Mr. Yuichi Shimizu (Core Integrity)

⑤ September 9, 2015

- “Longevity in Japan”
By Mr. Andrew Rear (Munich Re)
- ⑥ October 19, 2015
“Life insurance industry of Germany under headwind, Breeze, Strong, or Hurricane”
By Mr. Ulrich Pasdika (Gen Re)
- ⑦ December 3, 2015
“Recent Developments in UK Pensions - Regulatory, Financial and Behavioural Change”
By Mr. Paul Sweeting (LGIM)
- ① February 16, 2016
“Compatibility with Improvement of quality and sustainability of medical in the population reduction society - Outlook and tasks in the big data age”
By Mr. Hiroaki Miyata (Keio University)
- (6) Holding of Kansai Committee regular meetings
- ① August 28, 2015
“Innovation of the social security system and the role of actuary”
By Mr. Junichi Noro (NLI research)
- ② November 6, 2015
“Financial administration from the view of journalist”
By Mr. Tetsuro Kyoya (Yomiuri Shimbun)
- ③ February 5, 2016
“The skill and the spirit to contribute the company by ability of analysis”
By Mr. Kaoru Kawamoto (OSAKA GAS)
- ④ March 2, 2016
“2015 Report on Activities of Kansai Committee’s Sub-committees”
By each sub-committee
- (7) Holding of moonlight seminars
Moon light seminars under the following themes were held from November 2015 to March 2016.
- ① Introduction and practice of modelling based on Agent
By Mr. Kosuke Iwasaki (Milliman)
Ms. Shinako Matsuyama (Milliman)
- ② Consider ERM of insurance company – in practice the philosophy
By Mr. Kazuyuki Doi (Towers Watson)
Mr. Iwaki Shimada (Towers Watson)
- ③ Read The Minimum Bias Procedure – A practitioner’s Guide (January 2002)
By Mr. Kazuaki Naito (Waseda University)
- ④ Reflection of the new information data to the price of non-life insurance
By Seminar Division
- ⑤ Economic valuation of the option that inherent in insurance liability
By Mr. Takeo Takumi (Sony Life Insurance)
Mr. Daisuke Kadowaki (Sony Life Insurance)
- (8) Holding of Kansai Committee seminars
- ① February 15, 2016
“Using the proxy-model for asset and liability valuation of insurance company”
“Estimation of mortality from the view point of causes of death”
“The explanation of value function by scale function and the application to risk management”

“Pricing of BMS by open model”

“Risk valuation model by few data”

“Grape the interrelate construction by Vine copula and valuation of Credit systemic risk”

Kyoto University, Insurance Mathematics Seminar students

(9) Enhancement of e-learning

E-learning contents under the following were released.

- ① Standard of Practice for Appointed Actuary of Life Insurance Companies
- ② Standard of Actuarial Practice Concerning Retirement Benefits Accounting
- ③ Strategy to solute the conflict at office
- ④ Stress test and scenario analysis
- ⑤ Reinsurance transaction in group company
- ⑥ LTGA Technical Specifications and Result of EU Solvency II
- ⑦ 2013 Open Discussion Forum
- ⑧ 2012 SOA “Model Efficiency Study Results”
- ⑨ Technical consideration of Solvency regulation based on Economic value
- ⑩ Stochastic Modeling
- ⑪ Risk valuation in ERM
- ⑫ Risk management in ERM
- ⑬ Risk measure for decision making and ORSA
- ⑭ Basic knowledge of international accounting standards
- ⑮ Pricing interest rate
- ⑯ Financial verification in 2014 and economic assumption
- ⑰ Future mortality estimation and pension actuary
- ⑱ BCR and ICS of IAIS
- ⑲ Medical economic valuation and actuary
- ⑳ Use of “R” for actuary
- ㉑ What is ORSA
- ㉒ Actuary and Bayesian Statistics
- ㉓ 2013 ERM Web Cast
- ㉔ Professionalism training (Continuing Education) (Movie)
- ㉕ Standard of Practice for Appointed Actuary of Life Insurance Companies (Movie)
- ㉖ ICS of IAIS (Movie)
- ㉗ The eve to start Solvency II (Movie)
- ㉘ Report of company pension division and the future (Movie)
- ㉙ Basic knowledge of international accounting standards (Movie)

(10) Implementation of actuary overseas training

The Fifth Actuary Overseas Training was implemented. The participants were divided into 3 groups: life insurance; pension; and non-life insurance. The non-life insurance group participated in General Insurance Research Organization of IFoA from October 19 to 31, 2015. The life insurance group and pension group participated in Life Conference of IFoA from November 17 to 28, 2015. There were 24 participants in the life insurance group, 3 participants in the pension group and 6 participants in the non-life insurance group.

