

Don't Miss Out: Annual Meeting and Public Policy Forum Is Next Week

THE ACADEMY'S [Annual Meeting and Public Policy Forum](#) is less than a week away, and there's still time to register for the virtual and efficient Nov. 5–6 event that will deliver conversations about today's top public policy and professionalism issues and opportunities to earn valuable continuing education.

[Agenda highlights](#) include:

- ▲ Insights from nonpartisan political analyst Charlie Cook of the *Cook Political Report*, and presidential historian Michael Beschloss, just days after Election Day.
- ▲ Lessons learned from and the prospects for treatments and vaccines for COVID-19.
- ▲ Wisdom and courage seen in past crises brings attention to the fundamental elements of actuarial professionalism—particularly the Code of Professional Conduct—as a decision-making framework to approach the uncertainty we are all experiencing.
- ▲ Practice-area specific sessions with panels of key stakeholders discussing wide-ranging public policy issues including diversity and equity issues in



Bair



Parekh

insurance; the impact of the pandemic on health, P/C, and life insurance; prospects for the future of retirement security and Social Security; cyber risk; and Pension Benefit Guaranty Corporation solvency. See the full [breakout-session agenda](#).

- ▲ The Academy's presidential transition and presentation of our annual service awards.

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Selection Committee Makes ASB, ABCD Appointments

THE SELECTION COMMITTEE—established in the Academy bylaws and composed of the presidents and presidents-elect of the Academy, the Casualty Actuarial Society, and the Society of Actuaries—made member appointments to the Actuarial Standards Board (ASB) and the Actuarial Board for Counseling and Discipline (ABCD), all of which will take effect on Jan. 1, 2021. All appointments are three-year terms,

and all chairperson and vice chairperson positions are one-year appointments.

Darrell Knapp was appointed as chairperson of the ASB, and Kathy Riley and Rob Damler were appointed ASB vice chairpersons. Elizabeth Brill and Judy Stromback were appointed to three-year terms, and Damler was appointed to a second three-year term.

David Driscoll was appointed chairperson of the ABCD; the vice chairpersons will be Deborah Rosenberg and Alice Rosenblatt. Three new ABCD members were appointed to three-year terms: John Schubert, William Hines, and Richard Kutikoff.

Departing the ABCD will be Chairperson David Ogden, who served on the ABCD since 2014; Vice Chairperson John Stokesbury, who served since 2015; and Allan Ryan, who has been an ABCD member since 2014. Ogden was previously chairperson of the ASB's Health Committee, Stokesbury is a past chairperson of the Pension Accounting Committee, and Ryan is a past chairperson of the Committee on Professional Responsibility.

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Driscoll



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Life White Paper Looks at 2017 Tax Cuts and Jobs Act

2020

NOVEMBER

5–6 [Annual Meeting and Public Policy Forum](#) (virtual event)

9–12 [Life and Health Qualifications Seminar](#) (virtual event, sold out)

17 Pension Webinar: “[Practice Note on ASOP No. 56, Modeling: A Discussion of the Exposure Draft](#)”

DECEMBER

9–10 & 14–15 [Seminar on Effective P/C Loss Reserve Opinions](#) (virtual event)

Academy NEWS Briefs

Membership News—Dues Renewal and Directory Update

WITH 2020 APPROACHING its end, it is time to renew your Academy membership for 2021; dues are due Jan. 1. Members may [log in](#) via the Academy’s website, and should have received a [letter sent late this month](#) from Academy President D. Joeff Williams.

Members are also reminded to visit the Academy’s new [Membership Directory](#). For some, the directory shows only their name and actuarial designations, but the Academy would like to encourage members to include additional information such as employer, email address, and phone number. Members may also add their

LinkedIn information and photo.

Also, with so many currently working from home due to the pandemic, members are invited to change your address in order to receive [Contingencies](#) magazine at your home address. To do so, simply change your primary address via your member login.

