

Academy Election Results Announced

THE 2012 ELECTION of Regular Directors for the Board of Directors of the American Academy of Actuaries is now complete. Congratulations to:

- ➔ Katie Campbell
- ➔ Godfrey Perrott
- ➔ Shari Westerfield

18.7 percent of our members cast votes in the election.

While we would like to see a greater voter turnout, this is a higher percentage than our inaugural online voting experiment in 2011. Thank you to all Academy members who voted in this election!

The terms of the new members on the Academy Board of Directors will begin at the close of the Oct. 15 [annual meeting](#) of Academy membership. ▲



Katie Campbell



Godfrey Perrott



Shari Westerfield

NAIC "A" Committee Adopts Valuation Manual

THE LIFE PRACTICE COUNCIL saw years of hard work rewarded on Aug. 17 when the National Association of Insurance Commissioners (NAIC) Life Insurance and Annuities (A) Committee voted to adopt a new [Valuation Manual](#) that includes both principle-based reserve (PBR) and non-PBR components to calculate statutory reserves for life insurance products. The conference-call vote, originally scheduled to take place at the NAIC summer national meeting in Atlanta on Aug. 9, passed with a "No" vote by New York and abstentions from Minnesota and California.

The NAIC Executive Committee and Plenary is expected to approve the manual later this year. This would pave the way for states to consider the new Standard Valuation Law (SVL) in 2013. A supermajority of jurisdictions (42 of 55 voting members) must adopt the SVL for the manual to go into effect. With many states on a two-year legislative cycle, Jan. 1, 2015, is the earliest possible date that could occur.

In an Aug. 12 [presentation](#) to the NAIC Life Actuarial Task Force on PBR, Cande Olsen, vice president of the Academy's Life Practice Council, said that the current formula-based method of establishing reserves has been fun-

damentally unchanged for 150 years. The concept of "one size fits all companies and products" no longer works, she explained, especially in light of the increased complexity in product design.

"PBR represents a major paradigm shift. The new requirements use elements of stochastic modeling and an insurer's own experience," said Olsen.

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— Cande Olsen, vice president of the Academy's Life Practice Council

Over the past seven years, more than 16 Life Practice Council committees and work groups contributed to the Valuation Manual. "The manual is a living document, and the NAIC will need to establish a rigorous updating and review process to ensure its success," said Olsen. "We

will continue to assist the NAIC in any way we can, because both the transition and the dynamic methodology itself will require continuous review, assessment, and improvement."

To help actuaries prepare for PBR, the Life Practice Council has hosted 24 webinars and presented annual seminars on the topic. Several events are planned for later this year, including a post-NAIC update [webinar](#) on Aug. 30. A Sept. 11-12 seminar in Los Angeles, [Life PBR—Test-Drive the New VM-20](#), will give actuaries an opportunity to apply the pending reserve requirement to real-life examples. ▲

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Treasury Meeting

Academy representatives discuss MAP-21 legislation



AUGUST

- 11–14** NAIC summer meeting, Atlanta
- 15** Executive Committee meeting, Washington
- 17** Online voting ends for open regular director positions on the Academy Board at 5 p.m. EDT
- 30** Post NAIC Update/PBA Webinar (Academy)

SEPTEMBER

- 5–7** Casualty Loss Reserve Seminar (Academy, CAS, CCA)
- 11–12** Life PBR seminar: Test-Drive the New VM–20 Principles, Los Angeles (Academy, SOA)
- 13** Professionalism webinar: Precept 13 of the Code (Academy, ASPPA, CAS, CCA, SOA)

OCTOBER

- 5–6** NAAC meeting, Mexico City
- 10** CUSP meeting, Washington
- 11** Board of Directors meeting, Washington
- 14–17** SOA meeting, Washington
- 15** Academy Annual Meeting, Washington
- 21–24** CCA annual meeting, Boca Raton, Fla.
- 28–31** ASPPA annual meeting, National Harbor, Md.

NOVEMBER

- 7–8** Seminar on Effective Loss Reserve Opinions, Baltimore (Academy)
- 11–14** CAS annual meeting, Lake Buena Vista, Fla.
- 12–15** Life and Health Qualifications Seminar (Academy, SOA)
- 15–18** IAA meeting, Nassau, Bahamas
- 15–18** NCOIL annual meeting, Clear Point, Ala.
- 27** Pension webinar: Social Security: Assumptions and Projections (Academy)
- 29–Dec. 2** NAIC fall meeting, Washington

DECEMBER

- 5** Executive Committee meeting, Washington

To continue receiving the *Update* and other Academy publications on time, remember to make sure the Academy has your correct contact information. Academy members can update their member profile at the member log-in page on the Academy [website](http://www.actuary.org).

