



International Actuarial Association
Association Actuarielle Internationale

PARTNER: INTERNATIONAL ACTUARIAL ASSOCIATION (IAA)

Background

The *International Actuarial Association (IAA)* is the worldwide association of professional actuarial associations, representing over 70,000 actuaries in more than 115 countries, with six special interest sections for individual actuaries. The IAA was founded in 1895 and exists to encourage the development of a global actuarial profession, acknowledged as technically competent and professionally reliable, which will ensure that the public interest is served. Our vision is for the actuarial profession to be globally recognized as leading experts in risk and financial security, contributing to the well-being of society.

The mission of the IAA, as the worldwide organization of actuarial associations, is to:

- Inform and influence global stakeholders.
- Assure the reputation of the profession.
- Advance the competency of the profession.

Sustainability objectives

- Wider awareness of the potential impacts of climate-related risks on financial risk management, reporting and disclosure.
- Development of the actuarial profession's skill sets in managing and mitigating climate-related risks.
- Increased recognition for the potential contribution of actuaries as climate-related risks experts supporting companies and regulators.

Sustainability work highlights

The IAA is releasing a series of papers that will be developed, aimed at creating awareness and promoting actuarial approaches in climate-related risk management and reporting. The first paper – *Importance of Climate-Related Risks for Actuaries* – was released in September 2020.

A second paper '*Introduction to Climate-Related Scenarios*' (published in February 2021) aims to provide background covering the principles and outlining the processes for developing climate-related scenarios. It focuses on climate-related financial risks but does not cover the scientific basis of climate change beyond what is necessary for understanding its impacts. It aims to help actuaries and risk managers to acquire the basic vocabulary of climate science. It particularly serves those less familiar with the details of climate research who wish to develop or use climate-related scenarios.

The paper provides helpful insights into the requirements for good scenario analysis, components from which scenarios can be assembled, and considers some of the tools available to actuaries. It reviews the challenges and barriers that need to be considered in the development or use of workable climate-related scenarios and how those barriers may impact planning and implementation of adaptation actions and building resilience.

Further papers are in progress on a variety of topics such as ORSA, climate risk reporting, adaptation and mitigation.



Partner's membership

IAA has 73 Full Member and 28 Associate Member associations worldwide. The full list can be viewed [here](#).

Membership of any other initiatives/networks working on sustainability

- Partners: *International Accounting Standards Board (IASB), International Association of Insurance Supervisors (IAIS), International Organisation of Pension Supervisors (IOPS), International Social Security Association (ISSA), Organisation for Economic Co-operation and Development (OECD)*
- Supporting institutions of: United Nations Environment Programme Financial Initiative (UNEP FI) and United Nations Environment Programme Principles for Sustainable Insurance (UNEP PSI)

Recent engagement with SIF

IAA has participated in SIF's virtual meeting in December 2020 and delivered an introductory presentation on IAA's work on climate risk. SIF has partnered with the IAA to produce a joint work programme based on embedding 'Climate risks in actuarial processes'. The IAA participated in SIF's virtual meeting in March 2021 to present an overview on the joint work programme.

