Lawsuit Against Academy Dismissed

ON FEB. 24, 2015, Judge Peter Flynn of the Circuit Court of Cook County, Illinois, dismissed without prejudice all claims against the Academy, including any claims for injunctive or declaratory relief, that were filed in December by former Society of Actuaries (SOA) President Mark Freedman.

Freedman, as reported in the December Actuarial Update, had filed suit seeking to block the Actuarial Board for Counseling and Discipline (ABCD) from considering two disciplinary complaints filed against him. The complaints concerned an email solicitation from the SOA, which advised thousands of actuaries that “society membership provides—ease of movement from one area of practice to another without replacing credentials.”

Academy leadership released a statement to advise its members that the court strongly affirmed that the U.S. actuarial profession may require members to have disciplinary complaints heard by the ABCD and not by the courts. The Academy leadership views this ruling as a vindication of the profession’s self-discipline process.

When the transcript of the hearing is available, the Academy will post it on our Litigation Update page on the website. The transcript will be interesting reading to Academy members. The judge made clear that the court had been presented with no reason to intervene in the ABCD matter, and Illinois case law would not support any intervention.

The court did not rule on the motions to dismiss the remaining claims in the case, instead determining that it lacked jurisdiction to address them. The claims against the Casualty Actuarial Society were also dismissed. The remaining claims against individuals were transferred to a different division of the Cook County Circuit Court, where the pending motions to dismiss those counts will be handled. No hearing on those has yet been set.

Academy Calls on HHS to Allow Changes to Premium Rate Filings if ACA Subsidies Are Eliminated

WITH THE U.S. SUPREME COURT set to issue a major ruling regarding the Affordable Care Act later this year, the Academy this month called on the Department of Health and Human Services to consider the potential implications for premium rate filings if premium subsidies are eliminated in the affected states.

In a letter to HHS Secretary Sylvia Burwell, the Academy’s Health Practice Council explained that, should the court decide in favor of the petitioners, a significant drop in health plan enrollment and an increase in the risk profile of remaining enrollees would drive up average health costs for health plans in certain states if no action is taken to allow enrollees access to premium subsidies in states participating in the federally facilitated marketplace (FFM).

The letter notes that while elimination of premium tax credits in FFM states may result in higher average health care costs in those states, issuers may have lim-
Academy NEWS Briefs

Remembering Michael Stephen Abroe and Daphne Bartlett

The actuarial profession lost two valued members of its community recently, with the passing of Michael Stephen Abroe and Daphne Bartlett.

An Academy volunteer for more than 20 years, Abroe was the recipient of the Jarvis Farley Service Award in 2011. He served as Academy vice president for health, was instrumental in the Academy’s efforts to work with regulators implementing the Affordable Care Act, and served on the Actuarial Standards Board at the time of his death. Abroe doubtless touched the lives of many reading this.

The recipient of the Farley Award in 2000, Bartlett was a founding member of the Actuarial Board for Counseling and Discipline, was a member of the Academy Board of Directors, and was instrumental in the creation of Contingencies magazine. As chairperson of the Joint Committee on Public Relations, she helped to develop the actuarial profession’s first communications plan. They will be dearly missed.

Volunteer Attestation Due Now

Do you serve on an Academy council, committee, task force, or work group? If so, thank you for your dedicated service to fulfilling the mission of the Academy.

Above and beyond your technical expertise, the effectiveness of your Academy work on behalf of the public and the U.S. actuarial profession hinges on providing unbiased, reliable information for policymakers and others who need actuarial insight to inform their decisions regarding U.S. fiscal and societal challenges.

One of the Academy’s essential measures to cultivate the highest level of professional objectivity and independence when performing Academy work is the annual conflict of interest (COI) acknowledgement and continuing education (CE) attestation that every volunteer must sign.

Please take a moment now to review and sign your COI acknowledgement and CE attestation.

Academy Seeks Senior Fellows

The Academy is seeking two senior fellows to help communicate the Academy’s message on property/casualty and pension actuarial issues to the public and to policymakers. Our fellows work with practice councils, interact directly with federal and state regulatory and legislative officials, and communicate with the media about new developments in their fields. For more information and details on how to apply, see the job listings for Senior Pension Fellow and Senior Property and Casualty Fellow on the Academy website.

