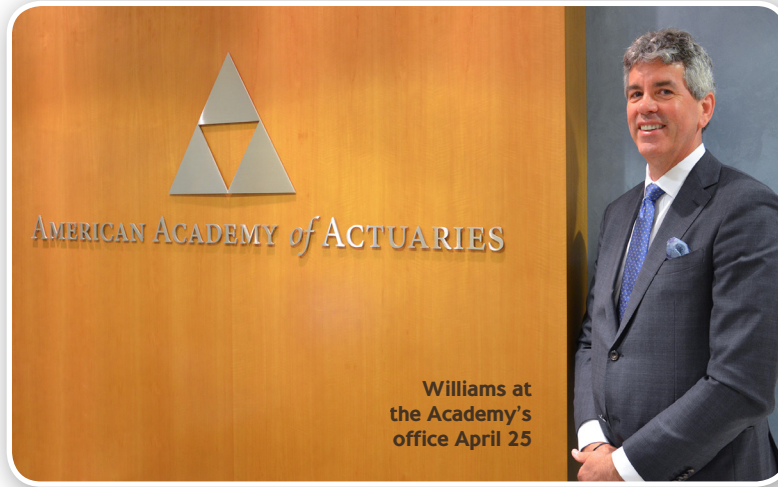


## Williams Nominated to Be Academy President-Elect

**D**JOEFF WILLIAMS has been nominated to be the Academy's next president-elect, as announced by the Nominating Committee. An Academy volunteer since 2001, Williams has served on many Academy committees, task forces, and work groups, and has been vice president of professionalism for the past two years.

"Joeff's many years of dedicated service demonstrate the strength of his commitment to the Academy's mission," said Tom Wildsmith, Nominating Committee chairperson and Academy penultimate past president. "In particular, he has consistently shown a deep personal interest in promoting a culture of professionalism. The committee has every confidence that, as Academy President, Joeff will be an outstanding representative for the Academy and the entire U.S. actuarial profession."



Williams at the Academy's office April 25

Williams said that over the past two years the Council on Professionalism's goal has been to make professionalism part of actuaries' work in everything they do, from their individual practice to their organization.

"Professionalism needs to be in everything we do," he said. "Our focus for the past two years has been very much about going back to our

mission statement as a council, and part of that is reaching out to the practicing actuary to make professionalism part of their daily culture."

Williams, a consulting actuary with Actuarial Management Resources in Winston-Salem, N.C., received the Academy's Outstanding Volunteerism Award in 2013.

SEE WILLIAMS, PAGE 8

## Annual Meeting and Public Policy Forum to Feature Political Analyst Charlie Cook

**D**ISTINGUISHED POLITICAL analyst Charlie Cook, publisher of the independent and nonpartisan *Cook Political Report*, will be a featured speaker at the Academy's 2018 [Annual Meeting and Public Policy Forum](#), to be held Nov. 1-2 in Washington.

Cook, who will speak just days before the fall midterm national elections, also has frequently served as an election night analyst for national news networks *CBS*, *CNN*, and *NBC*.

The *New York Times* described the *Cook Political Report* as "a newsletter that both parties regard as authorita-



Cook

tive," and for more than a decade and a half, Cook has written a weekly column for the National Journal Group. In 2010, he was a co-recipient of the American Political Science Association's prestigious Carey McWilliams Award for outstanding contribution to the national understanding of politics. In 2013, Cook was a resident fellow at the Institute of Politics at Harvard University's John F. Kennedy School of Government.

Don't miss out on this timely opportunity to hear firsthand from, and ask questions of, this esteemed analyst at our Nov. 2 lunchtime plenary session. [Register today](#), and plan to join us in November. Extra-early registration discounts are available now. ▲

2

[Lifetime Income Quiz](#)

3

[Service Award Nominations Open](#)

3

[Capitol Hill Pension Briefing, Congressional Testimony](#)

10-11

[Coverage of Enrolled Actuaries Meeting](#)

## AUGUST

29-30 [Seminar on Implementing IFRS 17 for Long-Duration Contracts](#), Washington, D.C.

## SEPTEMBER

5-7 Casualty Loss Reserve Seminar (CLRS) & Workshops, Anaheim, Calif.

## NOVEMBER

1-2 [Annual Meeting and Public Policy Forum](#), Washington, D.C.

4-8 [Life and Health Qualifications Seminar](#), Arlington, Va.

## DECEMBER

6-7 2018 Seminar on Effective P/C Loss Reserve Opinions, Chicago

# Academy NEWS Briefs

## New Quiz Tests Knowledge of Lifetime Income Options

THE ACADEMY'S NEW [Lifetime Income Quiz](#) poses questions to the public that provide insight into issues in planning for retirement income, a better understanding of key concepts, and choices that people may face in deciding how to convert savings into lifetime retirement income. Quiz takers are asked to test their knowledge, will receive an overall score, and can download informational materials developed by the Lifetime Income Risk Joint Task Force. More resources are available on the Academy's [Lifetime Income Initiative webpage](#). The Academy hosted an April 13 Capitol Hill briefing on lifetime income, in part to draw attention to the Academy's position statement on lifetime income, and released a new *Essential Elements* paper on the subject (see p. 4). ▲

Test your knowledge about retirement income choices.