Academy NEWS Briefs

Members Respond to Volunteer Survey

MORE THAN 600 ACADEMY MEMBERS completed the 2012 annual volunteer survey by its June 29 closing date. Academy volunteers each year produce substantial, noteworthy work that touches every practice area and every aspect of the profession. The response to the 2012 volunteer survey reflects Academy members' commitment to the Academy's vital work on public policy issues and professionalism.

New to the survey this year was the opportunity for potential volunteers to acknowledge the Academy's Conflict of Interest policy and attest to compliance with the U.S. Qualification Standards' continuing education re-

quirements—both of which are required of all members who serve on Academy committees, work groups, task forces, or other groups. ▲



Staff Announcement

THE ACADEMY welcomed David Goldfarb to its staff on July 12 as pension policy analyst. Goldfarb holds a law degree from Seattle University School of Law and has a back-

ground in economics and accounting. He interned at the Federal Trade Commission and recently completed a congressional fellowship in the office of Sen. Bill Nelson (Fla.). ▲

IN THE NEWS

The Pension Practice Council's [issue brief](#) asserting that an 80 percent funding ratio is not an appropriate target for pension plans earned mentions from [Plan Sponsor](#), [Pensions & Investments](#), [BenefitsPro](#), [Insurance and Financial Advisor](#), [Pension Pulse](#) blog, and [Investment News](#) blog.

The Academy's [work](#) on Medicaid and Medicare reforms is recommended in an article, "[Boomers Need Health-Care Costs Reality Check](#)," published on the Fox Business News website.

In "[Congress's Way of 'Paying for MAP-21'](#)," *Reason Foundation's* blog references the Pension Practice Council's May [letter](#) on pension funding stabilization.



In "[Future of Benefits a Critical Issue in Presidential Election](#)," a *Pensions & Investments* article names the Academy as one of 11 organizations representing

employee benefits professionals that submitted questions to the presumptive presidential candidates.

Commentary on [Citizen Dave](#), the blog of former Madison, Wis., Mayor Dave Cieslewicz, quotes the Academy's [2012 Issue Brief on the Social Security Trustees' Report](#) to cast doubt on CBO accounting methods.

Michael Barry, president of the Plan Advisory Services Group, authored an Op-Ed in *PlanSponsor Magazine*, "[DB Funding Relief](#)," positing that the pension provisions in MAP-21 rightly adjusted the corporate bond yield curve and that the focus of the Academy's Pension Practice Council May 2 [letter](#) was misplaced. ▲

Professionalism Reps Hold Office Hours at NAIC Meeting

REGULATORS AND OTHER ATTENDEES at the National Association of Insurance Commissioners (NAIC) summer meeting had the opportunity to talk with representatives of the Actuarial Standards Board (ASB), the Actuarial Board for Counseling and Discipline (ABCD), the Committee on Qualifications (COQ), and the Council on Professionalism on Aug. 11 during a breakfast and “office hours” hosted by the Academy’s Council on Professionalism.

On hand to speak with the regulators were ASB member Patricia Matson, ABCD members Nancy Behrens and Curtis Huntington, Vice President for Professionalism and COQ member John Gleba, and Academy Assistant General Counsel Sheila Kalkunte.

The well-attended breakfast featured a slide [presentation](#) that outlined the roles of the ASB, ABCD, COQ, and Council on Professionalism. Following the presentation, the representatives responded to questions about the qualifications regulators need when reviewing statements of actuarial opinions and for providing their own opinion to state insurance commissioners.

The professionalism representatives were available for several hours after the



Sheila Kalkunte, Nancy Behrens, Patricia Matson, John Gleba (l to r), and Curtis Huntington (front)

breakfast to meet one-on-one with regulators and other actuaries to answer questions about the actuarial profession, the work of actuaries, and specific professionalism matters and to talk candidly about actuarial issues. Among the topics raised during the informal meetings were the qualifications of actuaries and regulators who review a wide variety of matters, and actuaries’ use of “professional judgment” as outlined in actuarial standards of practice (ASOPs). Some regulators also expressed their view that the general nature of ASOPs makes

them less prescriptive at times than they would like.

