

This English translation of “2014 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「2014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。

2014 Annual Report

From April 1, 2014 to March 31, 2015

1. Matters concerning Annual General Meeting of Members

The General Meeting of Members was held on May 27, 2014 at the main conference room of the Institute of Actuaries of Japan, and

“Report on a summary of business activities in 2013”

was presented, and the following one proposal was put before the meeting and approved as proposed:

Item 1: 2013 Approval of a Balance Sheet and Net Assets Variation Statement as well as Inventory of Properties.

2. Movement of members

Movements of members during the current year were as follows: for corporate members, 3 members withdrew from the IAJ; for individual members, 239 members were newly admitted and 185 members withdrew from the IAJ. The number of members as of the end of March 2015 is as shown in the table below.

Fellows	1,514	persons
Associates	1,287	persons
Students	1,949	persons
Semi-total	4,750	persons
Corporate members	111	corporations
Total	4,861	persons/corporations

3. Business report

[Related to examination]

(1) Implementation of 2014 qualification examination

A 3-day qualification examination was held from December 15 to 17, 2014 in Tokyo (at TOC Gotanda) and Osaka (at Temma Training Center) and the successful examinees were announced on February 13, 2015. The total number of examination subjects for the primary examination was 3,157 subjects and the total number of subjects passed was 620 subjects. The total number of examination subjects for the secondary examination was 1,330 subjects and the total number of subjects passed was 186 subjects. There were 95 examinees who passed all the subjects.

(2) Implementation of 2014 CERA examination

The CERA examination was held on September 24, 2014 in Tokyo (at TKP Otemachi Conference Center) and the successful examinees were announced on January 19, 2015. There were 56 examinees and 15 examinees passed the examination.

(3) Revision of textbooks

The third chapter (Policyholder Dividend) of the textbooks for “Insurance II (Life Insurance)” and the textbook for “Pension mathematics” were revised.

[Related to education, training and research presentation]

(1) Implementation of 2014 actuary courses

The basic courses covering 12 subjects and the intermediate courses covering 7 subjects were offered for a period from May 9, 2014 to October 14, 2014. 91 people took the basic courses and 38 people took the intermediate courses.

(2) Implementation of 2014 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 2014. 5 people took the life insurance mathematics course and 6 people took the pension mathematics course.

(3) Implementation of 2014 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, 2014 to December 5, 2014. 28 people took the life insurance mathematics exercise course, 64 people took the non-life insurance mathematics exercise course, 41 people took the pension mathematics exercise course, and 22 people took the modeling exercise course.

(4) Holding of 2014 Annual Meeting and IT Annual Meeting

A 2-day Annual Meeting was held on November 6 and 7, 2014 at Keidanren Kaikan and Tokyo Station Conference. A 1-day IT Annual Meeting was held on January 23, 2015 at Otemachi Nomura Building.

The video showing of Annual Meeting was held on November 26, 2014 in Tokyo and on November 25, 26 and 27, 2014 in Osaka.

(5) Holding of regular meetings

① July 15, 2014

“Device, Kiosk, and App! Devastating advance in medical technology

-Risk and opportunity in insurance industry”

By Mr. Timothy Rozar (RGA)

② September 10, 2014

“The stress test analysis of the portfolio of financial institutions

-Total risk analysis of the loan portfolio and securities portfolio”

By Mr. Kazumasa Hirose (MSCI Inc.)

③ October 6, 2014

“The key point of communication to share professional work”

By Mr. Yuichi Shimizu (Alue Co., Ltd.)

④ January 9, 2015

“The Status of ORSA & Solvency II ”

By Mr. Cord-Roland Rinke (Hannover Re)

⑤ February 3, 2015

“Least Squares Monte Carlo (LSMC); Life and annuity application”

By Mr. David Wang (Milliman)

⑥ March 20, 2015

“Start of collaboration between industry, academia, and government, toward developing the advanced next-generation cancer diagnostic system

-Diagnosis of 13 types of cancer in one blood sampling-”
By Mr. Nobuyoshi Chiba (New Energy and Industrial Technology Development Organization)

(6) Holding of Kansai Committee regular meetings

① July 14, 2014

“The way of the tax system to support present Japanese finance

-Especially focusing on the cost burden system of pension”

By Mr. Toru Morotomi (Kyoto University)

② October 28, 2014

“Start of collaboration between industry, academia, and government, toward developing the advanced next-generation cancer diagnostic system

-Diagnosis of 13 types of cancer in one blood sampling-”

By Mr. Nobuyoshi Chiba (New Energy and Industrial Technology Development Organization)

③ February 9, 2015

“Reviewing the Risk Theory; For the dynamic risk management”

By Mr. Yasutaka Shimizu (Waseda University)

④ March 10, 2015

“2014 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 between November 2014 to February 2015.