(11) Implementation of professionalism training

- ① On October 9, 2015, professionalism training (Continuing Education) covering the following training was offered.

Action for Professionalism of IAA

Mr. Tomio Murata (Mitsui Life Insurance)

Mr. Masaaki Yoshimura (Milliman)

About Professionalism

Mr. Ikuo Katayose (Resona Bank)

Mr. Yosuke Fujisawa (RGA)

- ② On February 26, 2016, professionalism training covering the following training was offered to fellows (including associates who have passed all subjects at this year's qualification examination) and associates (including persons who have passed all basic subjects at this year's qualification examination). 100 participants completed the training.

IAA Syllabus and Professionalism

Mr. Tomio Murata (Mitsui Life Insurance)

Actuaries and Code of Conduct

Mr. Shinichi Nara (Meiji Yasuda Life Insurance)

Professionalism in Life Insurance

Mr. Hitoshi Watanabe (Nippon Life Insurance)

Professionalism in Non-life Insurance

Mr. Hiromi Kaneko (Sompo Japan NipponKoa Insurance)

Professionalism in Pension

Mr. Ikuo Katayose (Resona Bank)

CPD

Mr. Ikuo Katayose (Resona Bank)

(12) Implementation of CERA training

- ① CERA training under the following themes were held on July 17, 2015
“Tutorial of ST9”, “Lecture about CERA” Mr. Lindsay Smitherman (IFoA)
- ② On November 13 and 14, 2015, a 2-day group workshop was held for examinees for CERA examination at the main conference room of the IAJ. The workshop contained lectures on risk management, ALM, etc. and case studies. 18 participants completed the training.

(13) Open discussion forum

On December 2, 2015, an open discussion forum was held at the main conference room of the IAJ, at which members had discussions in English with foreign actuaries.

[Related to investigation and research activities]

(1) Holding of Standard Mortality Advisory Committee meeting

At the 21th Standard Mortality Advisory Committee meeting held on October 30, 2015, it was approved to continue to use in the year 2016 the “Life Insurance Standard Life Table 2007 (for

death)", "Life Insurance Standard Life Table 2007 (for annuity)" and "Third Sector Standard Life Table 2007".

- (2) Response to international accounting standards and international insurance regulation
The International Accounting Standards Board (IASB) and the International Association of Insurance Supervisors (IAIS) have been energetically reviewing international accounting standards and international insurance regulation. The International Actuarial Association (IAA) is carrying out contracted research and other activities as an actuarial professional group. The IAJ is actively participating in the activities of IAA committees and is making efforts to review economic value-based solvency regime and other issues through its International Standards Committee, etc. When the member of IAIS came to Japan on May, 2015, they and the IAJ discussed ICS etc.
- (3) Improvement of practice standards
 - ① With the announcement by Accounting Standards Board of Japan of Guidance on Accounting Standard for Retirement Benefits, necessary revisions were made to the "Standards for Actuarial Practice Concerning Retirement Benefits Accounting" and "Guidance for Actuarial Practice Concerning Retirement Benefits Accounting" in June 2015.
 - ② Necessary revisions were made to the "Standards for Actuary of National Mutual Insurance Federation of Agricultural Cooperatives" and "Standards for Actuary of National Mutual Fisheries Federation of Agricultural Cooperatives" in March 2016.
 - ③ "Guidance for Actuarial Practice about IAS19" was made in March 2016.
- (4) Review of Life Insurance Product Special Review WG
Life Insurance Product Special Review WG reviewed actuarial science for life insurance and reported the progress to FSA.
- (5) Activities of Committees
Each committee, division, study group, working group and project team carried out investigations, research and other activities based on the purpose and mission set at the beginning of the fiscal year. The status of their activities was posted on IAJ web sites. The activities that were put together into investigation and research results were published on the IAJ's member-only web page and/or in supplementary volumes of bulletins, etc.

[Expression of Opinions]

- (1) Voting at IAA Council (including electronic voting)
 - ① In April 2015, voted for Due process of making official statement, etc.
 - ② In April 2015, voted for the appointment of members to serve on the Executive Committee.
 - ③ In May 2015, voted for the approval of audited financial statements (proposal).
 - ④ In June 2015, voted for the appointment of members to serve on the Nominations Committee.
 - ⑤ In July 2015, voted for 2016 membership fee, etc.
 - ⑥ In July 2015, voted for the approval of strategic action plan of ISAP.
 - ⑦ In October 2015, voted for member qualifications, etc.
 - ⑧ In January 2016, voted for the revision of internal rules and policy regarding the use of the memorandum of understanding.