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 login page on the Academy website.
**IN THE NEWS**

The Health Practice Council’s letter to HHS commenting on the premium rate filing implications of King v. Burwell received widespread media coverage, including mentions in the Chicago Tribune, the Miami Herald, Inside Health Policy, Law360, and PoliticoPro (subscriber only). In an interview with McClatchy Newspapers, Senior Health Fellow Cori Uccello talked about some of the challenges that need to be addressed if premium subsidies are struck in states participating in the federally facilitated marketplace and action isn’t taken to allow enrollees access to premium subsidies: “Insurers can’t just flick a switch to increase premiums to take into account lower enrollment and higher costs.”

Senior Pension Fellow Don Fuerst was interviewed by iHeartRadio about the financial impact of the aging of our population on major public programs and different generations. “The top concerns are aging programs like Social Security and Medicare. Both of those programs are in desperate need of reform and change so that they will be viable on a long-term basis,” said Fuerst. The interview aired on several Philadelphia-area stations. Visit the Academy Newsroom to stream or download the interview podcast.

Fuerst also provided comments to the Military Times for a story examining recommendations made in the Military Compensation and Retirement Modernization Commission’s new report on military retirement systems. Fuerst expressed surprise at the 12.7 percent discount rate the report used, saying, “Twelve percent! My gosh, that is an outrageous rate to use for something like that.”

** Reserve Ranges and the Statement of Actuarial Opinion**

The Academy and the Casualty Actuarial Society co-sponsored a webinar on Feb. 19 discussing Reserve Ranges and the Statement of Actuarial Opinion (SAO). Academy volunteer Janet Duncan led the session, using material developed by the Opinion Seminar Subcommittee of the Committee on Property and Liability Financial Reporting.

Duncan discussed considerations in preparing a reserve range in support of a U.S. statutory opinion, noting that the intended user and the measurement objective should inform the actuarial methods and sets of assumptions used.

“The two most commonly used types are a range of possible outcomes, meaning a full set of potential results, or a range of reasonable estimates, expressing the degree of uncertainty in producing an estimate,” she explained. “The type will vary based on the intended purpose—reasonable estimates may fit in reports supporting the SAO, while possible outcomes may make more sense for risk-management scenario testing.”

She gave the results of a survey of commonly used approaches. These included:

- A flat percentage adjustment, “often based on an actuary’s experience with a certain line of business and the perceived variability in the estimation of loss and loss adjustment expense liabilities for the given line. But there is an increase in scrutiny from regulators and auditors as to how these end points are selected.”

- A function of results from different methods: “For instance, an actuary may use the results of various methods to get a sense of how wide the range could be. In that case,” she said, concerns include whether the answers are logical and consistent by accident year.

- Low and high alternate, but reasonable, sets of assumptions.

Duncan also noted issues to consider in communicating about reserve ranges. Intended users, she said, may have varying degrees of experience so “it’s important that the disclosures in a report provide clear information for the specific target audience.”
Retired but Providing the Occasional SAO? You Still Need to Be Fully Qualified

Some retired actuaries still provide part-time or consulting services, and some even do it out of the goodness of their heart (like reviewing the pension plan for your local church). The actuarial profession appreciates the wealth of knowledge and contribution of its retired members, and no doubt the public appreciates the charitable work of actuaries, but actuarial services must be performed in all situations by a qualified actuary, as required under Precept 2 of the Code of Professional Conduct (Code).

Imagine that a retired physician who has not kept up with his or her continuing education for years volunteered to give you a cancer treatment assessment, and you accepted the offer because it’s free. Any profession would want the professional to decline services when not qualified, as this is not good for the client or the profession.

As a member of the Academy, you are bound to the Code, which is a badge of honor setting you apart from the average person, when you provide actuarial services, even if you are retired. Precept 2 of the Code clearly and unequivocally states that an actuary providing actuarial services must be qualified in every aspect, including basic and continuing education and experience. There is no word like “except” in Precept 2. The US Qualification Standards (USQS), issued by the Academy, further detail what it means to be qualified.

So, if you provide even one statement of actuarial opinion (SAO), you must be qualified in terms of basic education, continuing education, and experience. Under the USQS there are no grace periods, no prorations, no exemptions if you are retired, or unemployed, or even a student. The principal for whom you provide actuarial services is still relying on your SAO.