If you have questions about your account, on how to update your membership profile on the Academy’s online membership directory, or to how to make multiple payments in a single transaction, contact the Academy’s Membership Department at 202-785-6925 or [membership@actuary.org](#). ▲

Reminder—USQS Exposure Draft Comments Due Oct. 30

DON’T FORGET TO REVIEW and comment on the [exposure draft](#) of revisions to the currently effective *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* (USQS). The comment deadline for the exposure draft is today, Oct. 30. [Click here](#) for the Academy email sent last month to members; for information on how to submit comments, [click here](#). All comments are publicly [posted here](#) so you can inform yourself about the views others are expressing as well. ▲

Recently Released

THE FALL [HealthCheck](#) includes a Q&A with Annette James, chairperson of the Academy’s Health Equity Work Group, on some of the goals the new work group has set forth. Also, a Capitol Forum webinar on health equity issues, a webinar on the ASOP No. 6 practice note exposure draft, and a preview of the health breakout sessions at the upcoming Annual Meeting and Public Policy Forum.

The Fall [Life Perspectives](#) includes a Q&A on the Tax Work Group’s white paper outlining the most significant changes in the taxation of life insurance companies that were made by the *Tax Cuts and Jobs Act of 2017* (TCJA). Also in the issue, a report on the interactive Virtual PBR Boot Camp, the “Actuary Voices” podcast (which features Life Vice President Laura Hanson), and a preview of the Annual Meeting life breakout sessions.

The Fall [Casualty Quarterly](#) leads with a Q&A on wildfires, following the recent wildfires in western states and the Academy’s new *Essential Elements* paper on the topic. Also, a webinar on workers’ compensation and COVID-19, and the Academy’s comments to the NAIC on a predictive models exposure draft.

A new *Essential Elements* paper, “[Wildfire Risk in the United States](#),” covers where and when wildfires occur, rising damage and P/C costs, the importance of modeling, and offers some recommendations on reducing risk.

The Extreme Events and Property Lines Committee updated its flood insurance monograph, [The National Flood Insurance Program: Challenges and Solutions](#), to include new data from the 2019 hurricane season. The monograph was originally released in April 2017 and was previously updated a year ago. ▲

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

Review Your Membership Profile

To continue receiving *Actuarial Update*, *Contingencies*, and other Academy publications on time, please make sure the Academy has your correct contact information. Academy members can update their member profile, subscribe to Academy alerts, pay their dues, and review archived professionalism and public policy webinars at the [member login page](#).

Academy NEWS

More ‘Tales From the Dark Side’—Professionalism Webinar Looks at ABCD Examples

THE ACADEMY HOSTED the third professionalism webinar of the year, “[Tales From the Dark Side: Trick or Treat!](#)” on Oct. 30. Continuing the popular and well-attended series, the latest iteration explored examples of ethical problems based on cases and requests for guidance that have been brought before the Actuarial Board for Counseling and Discipline (ABCD). ABCD members Al Beer, David Driscoll, and Godfrey Perrott presented, and Academy General Counsel and Director of Professionalism Brian Jackson moderated.

After giving an overview of the ABCD and its two main functions—handling requests for guidance and inquiries—the presenters drew on popular entertainment staples, sometimes with a seasonal flavor, to frame their case studies. In “Denigrating Competitors”—featuring Norman Bates, MAAA, FSA—Perrott raised issues related to Precept 11 (advertising). Driscoll then discussed when the line between a casual remark and a violation of the Code of Professional Conduct might be crossed.

In “A Consulting Nightmare,” Freddy Krueger, MAAA, FCAS, calls the ABCD for guidance when his principal pressures him to complete an assignment for which he is not fully qualified. Beer examined some of the issues raised in this case, including those related to Precept 2 (qualifications), confidentiality, and qualifications for new areas, such as cyber, pandemic, and driverless autos.

“A Home on the Range” again featured pressure from principals that led to a request for guidance from the ABCD. In the ensuing discussion, Beer dove into Precepts 3 (standards of practice), 4 (communications and disclosure), and 8 (control of work product). He also touched upon oral communications as discussed in Actuarial Standard of Practice (ASOP) No. 41, *Actuarial Communications*, and ranges of estimates as discussed in ASOP No. 43, *Property/Casualty Unpaid Claim Estimates*.