- ⑨ In February 2016, voted for the appointment of members to serve on the Nominations Committee.
 - ⑩ In March 2016, voted for the revision of due process of IASP.
 - ⑪ In March 2016, voted for the approval of audited financial statements (proposal).
- (2) In July 2015, the IAJ submitted its opinions on the Draft Statement of education syllabus to IAA.
 - (3) In July 2015, the IAJ submitted its opinions on the draft statement of model governance (ISAP 1[A]) to IAA.
 - (4) In November 2015, the IAJ resubmitted its opinions on the Draft Statement of education syllabus to IAA.
 - (5) In February 2016, the IAJ submitted its opinions on the draft of model governance (ISAP 1[A]) to IAA.
 - (6) In February 2016, the IAJ submitted its opinions on the draft of Enterprise risk model (ISAP 5) to IAA.
 - (7) Starting to make IAA official statement
The IAJ did not express its opposition against the application starting to make IAA official statement:
 - ① August 2015, IASB measurement on a plan amendment, curtailment or settlement/availability of a refund from a defined benefit plan
 - ② August 2015, IAIS higher loss absorbency capacity for global systemically important insurers (G-SIIs)
 - ③ August 2015, IAIS issues paper on the conduct of business risk and its management
 - ④ August 2015, IAIS draft revisions on insurance core principle
 - ⑤ August 2015, IASB exposure draft on the conceptual framework for financial reporting
 - ⑥ October 2015, OECD consultation on core principles of private pension regulation
 - ⑦ November 2015, IAA statement on climate change
 - ⑧ November 2015, IPSASB consultation paper on recognition and measurement of social benefits
 - ⑨ December 2015, IASB 2015 agenda consultation
 - ⑩ January 2016, IASB proposed amendments to IFRS 4
 - ⑪ March 2016, OECD draft recommendation on disaster risk financing strategies
 - ⑫ March 2016, UNFCCC call for submission of information on “best practices, challenges and lessons learned from existing financial instruments at all levels that address the risk of loss and damage associated with the adverse effects of climate change”

[Related to International Activities]

(1) IAA activities

The IAJ actively participated in the activities of IAA committees as well as in transmitting opinions from IAA to IASB, IAIS, etc. And the IAJ submitted the documents of ICA2026 organization.

(2) Implementation of 43rd Actuarial Seminar of East Asia (ASEA)

From September 15 to 18, 2015, the IAJ held a 4-day seminar on the status of Japan's various systems to which actuaries are related, with 36 participants from 10 different areas mainly in East Asia.

(3) Dispatch of members to international conferences, etc.

The IAJ sent its members to the following international conferences, etc.

- ① From April 7 to 12, 2015 IAA Conference (In Zurich, Switzerland)
Mr. Tomio Murata, Mr. Junichi Sakamoto, Mr. Masaaki Ono, Mr. Toshihiro Kawano, Mr. Masaaki Shigehara, Mr. Yoshio Nakamura, Mr. Shinji Ikeda, Mr. Masaaki Yoshimura, Mr. Hiroshi Yamazaki
- ② From May 17 to 19, 2015 Actuary Summit (In Melbourne, Australia)
Mr. Tomio Murata
- ③ From June 7 to 10, 2015 PBSS·LIFE·IACA colloquium (In Oslo, Norway)
Mr. Junichi Sakamoto, Mr. Yoshihiko Tsuji, Mr. Kenji Kusakabe
- ④ From August 23 to 27, 2015 ASTIN·AFIR/ERM colloquium (In Sydney, Australia)
Mr. Yujiro Otsuka, Mr. Miwaka Yamashita, Mr. Yuji Morimoto, Mr. Kenji Shirai, Mr. Takayuki Ichikawa
- ⑤ From September 22 to 23, 2015 Annual Meeting of China Institute of Actuaries (In Beijing, China)
Mr. Yoshiaki Maebayashi
- ⑥ From October 11 to 14, 2015 SOA Annual Meeting (In Austin, USA)
Mr. Mitsuhiro Nagata
- ⑦ From October 14 to 18, 2015 IAA Conference (In Vancouver, Canada)
Mr. Kikuo Asano, Mr. Tomio Murata, Mr. Junichi Sakamoto, Mr. Kenji Sekine, Mr. Toshihiro Kawano, Mr. Masaaki Shigehara, Mr. Yoshio Nakamura, Mr. Shinji Ikeda, Mr. Masaaki Yoshimura, Mr. Yoshihiko Tsuji, Mr. Hiroshi Yamazaki, Mr. Yoshiaki Maebayashi
- ⑧ From November 3 to 6, 2015 AAC Conference (In Bangkok, Thai)
Mr. Tomio Murata, Mr. Yoshiaki Maebayashi
- ⑨ From November 15 to 18, 2015 CAS Annual Meeting (In Philadelphia, USA)
Mr. Katsuhiko Sugata