### Take the Quiz

[actuary.org/lifetime-income-quiz](http://actuary.org/lifetime-income-quiz)

## Recently Released

THE SPRING [StateScan Quarterly](#) highlights state legislation in the past quarter related to auto and flood insurance; health insurance changes including the individual market, Medicaid, and long-term care; principle-based reserving and other life issues; public pension plans; and more. For a comprehensive review, log in to StateScan, the legislative and regulatory portal free for Academy members.

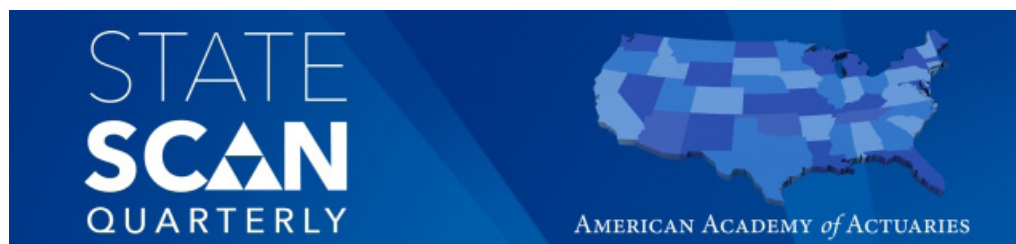
The latest [Retirement Account](#) covers recent Pension Practice Council activities, and legislative and regulatory developments, including the first meeting of the Joint Select Committee on

Solvency of Multiemployer Pension Plans and retirement policy legislation introduced in the U.S. Senate.

The April [HealthCheck](#) recaps Academy health presentations from the NAIC Spring 2018 National Meeting. Also covered, the Individual and Small Group Markets Committee comment letter to the Centers for Medicare & Medicaid Services on a proposed federal rule that would lengthen the maximum period of short-term, limited-duration health insurance plans; and legislative, judicial, and regulatory updates. ▲

For a list of all previous and upcoming Academy events, please visit the Academy's online [Events Calendar](#).

To continue receiving the *Update* and other Academy publications on time, 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](#).



# Academy NEWS

## A Thank You to our Volunteers

April is National Volunteer Month, and we're celebrating our volunteers who work tirelessly to advance our mission and our work.

**Thank you for all you do.**

## Make Your Nomination for Annual Academy Service Awards

**IT'S TIME TO NOMINATE** a deserving colleague or respected mentor for one of the Academy's prestigious annual service awards, either for public service or for a lifetime of service to the actuarial profession and the Academy, as described below.

The [Robert J. Myers Public Service Award](#) honors an actuary who has made an exceptional contribution to the common good, specifically through a single noteworthy public service achievement or a career devoted to public service.

The [Jarvis Farley Service Award](#) is a lifetime achievement award pre-

sented to an actuary whose volunteer efforts on behalf of the Academy have made significant contributions to the advancement of the profession through a lifetime of service.

Additionally, the [Outstanding Volunteerism Award](#) honors those Academy volunteers who have made a single, noteworthy volunteerism contribution in the past year.

The deadline for nominations is June 29, and the awards will be presented at the Academy's Annual Meeting and Public Policy Forum, Nov. 1–2 in Washington. ▲

## Capitol Hill Turns to Academy on Pension Issues

**THE ACADEMY HAD** a busy April, hosting a lifetime income briefing for congressional staff and media, and testifying before a key congressional committee.

### Multiemployer Plans Hearing

Academy Senior Pension Fellow Ted Goldman testified April 18 before the Joint Select Committee on Solvency of Multiemployer Pension Plans on "The History and Structure of the Multiemployer Pension System."

Goldman's [testimony](#) outlined the basics of multiemployer plans, noting the 1974 passage of the Employee Retirement Income Security Act (ERISA), and that fewer workers are currently employed in industries sponsoring multiemployer plans than in the past. He then answered questions from the joint committee's members on the subject. [Watch the full testimony here.](#)

The high-profile hearing—and the Academy's role in informing the discussion—received national attention: [Think Advisor](#), [Plan Sponsor](#), [Plan Adviser](#), and the Office of U.S. Sen. Rob Portman (R-Ohio)—which stated that the "[status](#)



Goldman testifies before the joint committee on April 18

[quo is unacceptable](#)"—all ran news items on the hearing, as did a [Pension Rights Center](#) blog post.

The bipartisan joint committee is made up of 16 members appointed by House and Senate leaders—eight senators and eight House members, equally divided between Republicans and Democrats. Its goal is to

draft a bill to address the pension crisis by end of November.

### Lifetime Income Hill briefing

Congressional staff and others attended the April 13 Capitol Hill briefing, "[Making Retirement Income Last a Lifetime: Public](#)

SEE **PENSION**, PAGE 4



# Actuaries Climate Index Summer 2017 Data Released

**T**HE SEASONAL [Actuaries Climate Index](#) value for summer 2017 dipped to 1.45 from 1.66 in spring 2017, but remained at a high level, while the five-year moving average was unchanged. The index, sponsored by Academy, the Canadian Institute of Actuaries, the Casualty Actuarial Society, and the Society of Actuaries, is designed to

provide actuaries, public policymakers, and the general public with objective data about changes in the frequency of extreme climate events over recent decades.