The next case study, based on “Friends,” involved too many



Beer

Perrott

Presenters urged attendees to consult the Code, the USQS, and the ASOPs often, and to call the ABCD for a request for guidance if they run into a professionalism problem, which is there as a lifeline for an actuary.

drinks and bad judgment on the part of Joey Tribbiani, MAAA, FCAS. Focusing on Precept 1 (professional integrity) and Precept 13 (violations of the Code), Perrott discussed whether Joey had acted to “uphold the reputation of the actuarial profession,” whether there had been a material violation of the Code, whether Ross Geller (also MAAA, FCAS) knew of an “apparent, unresolved, material violation of the Code,” and whether Ross should file a complaint with the ABCD and/or report the incident to their employer.

Then, the presenters turned to “Malpractice, She Wrote,” in which successor actuary Jessica Fletcher, FSA, finds a number of problems in the work of her predecessor, Barnaby Jones, MAAA, FSA, EA. When Jessica contacts Barnaby with her concerns, he brushes her off. Discussing issues raised in this scenario, Driscoll examined Precept 1 (professional integrity), Annotation 1-1 (skill and care), and Precept 13 (violations of the Code).

The last scenario, “Facts Not in Evidence,” highlighted the dangers of not keeping up to date with changes in the ASOPs. Driscoll’s discussion centered around Precept 2 (qualifications) and Precept 3 (standards of practice), with par-

ticular reference to ASOP No. 17, *Expert Testimony by Actuaries*, and ASOP No. 34, *Actuarial Practice Concerning Retirement Plan Benefits in Domestic Relations Actions*.

Wrapping up the presentation, Perrott urged the audience to consult the Code, the U.S. Qualification Standards, and the ASOPs often, and to call the ABCD with a request for guidance if they run into a professionalism problem. Not only is it quick, easy, and helpful, but it’s your lifeline as an actuary, he said. Beer noted that knowledge of the Code and ASOPs is important in maintaining a high level of professionalism as an actuary, but that being ethical requires more than just adhering to professionalism standards—it requires thinking about what is right in all of your dealings with others. ▲



Member Spotlight

Susan Lynn Mateja

EACH MONTH, the Academy will introduce you to an actuary who shares a glimpse about their professional lives, as well as some insight into their personal lives. Visit the [member spotlight page](#) on the Academy's professionalism page. This month we profile Susan Lynn Mateja, a member and past chairperson of the Health Practice International Committee.

Why did you become an actuary?

In my early 40s, my husband decided to switch careers and left a very good job. I was a stay-at-home mother with a son in the 7th grade. I now needed to work. I called my sister and asked her, "What can an old lady do?" She said that because I was good at math—I was a math teacher in the past—I should try the actuarial profession. I said "Fine, what is it?"

Describe a challenge you have overcome.

Just getting hired—I wasn't a typical actuarial student in 1994. I kept getting turned down, so I changed my strategy for interviewing. I can't believe it worked; I got hired as an actuarial student for Anthem Blue Cross & Blue Shield in Indianapolis.

What do you enjoy the most about being an actuary?

I retired from Humana as their Appointed Actuary. I didn't realize it until later, but I was always meant to be an actuary. You can pursue so many different paths as an actuary. 20s: teacher, 30s: stay-at-home mom, 40s: actuarial student with BCBS, 50s: pricing actuary at Humana, 60s: Humana's

Appointed Actuary, along with participating in the international actuarial organizations including speaking, writing, and leadership.

Share something about yourself.

I play tennis competitively and received a bronze medal in the Senior Olympics in 2017 and have represented Kentucky numerous times in the Senior Cup. I am also a golfer (not so competitive). I have just completed tutoring some high school math students (helping them learn from home per COVID-19). I am a grandmother to a 3-year old grandson and have been married for 48 years. I have also been very supportive of the arts, especially the opera.

What advice would you share with young actuaries?

You have to like what you do. Faking it doesn't work for me. But you also need balance, so take care of your health, your spirit, and your brain. Remember to show and tell your loved ones that you love them. ▲

Coming to you **VIRTUALLY** this year.