(4) SOA ERM Webcast 2015

The IAJ joined the ERM Webcast with SOA on December 10, 2015.

(5) Related to international exchange

- ① 22 members of CRMS in Indonesia came and exchanged opinion in April, 2015.
- ② The member of ASHK came and exchanged opinion in June, 2015.
- ③ The director of SOAT came and exchanged opinion in September, 2015.
- ④ Asano president visited to CIA and congratulated the 50th anniversary and exchanged opinion in October, 2015.
- ⑤ Murata vice president visited SOAT and congratulated the 40th anniversary and exchanged opinion in November, 2015.
- ⑥ Chairman of IAA and guest from IFoA, SOA and Chinese Taipei participated in the 2015 Annual Meeting.
- ⑦ The member of IAA came and exchanged opinion in January, 2016.

[Advisory Committee]

- (1) 2015 Advisory Committee meeting was held on February 23, 2016, where summary of business activities in 2015, 2016 business plan (draft) and improvement of the presence of actuary and the IAJ were discussed.

[Joint Industry-Academic Project]

- (1) Upon request of Kyoto University to send lecturers for insurance mathematics and pension mathematics lectures, Mr. Jun Asano (Sumitomo Life Insurance), Mr. Hisashi Uehara (Sumitomo Life Insurance), Mr. Kozo Oshima (Sumitomo Life Insurance), Mr. Tsuyoshi Suzuki (Sumitomo Life Insurance), Mr. Kazuhiro Sugimoto (Daido Life Insurance), Mr. Ikuo Katayose (Resona Bank), Mr. Takeshi Toyodome (Nippon Life Insurance), Mr. Motoo Nakayama (Nippon Life Insurance) and Mr. Yoshihiro Minami (Nippon Life Insurance) were sent to the University.
- (2) Upon request of Osaka University to send lecturers for insurance mathematics lectures, Mr. Jun Asano (Sumitomo Life Insurance), Mr. Toshihiro Horii (Daido Life Insurance) and Mr. Kyosuke Mori (Nippon Life Insurance) were sent to the University.
- (3) Upon request of Kobe University to send lecturers for insurance mathematics lectures, Mr. Jun Asano (Sumitomo Life Insurance) was sent to the University.
- (4) Upon request of Tokyo University to send lecturers for social mathematics special lectures, Mr. Ryoichi Nakamura (Nippon Life Insurance) was sent to the University.
- (5) Upon request of Japan Statistical Society to send lecturers of online public lecture, Mr. Ken Sugita (Sumitomo Mitsui Trust) was sent to the University.
- (6) Public lecture of the Dr. Kiyoshi Ito's 100th birthday ceremony was held by the mathematical society of Japan at Kyoto Sangyo University on September 12, 2015 and the IAJ supported the lecture.
- (7) From January 18 to 22, 2016, lecture series by Professor Steven Haberman (City University London) were offered by Kyoto University in cooperation with the IAJ.

[Related to Presentation of Awards]

- (1) Awards presented to a person with outstanding results in the 2015 qualification examination
 - ① Presentation of President Special Award and President Award
On June 9, 2015, the IAJ presented the President Special Award to Mr. Ryota Watanabe (American Family Life Assurance Company of Columbus) and the President Award to Mr. Yuta Shikuri (Daiichi Life Insurance) and Mr. Suguru Fujita (Daiichi Life Insurance).
 - ② Presentation of award for outstanding results for each subject
On the same day, the IAJ presented an award to 1 person for Mathematics, 2 people for Life insurance mathematics, 1 person for Non- life insurance mathematics, 1 person for Pension mathematics, 2 people for Accounting, economics and investment theory, 1 person for Life insurance1, 1 person for Life insurance2.
- (2) Presentation of awards for outstanding research paper