① Pricing of life insurance products

Seminar Division Members

② ALM experiments using virtual life insurance companies

Mr. Katsuki Yoshimoto (Sony Life Insurance)

③ Case study and challenges of GLM in pricing of non-life insurance products

Seminar Division Members

④ Basics and challenges of economic value-based ALM

Mr. Yuji Morimoto (Capitas Consulting)

Mr. Naoyuki Matsudaira (Capitas Consulting)

(8) Holding of Kansai Committee seminars

① February 13, 2015

“Application of GLM to the life insurance field”

“Reviewing risk reduction effect of the reinsurance risk hedge using a CAT bond”

“Assessment of the risk hedge in a minimum guaranteed variable annuity”

“Risk buffer against changes in net assets”

“Using GLM, analysis of portfolio rebalancing effect regarding the purchase of JGB by Bank of Japan”

Kyoto University, Insurance Mathematics Seminar students

(9) Enhancement of e-learning

E-learning contents under the following themes were provided.

- ① Standard of Practice for Appointed Actuaries of Life Insurance Companies (April)
- ② Standard of Practice for Appointed Actuaries of Non-life Insurance Companies (April)
- ③ Standard of Actuarial Practice Concerning Retirement Benefits Accounting (April)
- ④ Standard Life Table 2007 (April)
- ⑤ Solvency II QIS5 Technical Specification -Cat Risk (April)
- ⑥ 2012 Global ERM Web Cast (Asia Pacific Session) (April)
- ⑦ 2012 Global ERM Web Cast (Europe Session) (August)
- ⑧ Communication for achievement (September)
- ⑨ Communication in the workplace (September)
- ⑩ Presentation skills in different situations (September)
- ⑪ Negotiation (September)
- ⑫ Communication (September)
- ⑬ 2012 Global ERM Web Cast (America Session) (December)
- ⑭ Standard of economic value-based solvency, 2014 (Video) (January)

(10) Implementation of professionalism training

On February 25, 2015, 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). 105 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. Ryoichi Nakamura (Nippon Life Insurance)
Professionalism in Non-life Insurance	Mr. Hiromi Kaneko (Sompo Japan Nipponkoa Insurance)
Professionalism in Pension	Mr. Ikuo Katayose (Resona Bank)
	Mr. Yasuyuki Fujii (EY Japan)

(11) Implementation of CERA training

On October 31 and November 1, 2014, 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. 17 participants completed the training.

(12) Open discussion forum

On December 5, 2014, an open discussion forum was held at the main conference room of the IAJ, at which members had discussions in English with foreign actuaries.

(13) Establishment of Professionalism Continuing Education Review PT

The IAJ established Professionalism Continuing Education Review PT under Professionalism Education Division to review professionalism education program as continuing professional development.

(14) Preparation for new continuing professional development scheme

To start new continuing professional development scheme from 2015 smoothly, the IAJ implemented the following;

- ① In November 2014, the IAJ provided records of participation in group training and e-learning to fellows.
- ② In March 2015, the IAJ issued IC cards (CPD CARD) to fellows.

[Related to investigation and research activities]

- (1) Holding of Standard Mortality Advisory Committee meeting
At the 20th Standard Mortality Advisory Committee meeting held on October 30, 2014, it was approved to continue to use in the year 2015 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.
- (3) Improvement of practice standards
 - ① With the announcement by IASB of revision of IAS19 (Discount rate: regional market issue) on Annual Improvements to IFRSs 2012-2014 Cycle in September 2014, necessary revisions were made to the “Guidance for Actuarial Practice Concerning Retirement Benefits Accounting” in November 2014.
 - ② From the point of view that supplements current practice of projection for confirming policy reserve adequacy, to newly establish an analysis in which its analysis period extends to expiration of insurance policy, and to unify expressions, necessary revisions were made to the “Standard of Practice for Appointed Actuaries of Life Insurance Companies” in March 2015.
- (4) Establishment of Life Insurance Product Special Review WG
The IAJ established Life Insurance Product Special Review WG under Planning Committee to review actuarial science for life insurance products.
- (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 June 2014, voted for the report of the Task Force on Governance Review, etc.
 - ② In September 2014, voted for the revision of Nominations Committee Protocol, etc.
 - ③ In December 2014, voted for member qualifications, etc.