Seminar on Effective P/C Loss Reserve Opinions— Dec. 9-10 and 14-15, 2020.

Get an intensive review of the latest requirements during this virtual event.

Register Today.

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Leaving the ASB will be Mita Drazilov and Barbara Snyder. Drazilov served on the ASB since 2018, was a past chairperson of the ASB's Pension Committee, and was ASB liaison to the Academy's Pension Practice Council. Snyder, currently an ASB chairperson (operations), has been on the ASB since 2015 and has served on the ASB's General Committee, Modeling Task Force, and Life Committee.

Academy President D. Joeff Williams noted that the Selection Committee, composed of the Presidents and Presidents Elect of the Academy, the CAS, and the SOA, wanted to thank the departing members of both bodies. "Mita and Barbara were excellent contributors to the profession's standard setting activities during their time at the ASB, and at the ABCD, Dave, John, and Allan brought a wealth of professionalism experience to their responsibilities," he said.

"The Academy is grateful to the Selection Committee for its excellent judgment in bringing Liz and Judy to the ASB, and John, William, and Richard to the ABCD. We look forward to the new ASB and ABCD members continuing contributions to the profession through their new positions," Williams said.

ASB Appointments

Knapp has been on the ASB since 2015; he is currently vice chairperson (finance). He is a past Academy Board member and has served on many Academy committees and task forces including the Audit Committee and the Financial Reporting Committee. He was chairperson of the Health Practice Financial Reporting Committee and the International Accounting Standards Task Force, and was ASB liaison to multiple actuarial standard of practice (ASOP) task forces. He is also chairperson of the Life and Health Qualifications Seminar Committee.



Riley, a pension actuary, has been chairperson of the ASB since 2019 and on the ASB since 2016. Damler, a health actuary, was first appointed to the ASB for a three-year term beginning in 2018, and is ASB liaison to the Health Practice Council.



Brill has been an Academy Board member and a member of the Committee on Professional Responsibility, and served as chairperson of the Solvency Committee. Stromback is chairperson of the ASB's General Committee and has served on multiple ASB committees including

the Pension Committee, the Editorial Advisory Committee, and the Modeling Task Force.

ABCD Appointments

Driscoll was appointed last year to a second three-year term on the ABCD, which he has served on since 2016. From 2003 to 2006 he was a member of the ASB's Pension Committee, which develops and maintains ASOPs applicable to pension actuarial work in the U.S. In 2015–2016, he served as a member ASB's General Committee, heading the task force that revised ASOP No. 23, *Data Quality*. Driscoll also serves as a member of the California Actuarial Advisory Panel.

Rosenberg has served on the ABCD since 2016 and has been a vice chairperson since 2017. Rosenblatt has been on the ABCD since 2019. Both their tenures extend through the end of 2021.

New ABCD member Schubert is a past Academy health vice president (2006–2008), who served for 10 years on the Academy's Board of Directors. Hines was vice president, risk management and financial reporting (2013–2015), and served as chairperson of the Financial Reporting Committee. Kutikoff is a past member of the Pension Accounting Committee. ▲

IN THE NEWS

[Kaiser Health News](#) quoted Donna Novak, a member of the Individual and Small Group Markets Committee, in stories examining Affordable Care Act (ACA) marketplace plans for 2021, reprinted by more than 80 media outlets.

Senior Health Fellow Cori Uccello was quoted in a story that appeared in [Bloomberg](#) and [Bloomberg Law](#) about long-persisting cases of COVID-19. Uccello also offered comments on insurers' coverage of remdesivir for COVID-19 treatment in a separate [Bloomberg Law](#) story.

[Chief Investment Officer](#) reported on the Academy's [issue brief](#) considering the near-term and long-term effects of COVID-19 on pension plans, mortality, and other assumptions.

A [Think Advisor](#) opinion piece noted the Academy's work with the NAIC on providing insurance companies with well-vetted valuation rules and regulations.

A story published by [Actuarial Review](#) cited the [Actuaries Climate Index](#), jointly sponsored by the Academy and other actuarial organizations, which provides five-year average and seasonal measures

of changes in extreme weather events and sea levels.