Section 2 of the USQS requires any actuary issuing an SAO to meet the requirements for basic education, experience, and continuing education (CE) to be qualified to issue SAOs. Most retirees likely meet the basic education component, and even the experience component depending on the area of practice they are asked to opine on, but many retired actuaries are relieved to no longer have to meet and track annual CE requirements. In failing to keep up with CE, you may miss an elemental change in actuarial practice, such as revised or new actuarial standards of practice, or new qualification requirements, which could result in your “occasional” SAO lagging substantially behind the work of your peers.

In a recent Contingencies article, past chair of the Actuarial Board for Counseling and Discipline (ABCD) Robert Rietz noted that the ABCD has seen a number of actuaries who have failed to fulfill their continuing education requirements. “[T]here are two main categories,” he wrote, “those actuaries who are unaware of their continuing education requirements and those actuaries who are retired.”

Over the years the profession has benchmarked the CE requirements in other professions, and actuaries in other countries, and the Committee on Qualifications concluded that 30 CE hours are not burdensome to obtain. Actuaries rendering actuarial services in Canada, for instance, need 100 CE hours in a rolling two-year period, and actuaries doing the same in Mexico generally require 40 CE hours annually.

One mutually beneficial way for retired actuaries to earn their annual CE is to participate as a member of an actuarial committee. The Academy welcomes and greatly utilizes the volunteer services of its retired members, who earn valuable CE serving on committees of interest to them while giving back to the profession and the public utilizing their years of wisdom and experience in contributing to today’s actuarial issues. To assist qualified Academy volunteers who are retired or similarly situated in meeting the CE attestation requirement, the Academy is offering free attendance to Academy-sponsored (not jointly sponsored with other organizations) webinars, seminars, and other CE opportunities. Besides, what else are you going to do now that you have all that time in retirement?

WE’D LIKE TO HEAR FROM YOU

Actuarial Update, like all Academy publications, is designed to serve you. With that in mind, we’re gauging interest in making available printed copies of Actuarial Update. If you would find such an offering valuable, please email editor@actuary.org with your thoughts. And thank you for reading.

SAVE THE DATE

The Academy Capitol Forum: Meet the Experts webinar series returns March 25 with “How Did State & Local Pension Plans Become Underfunded?” Jean-Pierre Aubry, assistant director of state and local research at the Center for Retirement Research at Boston College, will speak. Academy Senior Pension Fellow Don Fuerst will moderate the session. Additional details on the webinar and registration will be available soon.
Call for Nominations for Academy Awards

A N ANNUAL EVENT most enjoyed by attendees at the Academy’s annual meetings has been honoring the service to the actuarial profession embodied by those who receive recognition from their peers in several kinds of Academy awards for our members. 2015, being the Academy’s 50th anniversary, will be a particularly noteworthy opportunity to nominate and receive one of these awards. All of these awards are voted on by the Academy’s Executive Committee during the summer.

All members are welcome to nominate their colleagues for the Academy’s three major awards.

The Jarvis Farley Service Award honors actuaries whose volunteer efforts on behalf of the Academy have made significant contributions to the advancement of the profession. It is a lifetime achievement award.

The Academy established the award in 1991 to honor one of its most dedicated volunteers. Jarvis Farley was a charter member of the Academy and an invaluable resource for the profession. He served on Academy committees from 1972 until his death in 1991. His untiring volunteer work for the Academy epitomized the caliber of service honored by the award.

See eligibility requirements and submit your nominations for the Jarvis Farley Service Award here.

The Robert J. Myers Public Service Award honors public service actuaries who have made an exceptional contribution to the common good. The Myers Award honors an actuary for a single noteworthy public service achievement or a career devoted to public service.

The nominee may be a current or former government employee, the employee of an organization whose primary focus is government work, or an unpaid volunteer working at a philanthropic organization. Work as a paid consultant, as a member of an actuarial committee, or as an officer of an actuarial organization is ineligible.

Robert J. Myers was the chief actuary for the Social Security Administration from 1947 to 1970. He was instrumental in the design and funding of the Social Security system and was described by Sen. Daniel Patrick Moynihan as “a national treasure.” In recognition of his many years of extraordinary public service, the Academy created the Robert J. Myers Public Service Award in 1994.