“The office hours were a rare opportunity for the regulators to speak directly with us,” said Gleba. “The regulators also gave us some excellent ideas for ways we can further educate actuaries on some of the regulators’ concerns.”

“We look forward to having a professionalism presence at future NAIC meetings and working with regulators to strengthen actuarial professionalism,” Gleba added. ▲

P/C EFFECTIVE LOSS RESERVE OPINION SEMINAR: TOOLS FOR THE APPOINTED ACTUARY

Nov. 7–8, Baltimore

Actuaries who write P/C loss reserve opinions and who want to stay up to date on regulations and standards applicable in drafting loss reserve opinions should plan to attend.

New this year:

- ➡ Breakout sessions focusing on intercompany pooling, premium reserves, reinsurance, and extended reporting contracts
- ➡ Workshops covering sample opinions and report documentation

Don't miss out on this opportunity to learn more about:

- ➡ Changes to the 2012 NAIC opinion instructions
- ➡ Accepting an opinion assignment
- ➡ Documentation and disclosure
- ➡ Point estimates, ranges, and management's best estimate
- ➡ Regulatory expectations
- ➡ Disclosing risk of material adverse deviation
- ➡ Dealing with difficult situations
- ➡ ASOP No. 36 ([Statement of Actuarial Opinion Regarding Property/Casualty Loss and Loss Adjustment Expense Reserve](#))
- ➡ ASOP No. 43 ([Property/Casualty Unpaid Claim Estimates](#))

[Click here](#) for more information and to register.

PROFESSIONALISM WEBINAR

**Precept 13—How Do I Comply
in a Self-Regulating Profession?**

Sept. 13, Noon–1:30 p.m. EDT

Do you know what to do when you have knowledge of an apparent, unresolved, material violation of the Code of Professional Conduct (Code) by another actuary? The answer can be found in Precept 13 of the Code.

The application of Precept 13 sometimes can be challenging because it requires members of the U.S. actuarial profession to apply it when they become aware that another actuary may have violated the Code.

During the Sept. 13 webinar, committee members will talk about many of the issues surrounding Precept 13—and why this precept is essential to a self-regulating profession.

[Click here](#) for more information and to register.

NEW Academy Members

IN THE FIRST HALF OF 2012, 316 new members took an important step in their professional journeys by becoming members of the Academy.

This newest crop of Academy members is relatively young (the average age is 31), with men outnumbering women by nearly two to one. The actuaries in this diverse group list their practice areas as health (102), life (80), casualty (62), pension (52), risk management (9), and other (11). The majority of the new members (201) are employed by an insurance organization or organizations serv-

ing the insurance industry. Of the rest, 107 are consulting actuaries, three are listed as government employees, and the other five list their employment as miscellaneous.

They join thousands of other actuaries from all practice areas who, by becoming Academy members, demonstrate a commitment to upholding high professional standards and an interest in ensuring the actuarial voice is heard on public policy matters. As of June 30, 2012, the Academy has 17,432 members.

Jon C. Acker
David A. Allen
Rebecca Alvarado
Damian V. Ambrosia
Neal J. Anderson
Katherine F. Anfeldt
Paul M. Appelbaum
Opoku Tenten Archampong
Ryan L. Arends
Lidia O. Asparouhova
Natalie Atkinson
David A. Attkisson
Bret A. Baker
Katheryn M. Barron
Adam K. Bates
Kevin L. Baumgart
Jonathan D. Benenson
Sarah Bewick
Michael E. Bird
Jason C. Birkle
Jessica A. Birkle
Tamara L. Bradshaw
Matthew Branding
Andrew C. Brewer
Matthew S. Bruce
Aaron Douglas Buelow
Elizabeth A. Buhro
Robert Faelan Busey
Scott A. Bush
Ryan A. Byrd
Frank Canonico
Dale J. Cap
Jodie B. Carlson
Meghan J. Cavanaugh
James Chakan
Garland Chan
Aaron E. Chase
Yu Che
Chao Chen
Hueyfang Chen
Jenny P. Chow
Devyn Kay Clifford
Ryan Coblentz
Michael G. Cole
Heather Collen
Christopher M. Condon
Benjamin Thomas Coneway
Dustin W. Conrad