[Advisor Perspectives](#) cited the [Actuaries Longevity Illustrator](#), developed jointly by the Academy and the Society of Actuaries.

The [Kane County Reporter](#) (Ill.) and more than a dozen other Illinois community newspapers used analysis from the Academy to help readers understand the reported funded status of local public pension plans.

A [Philly Voice](#) column cited Academy analysis on higher costs of living for those who divorce late in life. ▲



ASB Approves Two Exposure Drafts

THE ACTUARIAL STANDARDS Board (ASB) recently approved an exposure draft of a revision of Actuarial Standard of Practice (ASOP) No. 38, now titled *Catastrophe Modeling (for All Practice Areas)*. The ASOP provides guidance to actuaries when performing actuarial services with respect to selecting, using, reviewing, or evaluating catastrophe models. The comment deadline for the third exposure draft is Jan. 15, 2021.

The ASB also approved a third exposure draft of a proposed ASOP titled *Setting Assumptions*. The ASOP provides guidance to actuaries when performing actuarial services that involve setting assumptions, giving advice on setting assumptions, or assessing the reasonableness of assumptions set by others. The comment deadline for the third exposure draft is April 15, 2021.

Information on how to submit comments using the new [comment template](#) can be found in the exposure drafts. ▲

Professionalism Outreach

IMMEDIATE PAST PRESIDENT Shawna Ackerman provided a “Professionalism Update from the Academy” to the virtual meeting of the Casualty Actuaries of the Mid-Atlantic Region on Oct. 28. In the presentation, Ackerman reviewed recent developments with actuarial standards of practice, the exposure of the qualification standards that closes for comment on Oct. 30, discipline and counseling activity, as well as Academy professionalism resources. ▲



Ackerman

This Month in Social Media



On Facebook, we celebrated 55 years of the Academy supporting the U.S. actuarial profession by providing standards of conduct, practice, and qualification that guide and support all areas of practice, and serve the public through providing independent and objective actuarial analysis on significant matters of public policy.



On Twitter, we spotlighted our latest *Essential Elements* paper, which discusses where and when wildfires occur, the rising property/casualty costs from wildfire damage, the importance of wildfire modeling, and ways to address wildfire risk.



On LinkedIn, we highlighted our nonpartisan election issues guides that provide valuable insight into key policy issues related to financial risk leading up to the 2020 election.

Make sure you're a part of the conversation online by following us on [Facebook](#), [Twitter](#), and [LinkedIn](#). Like what you see? Help spread us the word by liking and sharing our updates.

Must, Should, May: When Do You Need to Disclose a Deviation From an ASOP?

THE ACTUARIAL STANDARDS OF PRACTICE (ASOPs) provide binding guidance to actuaries and identify what you should consider, do, document, and disclose when rendering actuarial services. Most guidance in the ASOPs appears in the form “the actuary should do X” or “the actuary should consider doing Y.” Less often, you might come across “the actuary must do A” or “the actuary may do B.” Although these words—must, should, should consider, and may—occur frequently in ASOPs, the Actuarial Standards Board (ASB) is very careful to differentiate among them when they review ASOPs to ensure the guidance is appropriate.

If you are wondering what, exactly, the difference is between these words in terms of actuarial guidance, the answer lies in ASOP No. 1, *Introductory Actuarial Standard of Practice*. ASOP No. 1 defines terms that appear throughout the ASOPs. In most ASOPs, the defined terms apply only to that ASOP, but the terms defined in ASOP No. 1 apply to all ASOPs.

Indicating their importance, the terms of construction “must/should” and “may” are the very first terms defined in ASOP No. 1. According to ASOP No. 1, “must” means the ASB believes that an actuary is unlikely to have any reasonable alternative but to follow a particular course of action. Because the ASOPs are principles-based and allow for professional judgment and are typically not highly prescriptive, “must” is rarely used.