See eligibility requirements and submit your nominations for the Robert J. Myers Public Service Award here.

In addition to the two singular awards above, for several years the Academy’s Executive Committee has also made several Awards for Outstanding Volunteerism to honor Academy volunteers in various practice areas who have made a single, noteworthy volunteerism contribution that is above and beyond what is reasonably expected of an Academy volunteer in the previous year. Eligible candidates are Academy members who have performed in a way that is conspicuously above and beyond what is reasonably expected with respect to volunteer duties and responsibilities for the Academy during the 12 months preceding the nomination. In addition to Academy council or committee participation, service on behalf of the Academy may include participation on committees of other organizations, such as the NAIC, that reflects positively on the Academy and benefits Academy members.

See eligibility requirements and submit your nominations for the Award for Outstanding Volunteerism here.

The Awards will be given at the Academy’s Annual Meeting and Public Policy Forum, Nov. 12-13 in Washington.

Academy Kicks Off New Webinar Series on Global Health Care Costs

O N FEB. 18, the Academy hosted Exploring Global Health Care Cost Drivers: Israel and the Netherlands, the first in a new series of webinars exploring health care cost trends around the globe, co-developed with the International Actuarial Association Health Section.

Dr. Tuvia Horev, an associate professor in the Department of Health Systems Management at the Guilford Glazer Faculty of Business & Management, Ben-Gurion University of the Negev, and Rian De Jonge of the Academy’s Health Practice International Task Force, briefed listeners on the successes and challenges that both Israel and the Netherlands have experienced as they’ve worked to identify and address particular cost drivers of health care.

A recording of the session is available on the Academy website, free of charge for Academy members. There is a fee for nonmembers wishing to listen.

The speakers explored how their respective countries finance health care, the cost drivers they are facing and the methods of coping with them, as well as insights into their successes and the hurdles they have faced.

Israel, Horev noted, “is a small country with a relatively young population,” with only 10.6 percent of its citizens over 65 as of 2013. The country has a national health insurance program that covers “100 percent of residents, without exception” through four funds that offer “a basic package of health care services.”

These four “sick funds” are financed through an income-related health tax, and co-pays collected from users. “The state is required by law to make up any shortage of funds that remains,” he explained. Though this structure is designed to keep the tax level sufficient to cover the expense, the government covered 40.6 percent of the

SAVE THE DATE

The American Academy of Actuaries’ 2015 Annual Meeting and Public Policy Forum
November 12-13 | Washington, D.C.

Don’t miss the opportunity to engage directly with policymakers and thought leaders from all practice areas as the Academy celebrates its 50th anniversary.

See health care costs, page 11
**New Academy Members**

In the second half of 2014, 504 actuaries took a step forward in their professional journey and joined the Academy. They are in good company. Counting this newest group, the Academy, as of Dec. 31, 2014, boasted 18,409 members.

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SEE NEW MEMBERS, PAGE 8 ➜
NEW MEMBERS