Markus Coombs
John R. Corporon
David R. Cosentino
Joseph E. Crowne III
Zhi Cui
Steven Curry
Cameron H. Daniel
Jeffrey M. Danzig
Joel E. Davis
Katie Day
Yemisrach Derebe
Kevin Dillon
Phillip W. Dlugosz
David Dombrowski
Maja Dos Santos
Mark R. Doucette
Derong Liu Duckett
Bradley Duesler
Colin M. Duke
Jason R. Dunavin
Andrew E. Dunn
Anita Dunn
Cecilia Duque
Samuel D. Early
Mark Bo East
Dana Embree
Amber Famuliner
Tatyana Fedoseenko
Jeannette Feldman
Benjamin C. Ferguson
Edward B. Fink IV
Patrick S. Flemming
Brian W. Fomby
Rhea L. Forsythe
Terri L. Foster
Justin S. Foxen
Dennis A. Franciskovich
Mark A. Friederich
Andrew E. Fritz
Rebecca J. Galinto
Gregory A. Gardner
Alicia M. Gasparovic
Jiangtao Ge
Mark M. Goldburd
Meghan S. Goldfarb
Damion Gooden
Rossitza Gotcheva
Zoe A. Gouin

Joseph M. Gracyalny
Marcela Granados
Jesse Y. Groman
Nicole A. Hackett
Aaron D. Hahn
Barney R. Hamann
Karl L. Hamm
Josh A. Hammerquist
Jeremy H. Harlow
Richard L. Hayes
Samuel M. Hegland
Megan E. Heine
Jonathan M. Heldmann
Sara J. Hemmingson
Rachel Henry
Jon J. Herschbach
Heather A. Hokamp
Paul S. Holowczyk
Johnny N. Hong
Riley D. Hoover
Mandy Hostetler
Katherine Huang
Peter P. Huang
Jonathan D. Hudson
Philip Alexander Hughes
Mark D. Hutchinson
Michael John Iacoboni
Gary A. Iannone
David Itzkowitz
Jeffrey J. Jackson
Jennifer Jacobsen
Nitesh Jain
Andrew Jenkins
Andrew J. Jenkins
Jorge T. Jimenez
David P. John
Karen V. Jordan
Sayali J. Joshi
Stephanie L. Joyce
Sheryl S. Kadakia
Thomas W. Kadlec
Scott M. Katterman
Yusuf Kazi
Zachary D. Kenne
Komail Khoja
Dustin Kim
Sean Kim
James A. Kirtland

Phillip W. Kittleson
Awa Kone
Douglas M. Krupa
Edward P. Kuhn
Christopher S. Kunkel
Wei-Jen Kuo
Christopher L. Kurdelski
Paul E. Kutter
Tova Rachel Labell
Julie Linda Laforce
Amber F. Lahde
Brian E. Lake
Weiling Lao
Andrew Ryan Large
Igor I. Lavitas
Sheddonne L. Lawrence
Brian W. Lee
Samuel F. Lee
Sung Jun Lee
Brian Lehman
Karen K. Leiby
Jacqueline M. Leier
René Lemay
Grigori Lev
Elchanan Y. Levy
Lu Li
Caroline Liang
Ashley K. Liles
Steven Ling
Brad W. Lippowiths
Matthew R. Little
Keith Lo
Wesley Keith Loden
Eunice Loi
Yinyin Luan
Kyle D. MacWade
Carolina Magee
Tyler J. Magee
Vikram Malik
Yunfang Man
Matthew Jacob Mark
Maxfield G. Maughan
Andrew D. McBeth
Joshua L. McCabe
Mark C. McGarry
Jason W. McKinley
Michael J. McMahon

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→ **NEW MEMBERS** CONTINUED FROM **PAGE 4**

Matthew Frederick McOsker
Gregory J. Miles
Raoul Jacob Milgraum
Molly K. Miller
Lauren Minches
Tobiah David Mintz
David Moran
Christopher A. Murrah
Nerissa S. Nandram
Noah Nanzer
Paul K. Nataraja
Darcy D. Novotny
Kristin Nungesser
Tetteh Otuteye
Justin Matthew Overturf
Kenneth W. Pagington
Anne Elizabeth Pankow
Viresh Parmar
Dipti G. Patel
Kishen Patel
Priya R. Patel
Sean Garrett Paul
Bradley D. Paulis
Tim A. Pauza
Guanghai Peng
Hong Peng
Daniel J. Perlman
Katherine A. Pezzullo
Melissa Anne Pinney
Caroline L. Pisacka
Esther V. Polevoy
Adam C. Politzer