2014 of Actuaries
Mr. Tomio Murata, Mr. Yoshiaki Maebayashi

- ③ From September 10 to 14, 2014 IAA Conference (In London, UK)
Mr. Kikuo Asano, 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. Yoshihiko Tsuji, Mr. Hiroshi Yamazaki, Mr. Yoshiaki Maebayashi
- ④ From September 28 to 29, 2014 Annual Meeting of China Association of Actuaries (In Guangzhou, China)
Mr. Yoshiaki Maebayashi
- ⑤ From October 12 to 15, 2014 EAAC Conference (In Taipei, Chinese Taipei)
Mr. Kikuo Asano, Mr. Tomio Murata, Mr. Yoshiaki Maebayashi, Mr. Yasuhiro Moriguchi
- ⑥ From October 26 to 29, 2014 SOA Annual Meeting (In Orlando, USA)
Mr. Toshihiko Shoji
- ⑦ From November 9 to 12, 2014 CAS Centennial Celebration & Annual Meeting (In New York, USA)
Mr. Takahiro Nagafune
- ⑧ From December 4 to 5, 2014 IFoA CERA Seminar (In London, UK)
Mr. Naoki Matsuyama, Mr. Naoyuki Matsudaira
- ⑨ From February 2 to 3, 2015 17th Global Conference of Actuaries (In Mumbai, India)
Mr. Yasuhiro Moriguchi

(4) Related to international exchange

Guests from SOA, CAS and AICT participated in the 2014 Annual Meeting.

[Advisory Committee]

- (1) 2014 Advisory Committee meeting was held on March 11, 2015, where summary of business activities in 2014, 2015 business plan (draft) and increase of the presence of actuaries 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) From October 20 to 23, 2014, lecture series by Professor Vladimir K. Kaishev (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 2013 qualification examination
 - ① Presentation of President Special Award and President Award
On May 27, 2014, the IAJ presented the President Special Award to Mr. Yuki Ishikawa (Dai-ichi Life Insurance), Mr. Kohei Nishiyama (General Insurance Rating Organization of Japan), Mr. Tomoki Saito (Nippon Life Insurance) and Mr. Ryo Toriumi (Nippon Life Insurance) and the President Award to Mr. Ryosuke Ogasawara (Nippon Life Insurance).
 - ② Presentation of award for outstanding results for each subject
On the same day, the IAJ presented an award to those who achieved outstanding results as follows: Mathematics 1 person; Life insurance mathematics 3 persons; Non-life insurance mathematics 1 person; Pension mathematics 4 persons; Accounting, economics and investment theory 1 person; Life insurance I 1 person; Life insurance II 1 person.
- (2) Presentation of awards for outstanding research paper
 - ① On November 6, 2014, an award was presented for the following paper at the Annual Meeting:
“Study on profit management for life insurance companies with tied sales force”
Mr. Hideo Hoshino (Sumitomo Life Insurance)
 - ② On January 23, 2015, an award was presented for the following 2 outstanding IT-related papers at the IT Annual Meeting:
“Utilization of Business Rule Management System (BRMS) in the future ”
(IT Study Group II)
“Utilization of social media for insurance companies”
(IT Study Group V)

[PR and Publication Activities]

- (1) PR activities
 - ① “Challenge Campaign” is an awareness-raising campaign launched by Cabinet Office. This campaign is aimed to help female high-school students who are interested in STEM to better choose their career path, by helping them to have a clear image of their own future. The IAJ joined “campaign supporters” and introduced the activities of actuaries.

- ② “23rd Actuary Seminar” primarily for students was held on November 29, 2014 in Osaka and on January 24, 2015 in Tokyo. There were a total of 100 participants, of which 24 participated in Osaka and 76 participated in Tokyo.
- ③ In a special article of the JICPA journal “Accounting & Audit Journal” and Actuary Journal Vol.90, Mr. Kikuo Asano, president of the IAJ, talked with Mr. Kimitaka Mori, chairman and president of the JICPA.

(2) Enhancement of information provision function

- ① To deepen understanding of actuaries by actuary candidates and general public, “Actuary Glossary” was posted on the IAJ’s website in May 2014.
- ② With the increase of members and electronic publications, recognizing the growing importance of the IAJ’s member-only web page, the IAJ revised it by redesigning and improving search function to make it more convenient for members in September 2014.
- ③ To promote a better understanding of Japanese actuaries and the IAJ’s activities by general public and foreign actuarial associations, the contents of the IAJ’s English website were enriched in September 2014.

(3) Revision of brochure

Based on length of time after the last revision, the IAJ has decided to revise its brochure.

(4) Publication of bulletins, etc.

The following bulletins and other publications were published.

- ① Bulletin Vol.67
- ② Supplementary volumes of bulletin
 - Vol. 271 “IASB Insurance Contracts Earnings Emergence”
 - Vol. 272 “54th IT Annual Meeting Report”
- ③ Actuary Journal
 - Vol. 87, Vol. 88, Vol. 89, Vol. 90 and Special Volume “Risks and Insurance”
- ④ 2014 Annual Meeting Report Collection
- ⑤ 2014 Qualification Examination Question Collection