CONTINUED FROM PAGE 7

Kai L. Nyoi
Johnathan L. O’Dell
Shing Y. Ong
Hui Fen Vivian Ooi
Samantha F. Osborn
Amber R. Otemba
Andrew Otto
Ryan Ouellette
Vivek Padhy
David R. Paluch Jr.
Lisa Pankau
Stephen K. Park
Andrew W. Parr
Wilnex Canes Paul
Cassandra L. Paulson
Alden L. Penn
Anthony W. Perry
Mary R. Peterman
Rebecca A. Peterson
Alexander Peyser
Pauline E. Philip
Andrew Phillips
Jack Pierce
Eric A. Pince
Kenneth P. Pinkerton
Jaron R. Pioogia
Miriam Plotnik
Shuchi Porciello
Justin Pribble
Joshua M. Prins
Eric B. Prospect
Matthew Puopolo
Andrew Quint
Adeel Qureshi
Andrew C. Rallis
Michael J. Raminski
Pavitra Ramkumar
Shannon C. Ramsey
Niraj H. Rana
Ravi Ranjan
Selena E. Ransom
Usamah A. Rashid
Murtaza Rawat
Andrew W. Raynes
Nadejda Raynova
Emma Redondo
Kyle B. Reed
Peter Reggiannini
Michael J. Reilly
Allison E. Reynolds
Alex Rezmerski
Alexander M. Richter
Danielle Rinaldi
Vanessa Robinson
Mary K. Rogers
Julia A. Rohrs
Benjamin Root
Shann Rosenberg
Brad J. Rosin
Frank P. Rossi III
Brent M. Rossman
Laura Roth
Mary L. Rothlisberger
Brian C. Ruberti
Kevin M. Rump
David J. Rusche
Elisabetta Russo
Adam Sabzevari
Matthew Sakofs
John Vincent Salciccioli
Beth A. Sardina
Barton C. Sattler
Dionne M. Schaaffe
Sarah A. Schachet
Erik Schait
Eric Scheppmann
Adam Schlecht
Michael J. Schleis
Jacob T. Schuessler
Tobias Schuler
Jon N. Schultz
Derek W. Schutz
Jennifer N. Schwartzkopf
Nihar Shah
Janie Shaw
Scott P. Sherman
Tian S. Shia
Jason T. Shook
Dan I. Shweiger
David E. Sidney
Daniel Silano
Hoi Ying K. Siu
Ryan M. Smith
Julie D. Smith
Alexander J. Snow
Richard E. South
Alan E. Speed
Robert N. Spence
Philip Sprawls
Jeffrey R. Stanley
Steven M. Stanowich
Blake J. Stein
Katherine Stensland
Philip W. Stumpf
Eрин Src
Evаn P. Swalheim
Brian A. Sweatman
Casey S. Szulc
Calvin Tam
Chao C. Tan
Jia Wen Tan
Tilia G. Tanner
Tiffany N. Tasset
Armand W. Tchakoumi
Michelle A. Terriquez
Peter G. Thies
Jonathan M. Thompson
Yocheved Tirschwell
Adrian Todoroski
Peter J. Tom-Wolverton
Dana M. Trail
Le Van Tran
David Traugott
Christine A. Tuliszewski
Lori Turnbull
Adam M. Vachon
Omar Valenzuela
Corey W. Vande Voort
Denica Vatev
Jason W. Vigneault
Dhruvi Vora
Timothy C. Vosicky
Leslie Vromans
Julie Wagner
Collin F. Walter
Zachary Webber
Andrew M. Weeks
Samuel C. Wehner
Amanda Weihe
Mark Wehrs
Menachem Wenger
Jessica Whalen
Matthew Widick
Dana L. Winkler
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Cheryle C. Wong
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Michael Wuertz
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Xiao Xu
Jue Xue
Minjie Yao
Gokce Yilmaz
Yong K. You
Ruoling You
Lu L. Yu
Hengyu Yuan
Wenyi Zhang
Matthew Zhang
Yi Zhang
Lingang Zhang
Feng Zhang
Xin Cheng Zheng
Ren Zhong
Zhao Zhou
Qian Zhou
Feng Zhu
Bihuan Zhu
Jie Zhu
Ronald Joseph Ziemba
Maijaleena Zimmerman
Luna Zong
Tianchi Zou
Advising the IRS

The Pension Committee this month sent a comment letter to the IRS regarding the use of mortality tables to calculate pension funding requirements for the years after 2015.

“In light of the Society of Actuaries’ (SOA) publication of the RP-2014 mortality tables and the MP-2014 mortality improvement scale,” the committee wrote, “IRS and Treasury may consider whether to use these tables based on the full dataset (or with adjustments for collar, amount or headcount weighting variants) as published, or with modification, or use alternative tables that reflect other sources of data or underlying assumptions.”

The letter continued, “We believe that pension plans should be using up-to-date mortality assumptions and best practices wherever possible. However, we believe that any changes to required tables for pension funding requirements should include alternatives for smaller plans (such as static tables) in order to simplify administration and valuations where the cost of the application of more sophisticated methods may not be justified.”

Furthermore, the committee wrote, “Introducing generational mortality in the calculation of lump sum benefits may increase the administrative complexity and cost of the plan; IRS and Treasury will have to weigh the increased cost to plan sponsors with the value provided to plan participants. In general, we recommend adopting methods that favor simplicity where the value of additional refinements in the resulting liability or lump sum benefit is small.”