Julie L. Pudlo
Charles Qin
Xingyi Qin
Kevin C. Query
David Anthony Randell
Linzi A. Rector
Katrina A. Redelsheimer
Shanshan Ren
Enrico Rizzo
Daniel A. Rowe
Rachel K. Rutledge
Julia Methling Ryan
Heather L. Samuelson
Teena M. Sarkissian
Milanthi Sarukkali
Eric L. Savage
Paul J. Schaeffer
Jeffrey A. Schapel
Jeffrey Andrew Schrader
Jason P. Schultz
Dawn M. Schulze
Andrew J. Schupska
Tyler J. Schwierjohn
Jennifer Sciascia
Steven Charles Scott
Syed Afzal Ali Shah
Huashi Shao
Yangqian Shao
Scott A. Shapiro
David Shleifer
Michelle Renée Sicilia
Margaret A. Sielaff

Jeffery S. Simon
Derek G. Skoog
Eric K. Slavich
Jeremy C. Smith
Kerry Marsack Smith
Eric A. Sorenson
Trevor Jon Soupir
David A. Stalker
Kirsten K. Staveland
Margaret Stoner
Su Su
Robert C. Swiatek
Ari P. Szafranski
Sujaaritha Tansen
Samuel Tashima
Justin D. Teman
Marshall Tett
Jason R. Thacker
Jennifer Thelen
Allison C. Tiller
Andrei Titoura
Yau Keung To
Kristen L. Tolman
Ning Tong
Quynh-Chi Ngoc Trang
Sara M. Triplett
Andrzej Tyminski
Gina Uhrich
Eric H. Van Den Bosch
Christopher Vaughn-Uding
Conrad A. Vernon
Vincent A. Viscomi

Sarah M. Voit
Jennifer Walk
John Matthew Walker
Alex Wang
Dianne Christine Warren
Aaron M. Weatherman
Joshua R. Weintraub
Pamela M. Wells
Jason C. West
Christopher Adam Wheeler
Jonathan D. White
Corey Michael Wilkosz
Todd D. Wille
Marilyn Ashley Wilson
Tamara L. Wilt
Allan Wong
David J. Worms
Craig H. Wright
Chunchun Wu
Jeffrey H. Xia
Biou Xu
Buchan Xue
Xiaoman Yan
Yi Yang
Zhuo Yang
Ore Simplicie Zady
Lin Zhao
Chao Zheng
David E. Zurndorfer

Post-NAIC Update/PBA Webinar

Aug. 30, Noon-1:30 p.m. EDT

Join the Academy's Life Practice Council to find out what happened at the NAIC Summer 2012 National Meeting and how the principle-based approach (PBA) to life reserves is progressing. Learn what's next for the Valuation Manual, which was adopted by the NAIC's life insurance committee on Aug. 17, and get updates on other life- and annuity-related activities, including:

- NAIC's Life Actuarial Task Force activities;
- Actuarial Guideline 38;
- NAIC capital projects and professionalism activities.

[Click here](#) for more information and to register.

Life PBR: Test-Drive the New VM-20 Seminar

Sept. 11-12, Los Angeles

Learn how to apply the new reserving requirements to real-life situations. During this two-day interactive seminar, attendees will have the opportunity to discuss specific components of Valuation Manual-20 (VM-20) with expert faculty. The seminar will cover:

- Mortality assumption determination;
- Exclusion test application;
- Setting anticipated experience assumptions and margins;
- Status updates on the Valuation Manual and the VM-20 practice note.

[Click here](#) for more information and to register.

Academy Presentations at NAIC Summer Meeting

ACADEMY VOLUNTEERS WERE OUT IN FORCE, participating in discussions and making presentations on a number of other issues—including solvency modernization, long-term care, and flood insurance reform—at the Aug. 11–14 meeting in Atlanta.

Solvency Modernization

At a session on the Solvency Modernization Initiative, Tom Herget, chairperson of the Academy's Solvency Committee, offered committee comments on an NAIC white paper, [The U.S. National State-Based System of Insurance Financial Regulation and the Solvency Modernization Initiative](#). To influence audiences abroad, the paper needs to be more technically accurate and phrases such as "a strong track record" need to be substantiated, Herget said. He also suggested that all references to uniformity be removed from the paper. Following up on the Academy's offer to develop a paper outlining success measures for the U.S. financial regulatory system, the NAIC has asked the committee to present the paper for discussion at the NAIC's fall meeting in Washington.