Updated values are posted quarterly as data for each meteorological season become available. The organizations are also developing a second index, the Actuaries Climate Risk Index, to measure correla-

tions between changes in the frequency of extreme events as measured by the index and economic losses, mortality, and injuries.

Also this month, Academy Senior Casualty Fellow Kevin Ryan sent a [comment letter](#) to the International Association of Insurance Supervisors (IAIS) on IAIS' draft paper on climate change risks to the insurance sector. ▲

**PENSION**, CONTINUED FROM PAGE 3

[Policy Options and Practical Tools](#)," which highlighted lifetime income issues and initiatives. The briefing was co-hosted by the Academy's Pension Practice Council (PPC) and the Lifetime Income Risk Joint Task Force, the latter of which is a joint task force of the PPC and the Academy's Life Practice Council.

Panelists released a new quiz to help the public better understand their lifetime income needs, highlighted the Actuaries Longevity Illustrator, and provided an update on education and public policy efforts. Speakers were Noel Abkemeier, co-chairperson of the Lifetime Income Risk Joint Task Force, and Senior Pension Fellow Ted Goldman. Pension Vice President Josh Shapiro moderated. They also

demonstrated the Actuaries Longevity Illustrator and discussed the Academy's [position statement](#) on the subject.

The Academy hosted a media roundtable immediately after the briefing, providing prominent retirement and pension policy journalists an opportunity to learn about the Academy's work on lifetime income and retirement security issues.

Writers and contributors to *U.S. News and World Report*, *Kiplinger's Retirement Report*, *Bloomberg BNA*, and *Pensions & Investments* participated in the hourlong roundtable with the Academy's briefing presenters. The conversation delved into a wide range of issues, from legislation proposed in Congress that addresses different aspects of lifetime income needs to

the challenges of appropriately limiting employer fiduciary risk and of supporting informed consumer choices of lifetime income options.

## **Essential Elements paper released**

Related, the Academy published a new *Essential Elements* paper, "[Income to Last a Lifetime](#)," highlighting the challenges workers face in planning for the risk that they may live longer in retirement than expected, and outlining public policy approaches to help future retirees secure and manage their lifetime income. The *Essential Elements* [series](#) is designed to make actuarial analyses of public policy issues clearer to general audiences. ▲

EARN CE.  
ACQUIRE NEW SKILLS.

**AUGUST**

## **Seminar on Implementing IFRS 17 for Long-Duration Contracts**

AUGUST 29–30, 2018  
WASHINGTON, D.C.



AMERICAN ACADEMY of ACTUARIES  
Objective. Independent. Effective.™

Save \$200 when you register by May 18.  
[www.actuary.org/ifrs17seminar](http://www.actuary.org/ifrs17seminar)



A [Health Affairs Blog](#) post cited the Individual and Small Group Markets Committee's [comment letter](#) on a proposed rule that would lengthen the maximum period of short-term, limited-duration (STLD) insurance through amending the definition of STLD.

A [Morningstar column](#) examining Social Security claiming behavior points to

the [Actuaries Longevity Illustrator](#) as an aid to understand longevity risk.

An essay on pricing long-term care (LTC) insurance products in the Federal Reserve Bank of Chicago's [Chicago Fed Letter](#) references the Academy's November 2016 [congressional testimony](#) on premium increases in the federal LTC program.

A [letter from Senate Democrats](#) to the U.S. Department of Health and Human Services (HHS) noted recent Academy analyses of STLD insurance plans.

A [report](#) published by NAIC consumer representatives cited the Individual and Small Group Markets Committee's February 2017 issue briefs on [association health plans](#) and [selling insurance across state lines](#). Stories published by [Business Record](#) and [Triad Business Journal](#) also cited the issue brief on AHPs.

A [Commonwealth Fund](#) report on state regulation of individual health coverage arrangements

that do not comply with Affordable Care Act consumer protections cited numerous Academy resources, including an [issue paper](#), [comment letter](#), [press release](#) and [issue brief](#).

A paper published by the [Wakely Consulting Group](#) cited the Health Practice Council's [Nov. 7 letter](#) to the secretaries of the U.S. Labor and Treasury departments, and the acting secretary of HHS.

Stories in the [Buffalo Scoop](#) (N.Y.) and [News Lincoln County](#) (Ore.) cited the [Actuaries Longevity Illustrator](#), developed jointly by the Academy and the Society of Actuaries. ▲

SHUTTERSTOCK / QVIST

## PROFESSIONALISM NEWS

# Applicability Guidelines Updated; ASOP No. 42 Revised

THE [Applicability Guidelines for Actuarial Standards of Practice](#) have been updated for ASOP No. 53, *Estimating Future Costs for Prospective Property/Casualty Risk Transfer and Risk Retention*. In addition, ASOP No. 25, *Credibility Procedures*, has been added to assignment line 5.4.2 on the life tab, and two assignment lines have been added to the casualty tab: 6.10, Pricing for self-insured plans and captive insurers; and 7.3, Statements of actuarial opinion relating to premium reserves such as unearned premium and premium deficiency.