Acknowledging that “many of the questions the IRS and Treasury will consider do not have clear answers,” the committee expressed its desire to meet with IRS officials to discuss “our understanding of the arguments in favor of, and against, the variety of techniques, methodologies and specific assumptions that you may consider.”

The committee also submitted comments to the IRS and Treasury on potential improvements in the operation of Internal Revenue Code Section 436 while still protecting the funded status of pension plans. The recommendations address timing, application and avoidance rules of benefit restrictions, and conflicts with collective bargaining agreements.

Council Comments on Ratemaking Proposals

The Casualty Practice Council this month submitted comments to the Actuarial Standards Board (ASB) on an exposure draft of a proposed actuarial standard of practice (ASOP), Property/Casualty Ratemaking.

The comments “encourage the ASB to give serious consideration to limiting the scope of this ASOP to regulatory filings for property and casualty ratemaking,” noting that, with such a limitation, the ASOP “does not sufficiently address or give adequate guidance for the many other types of insurance and alternative risk transfer mechanisms to which it would apply.”

The council also recommended adding a section on the relationship between ASOPs and regulations, and noted that it has made largely similar recommendations in a letter to the Casualty Actuarial Society regarding its Discussion Draft: CAS Statement of Principles Regarding Property and Casualty Insurance Ratemaking.
Life Groups Submit Letter to NAIC on XXX/AXXX Reinsurance Proposal

The PBR Strategy Subgroup and Life Reinsurance Work Group sent a comment letter to the NAIC’s PBR Implementation (EX) Task Force regarding its recent XXX/AXXX reinsurance supplemental proposal.

The letter expressed the groups’ “appreciation for the Task Force’s effort to differentiate reporting requirements in the Exhibit for ‘grandfathered’ XXX/AXXX policies not subject to the new framework requirements of AG48 from reporting for policies that are subject to the framework,” and offered suggestions for several changes to the proposal.

**LIFE BRIEFS**

- Robert Mitchell, vice president and actuary at Unum in Portland, Maine, Kristin Norberg, manager at Ernst & Young LLP in Chicago, Allen Livingood, vice president at Unum in Portland, Ore., Patrick Waliner, assistant vice president at Unum in Portland, Ore., William Obert, vice president, individual valuation at Unum in Chattanooga, Tenn., and Thomas Lonergan, actuary in Hartford, Conn., have joined the Tax Work Group.


- Novian Junus, principal consulting actuary at Milliman Inc. in Seattle, Cynthia Levering, actuary in Baltimore, Andrew Forgrave, actuary at Jacob Haxton & Boord LLC in Worthington, Ohio, and Benjamin Yahr, actuary at Ernst & Young LLP in Philadelphia, have joined the Lifetime Income Risk Joint Task Force.

- Larry Bruning, life actuary at National Association of Insurance Commissioners in Kansas City, Mo., and Kui Chen, actuary at Genworth Financial in Richmond, Va., have joined the Life Reserves Work Group.

- Marianne Purushotham, corporate vice president at LIMRA in Windsor, Conn., has joined the Life Experience Committee and Annuity Reserves Work Group.

- Steve Verhagen, vice president, corporate actuary at CUNA Mutual Group in Madison, Wis., has joined the Life Financial Reporting Committee.

- James Thompson, actuary and consultant at Central Actuarial Associates in Crystal Lake, Ill., has joined the Life Valuation Committee.

- Michael Yanacheck, actuarial administrator at Iowa Insurance Division in Des Moines, Iowa, has joined the Nonforfeiture Modernization Work Group and ARWG VM-22 Subgroup.

- Charles Souza, vice president, structured finance at RGA in Chesterfield, Mo., has joined the Life Reinsurance Work Group.

- Dean Slyter, actuary at Accenture in Cedar Rapids, Iowa, has joined the Contingent Annuity Work Group.

- Bo Ouyang, actuary at New York Life Insurance Co. in New York, has joined the Deposit Fund Subgroup.

- J. Timothy Gaule, director, corporate actuary at CUNA Mutual Group in Madison, Wis., has joined the Annuity Reserves Work Group.

- Trevor Huseman, managing director at Miller & Newberg, Inc. in Overland Park, Kan., has joined the Annuity Illustrations Work Group.