Health Council Projects

In a [presentation](#) to the NAIC Health Actuarial Task Force (HATF), Rick Leavitt, a member of the Academy's Group Long-Term Disability Work Group, said that the current health insurance reserves model regulation should be amended to include the 2012 group long-term disability (GLTD) valuation table and references to the new actuarial guideline applicable to GLTD tabular reserves. The Academy work group's [final report](#) recommends limiting the application of the new standard specifically to group long-term disability claims, and describes appropriate modifications for each carrier's own experience, Leavitt said. Following his report, HATF approved the recommendation for the new valuation table. The table will be exposed for a 30-day comment period, and the Academy's Group Long-Term Disability Work Group will draft an actuarial guideline on the use of the table.

Shari Westerfield, a member of the Academy's Health Practice Council, briefed attendees on other Health Practice Council projects, including an ongoing roundtable discussion on long-term care (LTC) financing and services. The Academy has invited various stakeholders with different perspectives on LTC needs to participate in daylong meetings every three to four months to look for ways to make long-term care more affordable for Americans.

The Academy's Health Practice Council Communications Committee has released two voters' guides, Westerfield said. [Making Health Care Reform Work: Why Broad Participation Is Necessary](#) and [What Voters Should Know About Medicare](#) were developed to ensure policymakers, candidates, and the public have the basic information necessary to understand health care-related policy discussions leading up to the 2012 elections.

LTC Valuation Morbidity Tables

The Academy/Society of Actuaries (SOA) Long-Term Care Valuation Work Group continues to make progress on valuation morbidity tables for long-term care insurance, committee Chairperson Bob Yee [reported](#) to the NAIC Long-Term Care Actuarial Working Group. After reviewing data from 18 companies in the SOA Intercompany Studies, the work group selected 13 companies for further study and determined the data elements needed for table construction. The work group currently is making sure the company data will be useful and is developing a database for policy exposures. Next steps include developing a basic set of incidence and continuation tables and creating other tables for specific studies.

ACA Exchange Alternatives

The NAIC's Health Insurance and Managed Care (B) Committee voted to establish the Health Care Reform Regulatory Alternatives (B) Working Group. The new group will examine issues related to alternatives to implementing Affordable Care Act (ACA)-compliant state-based exchanges, identify and assist NAIC members in resolving issues relating to non-state exchange ACA alternatives, and analyze the effect the ACA has on existing NAIC-member regulatory authority both inside and outside the federal exchange. The "B" Committee also adopted a model law development request to revise the Long-Term Care Insurance Model Act (No. 640) and the Long-Term Care Insurance Model Regulation (No. 641) to address rate stability provisions.

Flood Insurance Reform Summit

At the Aug. 14 Flood Insurance Reform Summit held by the NAIC's Center for Insurance Policy and Research in conjunction with the summer meeting, Stuart Mathewson, chairperson of the Academy's Flood Insurance Subcommittee, [presented](#) an actuarial perspective on flood insurance reform. Mathewson discussed key elements of the recently passed Biggert-Waters Flood Insurance Reform and Modernization Act of 2012, which modified and extended the National Flood Insurance Program (NFIP) that was set to expire on Sept. 30. He addressed the partial phaseout of subsidized premium rates and the gradual adjustment of premium rates to accurately reflect the risk being insured.

The subcommittee supports using actuarial principles to determine rates, Mathewson said, but including catastrophe years in the determination of an average historical loss year may violate those principles. While establishing a reserve fund was a good idea in theory, Mathewson said, it could result in significantly higher premiums and may not be practical if the NFIP debt isn't paid off first. ▲

Academy Reps Meet With Treasury

ACADEMY REPRESENTATIVES met with Treasury Department officials on July 23 to provide actuarial insight on the recently enacted Moving Ahead for Progress in the 21st Century (MAP-21) legislation.

Academy Senior Pension Fellow Don Fuerst, Pension Committee Chairperson Michael Pollack, and Pension Committee Vice Chairperson Ellen Kleinstuber spoke of the urgent need for guidance on the 25-year average segment rate corridor that will be used for most 2012 plan year valuations. According to the Academy representatives, most plan sponsors will have to evaluate many options before making a final decision about the 2011 plan year contributions that are due on Sept. 15, 2012.

The rates are needed well in advance of the contribution deadline, the Academy representatives explained, to allow actuaries time to discuss with plan sponsors the expected impact of MAP-21 before making a final decision on contribution levels by the Sept. 15 deadline.