### ASB Revision of ASOP No. 42

Also this month, after notice and comment that began in May 2017, the ASB approved a [final revision of ASOP No. 42](#), now titled *Health and Disability Actuarial Assets and Liabilities Other Than Liabilities for Incurred Claims*. The revised ASOP reflects

the input received during the public notice and comment period. It will be effective for any actuarial work product with a valuation date on or after Aug. 1, 2018.

The ASOP has been revised to incorporate references to new standards that have been issued since its initial 2004 adoption and 2011 update for deviation language. In addition, revisions were made to eliminate guidance that does not conform to current ASOP practices regarding references to other standards of practice and to make consistent the definitions used in the standard with those of other standards of practice. The revision also reflects relevant legal, regulatory, and practice developments that have occurred since its initial adoption. Notable changes to the revision include adding a definition for "collectability" and adding a "Reliance on Experts" section to further support the guidance on collectability. ▲

## ASB Releases Annual Report

THE ACTUARIAL STANDARDS Board (ASB) released its [2017 Annual Report](#), detailing the board's accomplishments last year, which included adopting three new actuarial standards of practice (ASOPs) and one revised ASOP; approving five exposure drafts for comment, and approving three proposals to revise existing ASOPs. The ASB also presented a professionalism webinar on a proposed new ASOP on assumptions. ▲



# Confused About the Difference Between CE and CPD?

**D**URING THE MARCH PROFESSIONALISM webinar, “[A Guided Tour of the U.S. Qualification Standards](#),” one of the panelists explained the difference between the continuing education (CE) requirements of the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* (USQS) and the continuing professional development (CPD) requirements of other actuarial organizations. It is important for actuaries to understand the difference between the two.

CE is a basic component of the qualifications an actuary must have in order to issue a statement of actuarial opinion (SAO) in the United States under the USQS. The USQS applies to every member of any of the five U.S. actuarial organizations that has adopted the [Code of Professional Conduct](#). This is because under Precept 2, Annotation 2-1, of the Code, an actuary must “observe applicable qualification standards that have been promulgated by a Recognized Actuarial Organization for the jurisdictions in which the Actuary renders Actuarial Services.” When an actuary issues an SAO in the United States, the actuary must have already completed and documented 30 hours of “relevant” CE (as “relevant” is defined in the USQS).

CPD requirements are completely different, and meeting them is not part of the qualification requirements to issue an SAO. The CPD requirements of other actuarial organizations are not established in or mandated by the USQS. CPD requirements apply as determined by the actuarial organization that establishes them. They may apply to actuaries outside the United States and may apply whether or not the member issues an SAO in the United States. In addition, CPD requirements may be structured quite differently than the CE requirements in the USQS (for example, mandated over two years instead of one). Importantly, meeting CPD requirements does not indicate that an actuary is qualified to issue an SAO.

Another source of confusion in this area has arisen from the notations some other actuarial organizations make publicly available in member directories showing whether their members are in “compliance” with that organization’s CPD membership requirements. It is important to know that this “compliance status” indicates only whether the actuary has met *that organization’s CPD requirements*, not whether the actuary is qualified to issue an SAO under the USQS requirements.

If this sounds confusing, here’s a good rule of thumb: Several actuarial organizations with CPD requirements state

that their CPD requirements can be met by fulfilling the CE requirements of the USQS.<sup>1</sup> But the reverse is not true: An actuary will not, by virtue of having completed CPD requirements of an actuarial organization, automatically be deemed qualified to issue an SAO in the United States under the USQS. A separate analysis has to be done to make sure that the actuary has completed 30 hours of relevant CE under the USQS.

So what does the USQS require by way of documenting CE? USQS Section 6 requires an actuary “to keep appropriate timely records as evidence that their continuing education requirements have been met” and further states that “when-ever an actuary issues a Statement of Actuarial Opinion, an actuary should be prepared to provide evidence of compliance with the Qualification Standards, including certificates of attendance (if any), meeting outlines or handouts, and notes related to ‘other activities,’ when requested by the appropriate counseling and disciplinary body of the profession.”

The Academy has created useful tools to help actuaries document their compliance with the USQS. Being compliant with the CE requirements of the USQS is one of the three elements necessary to be qualified to issue SAOs. The Academy’s voluntary [attestation form](#) provides a comprehensive way for an actuary to document how their basic education, experience, and CE meet the requirements of the General and/or Specific Qualification Standards of the USQS. [TRACE](#) is another online tool that the Academy provides to help its members track the CE component.

The Academy also provides several tools that are geared to help members find answers to their questions on CE required under the USQS. For example, the [FAQs on the U.S. Qualification Standards](#) include 26 questions and carefully considered answers about a wide range of topics related to CE, and “[Which CE Requirements Apply to Me?](#)” is an infographic that can serve as a quick primer on CE requirements under the USQS.