- Mark Evans, president at Applied Stochastic LLC in Louisville, Ky., has joined the AG43/C3 Phase II Work Group.

**HEALTH BRIEFS**

- Annette James, lead actuary for the State of Nevada Division of Insurance in Carson City, Nev., has joined the Health Practice Financial Reporting Committee, Health Care Receivables Factors Work Group, Health Solvency Work Group, Health Practice International Task Force, Stop-Loss Work Group, Risk Sharing Work Group, and Actuarial Value Subgroup.

- John Price, actuary at Axene Health Partners LLC in Danville, Calif., has joined the Stop-Loss Work Group, Medicaid Work Group, and State Long-Term Care Task Force.

- Philip Bieluch, managing member at Insurance Signals LLC in Avon, Conn., Rachel Killian, actuary at Milliman Inc. in Atlanta, and Kuanhui Lee, actuarial services manager, commercial markets at Medica in Minnetonka, Minn., have joined the Small Group Market Task Force.

- Richard Tash, senior consultant at OptumInsight Consulting in San Francisco, and Matthew Kramer, actuary at Milliman Inc. in Chicago, have joined the Health Solvency Work Group.

- Li Wang, senior actuarial consultant and associate actuary at United Healthcare in Cypress, Calif., has joined the Actuarial Value Subgroup.

- Peter Davidson, director at PricewaterhouseCoopers LLP in San Francisco, has joined the Medicaid Work Group.

- Tom Messer, consulting actuary at Fidelis Care New York in Queens, N.Y., has joined the Risk Sharing Work Group.

- Bernard Rabinowitz, senior vice president and chief actuary at USHealth Group in Fort Worth, Texas, has joined the Stop-Loss Work Group.
Answering IAIS Questions on Global Capital Standards


The committee provided responses to a number of more than 150 specific questions asked in the consultation paper, addressing issues such as what principles would be appropriate as the foundation for a global consolidated insurance capital standard, whether the IAIS should develop a consistent and comparable margin over current estimate, and whether the use of external models should be allowed.

Health Care Costs, continued from Page 5

cost in 2013—the most recent year for which data are available.

That basic package, however, does not cover all of the health care Israeli citizens consume. So, Horev said, “a growing private sector” offers additional plans that provide care beyond the basic package.

Israel’s main cost drivers, Horev explained, include the aging of the population, chronic morbidity related to an increase in life expectancy and life span, expensive medical technology, and a system of incentives that could be more efficient.

The Netherlands faces an older average population than Israel, according to De Jonge, with 15 percent of its current citizens over age 65. Approximately 13 percent of Americans have reached that age, De Jonge said. The Netherlands has a two-layer system for health care. Long-term treatments are the responsibility of a state-controlled insurance system, while regular medical treatment is covered by private insurers, but insurance is mandatory, with plans offering a required set of coverages.

The country faces unusually high expenditures for inpatient care, De Jonge said. “Inpatient care as a percentage of total spending is high. Not the highest in Europe, but high.” He also cited “the Western lifestyle and demanding patients,” aging, and upcoding as significant cost drivers.

The Netherlands, De Jonge said, is exploring options to increase the percentage of health care that can be done on an outpatient basis, and looking for ways to utilize general practitioners to provide more care. “We want to shift from volume-based to quality-based incentives,” he said, “and to decrease improper use of the system, such as upcoding.”

The Academy and the IAA plan three more webinars in the series. The next webinar will be held in May, and will focus on the United States and South Africa.

Supreme Court, continued from Page 1

ated ability to meet those higher costs for 2015 and 2016 plan years.

The council explained, “Premiums for 2015, which are already in place, and premiums for 2016, which need to be submitted prior to the court’s ruling, would likely be inadequate to cover claims.”

To help mitigate the potential for inadequate premiums for 2016, the letter outlines a couple of possible options:

- Allowing insurers to submit two sets of contingent premium rates—one set reflecting pricing assumptions that would be appropriate if premium tax credits continue to be available and the other reflecting pricing assumptions that would be appropriate if premium tax credits are no longer allowed.

- Allowing premium rate revisions after the May 15 submission deadline.

The letter was publicized in a news release Feb. 24. The court will hear oral arguments in the case, King v. Burwell, March 4. A ruling is expected after the court’s current term ends in late June.