Treasury officials said that the regulatory process was moving forward on parallel tracks, with one track focusing on the interest rates and a second track concentrating on other guidance issues. The actuaries requested that the interest rates not be held up while the other guidance is finalized. They also recommended that when the 2012 MAP-21 segment rates are published, the guidance explicitly permit a reasonable interpretation standard to be applied before issuing guidance on the additional implementation issues.

The July 23 dialogue between Treasury officials and the Academy representatives focused on numerous other issues on which guidance is needed, including funding-based benefit restrictions, plan sponsor elections, and valuing lump sum payment options.

In an Aug. 2 [letter](#) to Treasury officials, the Academy reiterated the necessity to release the rates as soon as possible rather than wait for other MAP-21 issues to be resolved. The letter also outlined other topics discussed with Treasury officials during the meeting. ▲

Treasury Releases Segment Rates

The new 25-year average segment rates and adjusted 24-month average segment rates used for pension funding were released by the Treasury Department on Aug. 16. Notice 2012-55 provides guidance on the new rate structures used to compute the funding target and other items under Section 430 of the tax code and Section 303 of ERISA but does not address the other MAP-21 issues raised by Academy representatives during their July 23 meeting with Treasury officials.

REGISTRATION IS OPEN

American Academy of Actuaries Annual Meeting and Awards Luncheon

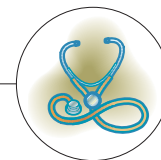
Monday, October 15, 2012

Gaylord National Resort Hotel & Convention Center
National Harbor, Md.

Keynote Speaker: Stu Rothenberg,
political analyst and editor
of the *Rothenberg
Political Report*



AMERICAN ACADEMY
of ACTUARIES



Comments Due on Rate Review Practice Note

SEPT. 4 IS THE DEADLINE for submitting comments on *Actuarial Practices Relating to Preparing, Reviewing, and Commenting on Rate Filings Prepared in Accordance with the Affordable Care Act*. The practice note, which was released on July 23 for a 30-day exposure period by the Rate Review Practice Note Work Group, is intended to provide actuaries with information to assist in the preparation and review of health insurance rate filings as required under Section 2794 of the Public Health Services Act, as added by Section 1003 of the Affordable Care Act (ACA).

New Work Groups Formed

Al Bingham and Audrey Halvorson are chairpersons of the newly formed Health Care Costs Work Group, which is charged with identifying ways to address rising health care costs, educating policymakers on the need to stem the growth in spending, and encouraging action to ensure the sustainability of the health care system. Other work group members include Jeffrey Adams, Thomas Ahmann, Joan Barrett, Kristi Bohn, Gayle Brekke, Katherine Campbell, Janet Chiu, April Choi, Colleen Driscoll, Anita Dunn, James Gutterman, Timothy Harris, Robert Hastings, Malgorzata Jankowiak-Roslanowska, Shiraz Jetha, Jinn-Feng Lin, Mita Lodh, Donna Novak, Susan Pantely, Robert Pipich, Daniel Pribe, Bernard Rabinowitz, Steven Rubenstein, John Sardelis, Roger Schacht, Martin Staehlin, Robert Tate, Sara Teppema, David Tuomala, Cori Uccello, Dewayne Ullsperger, Rina Vertes, Kurt Wrobel, Ali Zaker-Shahrak, and Vicki Zhang.

Also new, the Minimum Value Practice Note Work Group, chaired by John Stenson, will be developing a practice note to address minimum value and actuarial value determinations under the ACA. Work group members include April Choi, Colleen Driscoll, Catherine Jo Erwin, Earl Hoffman, Simon Lo, Mita Lodh, Matthew Martin, Amy Powers, Jennifer Smagula, Robert Sujecki, Tammy Tomczyk, Cori Uccello, and Dale Yamamoto.

Both work groups were established by the Academy's Committee on Federal Health.

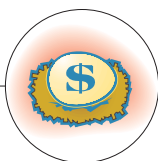
HEALTH BRIEFS

➔ **Sarah Behnke**, head actuary—Medicare Part D for Aetna in Hartford, Conn., has joined the Medicare Part D Subgroup.