So, if you are confused about the difference between CE and CPD, just remember—the requirements of the USQS are what you need to meet to be qualified to issue SAOs in the United States. If, after perusing the USQS and the above-mentioned resources, you still have CE questions, you may submit a question to the Committee on Qualifications through the [Academy’s website](#). ▲

### Footnotes

<sup>1</sup> See, for example, the following websites:

- SOA—<https://www.soa.org/leadership/current-initiatives/cpd-faqs-section-c.aspx>
- CAS—<http://www.casact.org/education/index.cfm?fa=ceinfo>
- CCA—<http://www.cactuaries.org/governance/cpd-requirement-for-membership>



# April's Professionalism Outreach Efforts Feature Current, Past Academy Presidents

**H**UNDREDS OF ACTUARIAL science students learned about the importance of actuarial professionalism and the entities established and maintained by the Academy to support it from Academy President Steve Alpert and Immediate Past President Bob Beuerlein.

Alpert spoke to Columbia University students about “Professionalism and the Aspiring Actuary” on April 2 as part of their spring professional development series. Beuerlein delivered a presentation to Florida State University students on April 5 about “Actuarial Professionalism and the 21st Century Actuary.” Both presentations reviewed concepts of qualification, standards of practice, professional conduct, and self-regulation, and discussed their importance in the context of the broad societal impact of actuarial work.

Alpert also spoke on April 16 to actuarial science students at Maryville University in St. Louis about “Professionalism and the Aspiring Actuary.” The presentation examined the importance of actuarial professionalism given the broad societal impact of much actuarial work, and described to the audience of potential future actuaries the professionalism infrastructure housed within the Academy.

## COQ Member Wischmeyer Presents in Atlanta

Committee on Qualifications member Chad Wischmeyer provided members of the Atlanta Actuarial Club with “A Look at Ethics and Professionalism” at the club’s April 11 meeting. The presentation, including an interactive breakout discussion of case studies, focused on responding to ethical dilemmas by drawing on the principles and standards of actuarial professionalism provided by the Code of Professional Conduct, actuarial standards of practice, and U.S. Qualification Standards. These and



Alpert speaks to students at Columbia University. Actuarial Science Program Director Lina Xu is center right.

other professionalism resources are available on the Academy’s [professionalism webpage](#).

## ABCD Member Driscoll Presents in NYC

Actuarial Board for Counseling and Discipline member David Driscoll presented and facilitated an interactive discussion on ethics and actuarial professionalism at TIAA’s April 30 actuarial meeting in New York City. After discussing the professionalism infrastructure housed within the Academy and the most recent counseling and discipline case and inquiry statistics, Driscoll divided the group of about 80 TIAA actuaries and about 20 actuarial students into smaller groups to discuss case studies that brought out the complexity of ethical decision-making that actuaries can face in their professional work. ▲

## Health News

# Committee Sends Comments on Short-Term, Limited-Duration Insurance

## THE INDIVIDUAL AND SMALL GROUP

Markets Committee sent a [comment letter](#) to the Centers for Medicare & Medicaid Services on the impact of short-term, limited-duration (STLD) insurance.

The letter offers analysis of how STLD plans work compared with ACA plans with respect to issue and rating rules, and a comparison of benefit coverage requirements. It also looks at STLD potential enrollment, renewability, and rate filing considerations. ▲

## HEALTH BRIEFS

- ➔ **Marc Lambright** is chairperson of the new Actuarial Memorandum Practice Note Work Group, and the following are members of the work group: **Stephen Butz, Nancy Hubler, Annette James, Leslie M. Jones, Donna Novak, Michael Polakowski, and Alisa Swann.**
- ➔ **Al Bingham** is chairperson of the Risk Sharing Subcommittee.
- ➔ **Perry Kupferman** has joined the LTC Combo Valuations Work Group.
- ➔ **Alisa Swann** has joined the Healthcare Receivables Factors Work Group.



## Webinar Looks at P/C Public Policy Issues

**THE CASUALTY PRACTICE COUNCIL** held its “[P/C Public Policy Update—Spring 2018](#)” webinar on April 27. Presenters reviewed the effect of the 2017 federal tax-reform law on P/C insurers, looked at recent legislative and regulatory activity in the states, provided an update on proposed changes in requirements for qualified and appointed actuaries, reviewed the status of the National Flood Insurance Program, and provided an update on pending changes to risk-based capital (RBC) bond factors.

Presenters were Rade Musulin, the Academy’s vice president, casualty; Lauren Cavanaugh, chairperson of the

P/C RBC Committee; Academy Senior P/C Fellow Kevin Ryan; and Lynne Bloom, an insurance tax policy expert at PwC.

Ryan mentioned several NAIC initiatives, including the launch of a white paper on pet health insurance and studying the possible creation of an NAIC in-house group to assist state regulators in their reviews of filings that rely upon predictive modeling.

[Slides and audio](#) are available free for members. ▲



Musulin

## COPFLR Releases Practice Note on Retained Risk

**THE COMMITTEE ON PROPERTY AND LIABILITY FINANCIAL REPORTING (COPFLR)** released a [practice note](#) on retained P/C insurance-related risk.

*Retained Property Casualty Insurance-Related Risk: Interaction of Actuarial Analysis and Accounting* defines various ways that entities use to retain risk—often described in other literature as methods of financing an entity’s exposure to risk. Because the type of entity often determines the particular approach or applicable accounting treatment, the practice note describes types of entities and the associated variation in retained risk characteristics.

A draft of the practice note was released in January, and comments were taken through the end of March.

Past Academy President and COPFLR member Mary Frances Miller said in January that the “practice note has been needed for a very long time.”

The practice note describes the relevant accounting guidance that apply to entities and exposures, the interaction of the accounting guidance with the relevant actuarial concepts, and the variation by type of entity. Several specific situations are described that have particular applicable definitions and considerations.

Along with some additional considerations, the practice note also summarizes the actuarial standards of practice (ASOPs) that are most applicable to the work described in the practice note. ▲

### CASUALTY BRIEFS

➔ **Jared Smollik** has joined the Automobile Insurance Committee.

### Williams, continued from page 1

He was recognized for his outstanding work in organizing, producing, and presenting the Academy’s annual Life and Health Qualifications (LHQ) Seminar, which has been in place since 2000 and has consistently reached maximum levels of attendance. In selecting him for that award, his colleagues recognized his many years of participation in the seminar, serving as health faculty, an exemplary volunteer, and twice as LHQ Seminar chairperson.

“It’s a great honor to be nominated by my professional peers to be the Academy’s president-elect,” Williams said. “Knowing the strength of the Academy’s staff and the many volunteers who support our mission to serve the public and the actuarial profession, I am humbled by the honor of being nominated and very excited to take on this role.”

The Nominating Committee will announce the slate of nomi-

nations for other Academy officer positions soon. In accordance with the Academy bylaws, the Board of Directors will vote on the slate of officer nominees at its meeting in early October.

As announced last month, the Nominating Committee is also seeking recommendations from the Academy’s membership for regular director openings. The slate of regular directors will be voted on by the membership during an online election to be held this summer. All new Board terms will begin immediately following the close of the Academy’s Annual Meeting, to be held on Nov. 1 in Washington.

In addition to Wildsmith and Williams, this year’s Nominating Committee, a presidential committee, is comprised of Shawna Ackerman, Steve Alpert, Bob Beuerlein, April Choi, Laurel Kastrup, Stu Mathewson, and Lisa Slotznick. Williams did not participate in the committee’s deliberations for the president-elect position. ▲





## Work Groups Comment to NAIC

**SEVERAL LIFE PRACTICE COUNCIL (LPC)** work groups submitted comment letters to the NAIC this month.

### Draft Buyer's Guide

The Non-Guaranteed Elements Work Group submitted a [comment letter](#) to the NAIC Life Insurance Buyer's Guide (A) Working Group on its March 19 draft buyer's guide exposure draft. The group

offered comments on sections 3, 4, 6, and 10 of the draft, with clarifying comments and suggestions for making the buyer's guide beneficial for consumers.

### Tax Rate Changes

The LPC's Risk-Based Capital (RBC) Tax Reform Work Group submitted a [follow-up letter](#) to the NAIC Life RBC Working Group, offering additional comments regarding the impact of changes

as a result of the federal tax-reform law with respect to the corporate tax rate on RBC calculations.

### Amendment Proposal Form

The Principle-Based Reserve (PBR) Model Governance Work Group submitted an [amendment proposal form](#) (APF) to the NAIC on universal life with secondary guarantees net premium reserve lapse rate outlined in VM-20 Section 3.C. ▲

## Post-NAIC Webinar Recaps Life Issues

**ABOUT 250 ACADEMY MEMBERS** attended the Life Practice Council's (LPC) [post-NAIC life webinar](#) on April 10 that summarized key issues from the NAIC Spring 2018 National Meeting, held in March in Milwaukee. Presenters covered principle-based reserving, risk-based capital, reinsurance, Academy presentations to the NAIC's Life Actuarial Task Force (LATF), and other life practice issues.

The webinar was moderated by Dave Neve, Academy vice president, life; panelists were Michael Boerner, member of the LPC and chair of LATF; Wayne Stuenkel, chairperson of the Life Capital Adequacy Committee; and Tom Campbell, chairperson of the AG 43/C-3 Phase II Work Group. [Slides and audio](#) are available free to members.

### Post-NAIC Cross-Practice Alert

The Academy's [post-NAIC alert](#) covers all Academy presentations—and related NAIC activity—on public policy and professionalism issues at the NAIC spring meeting. Public policy topics included flood insurance, long-term care insurance, variable annuities, Big Data, and many more. ▲



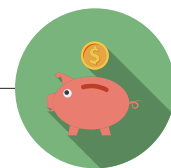
## Work Group Submits Comment Letter on Suggested Changes to RBC

### THE RISK-BASED CAPITAL (RBC)

Tax Reform Work Group submitted a [comment letter](#) to the NAIC on suggested changes to risk-based capital calculations, displaying in tabular form the suggested changes to the NAIC's Life RBC calculation of authorized control level RBC outlined in the work group's March 16 letter to the NAIC. ▲