PENSION BRIEFS

- ➔ **Mitchell Serota**, president of Mitchell I. Serota and Associates in Skokie, Ill., has joined the Pension Committee.
- ➔ **Joan Weiss**, chief valuation actuary for the Pension Benefit Guaranty Corp. in Washington, has joined the Social Security Committee.
- ➔ **Andrea Sellars**, chair of the Georgia State University Risk Management Foundation in Atlanta, has joined the Forward Thinking Task Force.

PENSION NEWS



Multiemployer Challenges Discussed at GAO Meeting



TO ASSIST IN A STUDY commissioned by Rep. John Kline (Minn.), chairman of the House Committee on Education and the Workforce, members of the Multiemployer Plans Subcommittee met with representatives of the U.S. Government Accountability Office on Aug. 1 to discuss options to address the financial challenges facing multiemployer pension systems.

Actuarial Foundation Releases Two New Publications

Learn about the many ways the Foundation is promoting financial literacy in its 2011 [Annual Report](#).

Find out how mentors are inspiring the next generation of actuaries in the August [newsletter](#).



THE ACTUARIAL FOUNDATION®

Life and Health Qualifications Seminar

Nov. 12–15, Arlington, Va.

The Life and Health Qualifications Seminar offers state- and country-specific basic education that may not have been provided as part of the Society of Actuaries examination process or acquired through subsequent testing or alternative education. It also can serve as a basic education refresher or as a source of continuing education for more experienced actuaries as required under the specific Qualification Standards.

For more information or to register, visit <http://www.actuary.org/seminar/2012/index.asp>.

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(editor@actuary.org)

DESIGN AND PRODUCTION

BonoTom Studio Inc.

DESIGNER

Paul Philpott

PUBLICATIONS AND MARKETING

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EXECUTIVE OFFICE

The American Academy of
Actuaries

1850 M Street NW

Suite 300

Washington, DC 20036

Phone 202-223-8196

Fax 202-872-1948

www.actuary.org

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U.S. Actuaries to Host ICA 2014

MARK YOUR CALENDARS FOR March 30–April 4, 2014, to join the many actuaries and their guests who will gather in Washington for the 30th International Congress of Actuaries (ICA).

Held every four years and hosted in 2014 by the five U.S.-based actuarial organizations, the ICA is among the most valuable of all international actuarial meetings.

The technical content will follow the main tracks of actuarial practice: life, health, pension, general insurance, risk management, consulting, and professionalism. Many sessions are expected to be presentations by authors of peer-reviewed papers submitted specifically for the ICA. The ICA 2014 call for papers is open through Sept. 30, 2012. See the ICA 2014 website at <http://www.ica2014.org/> for details.

In addition, a small army of volunteers and staff

is already busy planning the event. Committees are focusing on the scientific program, hospitality, logistics, sponsorships, marketing, special events, finance, risk management, and more.

ICA 2014 Sponsorship Opportunities

Delegate and guest registration fees will cover approximately 65 percent of total costs. The ICA 2014 Sponsorship Committee has recruited a number of sponsors, but more are needed.

Four sponsorship packages are available—platinum, gold, silver, and bronze—to accommodate a variety of marketing budgets. There are only a limited number of sponsorships at each level—and the platinum level is already sold out. Sponsors receive benefits to recognize their substantial contribution to the success of the meeting.

For more information, download the sponsorship prospectus at www.ICA2014.org/sponsors.

CASUALTY BRIEFS

➔ **Susan Gozzo Andrews**, a property/casualty actuary for the Connecticut Insurance Department in Hartford, has joined the Committee on Property and

Liability Financial Reporting.

➔ **Susan Forray**, an actuary with Milliman Inc. in Brookfield, Wis., has joined the Medical Professional Liability Committee.

LIFE BRIEFS

➔ **Guanghui Peng**, assistant vice president and investment actuary at Unum in Chattanooga, Tenn., and Ruth Sayasith, vice president and actuary at MetLife in Chatham, N.J., have joined the Invested Asset Work Group.

➔ **Jeff Johnson**, assistant vice president and actuary of the U.S. division at John Hancock in Boston, has joined the Life Practice Council.

➔ **Vincent Zink**, an actuary with the Internal Revenue Service in Columbus, Ohio, has joined the Tax Work Group.

➔ **Frank Clapper**, a consulting actuary for Hilltop Actuarial Consulting in Holmdel, N.J., has joined the Life Valuation Subcommittee.

➔ **Stephen Strommen**, an actuary and owner of Blufftop LLC in Glendale, Wis., has been named chairperson of the Annuity Reserves Work Group Analysis Subgroup.