## LIFE BRIEFS

- ➔ **Benjamin Slutsker** has joined the Life Practice Council and is chairperson of the new PBA Projections Practice Note Work Group, and the following actuaries are members of the work group: **Jennifer Frasier, Jason Kehrberg, Cindy McGovern, Kevin Piotrowski, Karen Rudolph, Grace Senat, Dylan Strother, Chris Whitney, and Ross Zilber.**
- ➔ **Laura Hanson** is chairperson of the new Law Manual Review Subgroup, and the following actuaries are members of the subgroup: **Dana Barlow, Michael DuBois, Steve Krupa, Sonia Reigles, and Mike Ward.**
- ➔ **Alice Fontaine and Rachel Hemphill** have joined the PBR Governance Work Group.
- ➔ **Jonathan Khanlian and Dan Theodore** have joined the Longevity Risk Task Force.
- ➔ **Elizabeth Keith** has joined the Annuity Illustration Work Group.
- ➔ **Scott Haglund, Laura Hanson, and Russ Kolmin** have joined the Government Mandates Work Group.
- ➔ **Tom Bakos, Alicia Carter, and Brandon Emerson** have joined the Life Illustrations Work Group.
- ➔ **Rhonda Ahrens, Emma Tse, and Mike Ward** have joined the Life and Health Valuation Law Manual Task Force.
- ➔ **Stephen O'Brien** has joined the Life Reserves Work Group.
- ➔ **Jaime Mosquera** has joined the SVL Interest Rate Modernization Work Group.



# Enrolled Actuaries Meeting Draws More Than 700 Pension Professionals to Nation's Capital

**M**ORE THAN 700 ACTUARIES and other pension professionals attended the Enrolled Actuaries Meeting in Washington, D.C., April 8–11, where they heard presentations on a wide variety of retirement and pension issues.

Academy President Steve Alpert, a pension actuary himself, gave an opening address at the meeting, citing major changes in the past year including the new tax-reform law and congressional proposals to improve retirement security. He noted the Academy's work in the retirement area in the past year included a [position statement](#) on lifetime income, and a comparative analysis [paper on retirement readiness](#) in the U.S., U.K. and Australia, produced jointly with the Institute and Faculty of Actuaries (U.K.) and the Actuaries Institute of Australia.

At the meeting—sponsored by the Academy and the Conference of Consulting Actuaries—there were a number of well-attended interactive sessions featuring presentations from Academy volunteers, including Pension Vice President Josh Shapiro, who moderated a multiemployer plans session; and Pension Committee Chairperson Ellen Kleinstuber, who presented on the Academy's new [issue brief](#) on the seven principles of pension funding that was released just prior to the meeting (see story, p. 11).

In the spirit of springtime in Washington, the Academy's exhibit drew many visitors with a fun photo-booth offering



Alpert gives the meeting's opening address

free photos of attendees letting their hair down with a backdrop of the capital's renowned cherry blossoms. Curtis Harris, principal of pension actuarial firm Harris Resources, won the Academy's photo contest as voted by attendees, an Academy EA "superhero" posing as Batman with the D.C. backdrop.

## 'Talking Risk' plenary session

The opening plenary session on April 9, "Talking Risk," featured Frank Todisco, chief actuary with the U.S. Government Accountability Office and immediate past vice chairperson of the Actuarial Standards Board (ASB).

Todisco gave a brief overview of the development of Actuarial Standard of Practice (ASOP) No. 51, *Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions*, and looked at several aspects of that ASOP.

## The ASB and Pension ASOPs

A session on "ASB Standards for Pension Actuaries" included Christopher Noble, who chairs the ASB's Pension Committee, and Tammy Dixon and David Kausch, members of the committee, who gave a "Jeopardy" style answer-and-question presentation on key elements of pension-related actuarial standards of practice (ASOPs). In a separate session, "New Risk ASOP," Noble and ASB member Kathy Riley noted the upcoming exposure drafts of ASOP Nos. 4, 27, and 35, which were subsequently released in mid-April after the meeting concluded (see story, p. 11). The exposure drafts are seeking comments from all those interested in order to provide the profession and the public the opportunity to continue to participate in the development of these proposed standards.

## Ethics panel

Alpert participated in an a lively plenary session on ethics on April 10, in which the panel offered hypothetical situations (based in part by actual events) that raised ethical questions and from which they took input from meeting attendees. The

SEE **EA MEETING**, PAGE 11



The winning Academy photo-booth shot



**EA MEETING,** CONTINUED FROM PAGE 10  
panel also included David Godofsky, Deborah Tully, and Margaret Berger, a vice chairperson of the Academy's Pension Practice Council and a member of the ASB's Pension Committee.

In one case regarding questionable gift-giving among the example parties, Alpert noted that both were identified as credentialed actuaries and, regardless of what organization they belong to, were subject to the same Code of Professional Conduct. "If something sounds shady, it means that it probably is, especially if it were splashed on the front page of a newspaper," he said.

### 'Life (Expectancy) Isn't Fair'

The concluding plenary session on April 11, "Life (Expectancy) Isn't Always Fair," featured Stephen Goss, chief actuary of the Social Security Administration (SSA) and the 2013 recipient of the Academy's Robert J. Myers Public Service Award; Steve Vernon, a research scholar at the Stanford Center on Longevity; and Amy Kessler, with Prudential Retirement.

At the session, which was moderated by Academy Senior Pension Fellow Ted

Goldman, the panelists looked at everything from SSA tables to income, education, health, and race/gender aspects of mortality and longevity, noting the average lifespan jumped from about 47 in 1900 to 78.8 in 2014. Kessler noted that significant medical advances are on the near-term horizon, including such things as gene editing, stem cells to grow organs, and artificial pancreases.

In a related breakout session, "Making Retirement Assets Last a Lifetime: The Next Big Actuarial Challenge," Goldman

and Vernon discussed the challenges Americans face in ensuring their retirement income will last as long as needed. Goldman, noting that "lifetime income is becoming one of the most, if not the most, critical issues for retirement security," highlighted recent Academy publications and tools, including the lifetime income position statement, the [actuarial longevity illustrator](#) developed with the Society of Actuaries, and the newly introduced Academy Lifetime Income Quiz (see story, p. 2). ▲



Kleinstuber, at podium (right), speaks at a breakout session

## Issue Brief Looks at Pension Protection Act, Principles of Pension Funding

**THE ACADEMY'S** Pension Committee released an issue brief, [The Pension Protection Act: Successes, Shortcomings, and Opportunities for Improvement](#), which looks at the Pension

Protection Act of 2006 (PPA) and its subsequent amendments against the principles discussed in an Academy paper from 2005 on pension funding reform.

The new issue brief suggests several

modifications to funding rules to bring them into closer alignment with the principles, thereby improving the PPA's effectiveness in promoting pension plan solvency over the long term.▲

## Proposed Revisions of ASOP Nos. 4, 27, and 35; Comment Deadline is July 31

**THE ACTUARIAL STANDARDS BOARD** (ASB) approved exposure drafts of revisions of Actuarial Standard of Practice (ASOP) Nos. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*; 27, *Selection of Economic Assumptions for Measuring Pension Obligations*; and 35, *Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations*.

The proposed revisions are based on suggestions from the Pension Task Force report issued in 2016 as a result of the extensive public comments received on a 2014 Request for Comments on ASOPs and Public Pension Plan Funding and Accounting, as well as a subsequent widely publicized 2015 public hearing, where those who wished to give in-person testimony to the ASB offered comments as well.

The comment deadline for the current exposure drafts is July 31, 2018. Information on how to submit comments can be found in the drafts, which can be [viewed here](#). All comments are welcome, and participating in the comment process is encouraged. As earlier commenters will recognize, proposed new or revised ASOPs are always put out for public comment, and Appendix 2 of the ASOPs contains summaries of comments submitted within the exposure period and the resulting responses and revisions made to drafts by the ASB as a result of comments received. ▲

### PENSION BRIEFS

➔ **Evan Inglis** has joined the Public Plans Subcommittee



## Actuarial Update

### COMMUNICATIONS REVIEW COMMITTEE

Tom Campbell, Chairperson  
Shawna Ackerman  
Steve Alpert  
Bob Beuerlein  
Laurel Kastrup  
Rade Musulin  
Dave Neve  
Josh Shapiro  
Shari Westerfield  
Tom Wildsmith  
D. Joeff Williams

### EDITOR

Michael G. Malloy

### ASSISTANT DIRECTOR OF COMMUNICATIONS | PUBLICATIONS

Eric P. Harding

### DESIGN AND PRODUCTION

[BonoTom Studio Inc.](#)

### DESIGNER

Christopher Specht

### PUBLICATIONS AND MARKETING

#### PRODUCTION MANAGER

Laurie Young

## American Academy of Actuaries

### PRESIDENT

Steve Alpert

### PRESIDENT-ELECT

Shawna Ackerman

### SECRETARY-TREASURER

Tom Campbell

### VICE PRESIDENTS

Laurel Kastrup  
Rade Musulin  
Dave Neve  
Josh Shapiro  
Shari Westerfield  
D. Joeff Williams

### EXECUTIVE DIRECTOR

Mary Downs

### DIRECTOR OF COMMUNICATIONS

David J. Nolan

### 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](http://www.actuary.org)

Statements of fact and opinion in this publication, including editorials and letters to the editor, are made on the responsibility of the authors alone and do not necessarily imply or represent the position of the American Academy of Actuaries, the editors, or the members of the Academy.

©2018 The American Academy of Actuaries. All rights reserved.

## RISK MANAGEMENT & FINANCIAL REPORTING NEWS



## Registration Open for IFRS 17 Seminar

**R**EGISTRATION IS OPEN for the Academy's [Seminar on Implementing International Financial Reporting Standard \(IFRS\) 17 for Long-Duration Contracts](#), to be held in late August.

The new seminar will explore the accounting standard's requirements and prepare life and health financial reporting actuaries to achieve IFRS compliance with the accounting for insurance contracts. Attendees will have the opportunity to earn up to 12.4 hours of continuing education credit. The seminar will be held Aug. 29–30 in Washington, D.C. Extra-early rates are available—[register today](#). ▲



# FOLLOW US



Stay on top of the latest news about our public policy and professionalism work that affects your practice.

Connect with the  
American Academy of Actuaries  
[actuary.org](http://actuary.org)