In contrast, “should” indicates the normally appropriate practice for a situation and is much more common. However, ASOP No. 1 recognizes that situations may arise where, in the actuary’s professional judgment, “complying with this practice would be inappropriate ... or that under the circumstances it would not be reasonable or practical to follow the practice.” Deviating from the guidance given in a “must” or “should” statement, then, is permitted, but to remain in compliance with the ASOPs, you must disclose the nature of, rationale for, and effect of such a deviation, as required by ASOP No. 41, *Actuarial Communications*.

“Should consider” is another term that frequently appears in ASOPs. Sometimes it is followed by a course of action, as in “the actuary should consider preparing and retaining documentation.” The requirements for “should consider” followed by a course of action are not as strict as those for “must” and “should.” The ASOP states:

If, after consideration, in an actuary’s professional judgment an action is not appropriate, the action is not required and failure to take this action is not a deviation from the guidance in the standard.

In such cases, disclosure is not required.

The vast majority of guidance in the ASOPs is either a “should” or “should consider,” but occasionally “may” is used. According to ASOP No. 1, “may” means that the course of action described is one that would be considered reasonable and appropriate in many circumstances. “May” ... is often used

when providing examples (for example, factors the actuary may consider; methods that may be appropriate). It is not intended to indicate that a course of action is reasonable and appropriate in all circumstances, nor to imply that alternative courses of action are impermissible.

Therefore, you are permitted, but not required, to follow a course of action introduced by “may.” No disclosure is required if you don’t follow the course of action suggested by a “may.”

Several other important terms are defined or discussed in ASOP No. 1, including actuarial soundness, materiality, practical, professional judgment, reasonable, and significant. Again, unlike the definitions found in other ASOPs, these definitions and discussions hold across all ASOPs. (A handy resource is the ASB’s [definition document](#), which contains the defined terms from every current ASOP. In appendixes, it also includes defined terms from exposure drafts and repealed ASOPs.)

We encourage you to read ASOP No. 1 at least once a year to refresh your understanding of these and other terms used throughout the ASOPs, as doing so will help you interpret the guidance in the ASOPs correctly. ▲

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are principles-based and
allow for professional
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Plenary Speakers to Explore Professionalism, Diversity, and COVID-19

Sheila Bair, who was chairman of the Federal Deposit Insurance Corporation during the 2007–2008 financial crisis and is the founding chair and current member of the Systemic Risk Council, will deliver remarks leading into the Nov. 5 professionalism plenary panel discussion on uncertainty. She will share her insights on weighing professional, ethical, public responsibility, and institutional considerations to take ethically and professionally grounded action in times of disruption and uncertainty.



Altmaier

Florida Insurance Commissioner David Altmaier, who is also president-elect of the National Association of Insurance Commissioners (NAIC), will lead a Nov. 6 plenary session to discuss the NAIC's initiative on race and insurance and the outlook for NAIC in the time of COVID-19. He serves as the co-chair of NAIC's Special Committee on Race and Insurance. During this interactive policy session, attendees will have



Attendees will have opportunities to earn valuable continuing education (CE) credit, including professionalism CE, and continuing professional education (CPE) under Joint Board for the Enrollment of Actuaries (JBEA) rules. Daily and group rates are available. Online registration is available until Nov. 4—make this your year to experience the history that's in the making, and [register today](#). ▲

opportunities to pose questions to Altmaier.

Anand Parekh, an M.D. and chief medical advisor at the Bipartisan Policy Center, will provide perspectives on the response to COVID-19 during the closing plenary session on Nov. 6. He will share his insights on where we are in terms of the progression of the virus, new treatments and vaccines, and lessons learned.

CASUALTY NEWS

Register for December's Seminar on Effective P/C Loss Reserve Opinions

THE ACADEMY'S [Seminar on Effective P/C Loss Reserve Opinions](#) is coming to you virtually this year. The agenda is designed for your convenience and needs during these challenging times with travel restrictions and stay-at-home remote work. Seminar sessions—to be held on Dec. 9–10 and 14–15—will begin at 1 p.m. EST each of the four days and run through the afternoon. [See the full agenda here](#).

Group registrations available: Have a group of Academy members from your organization who are interested in attending? Take advantage of our discounted rates by registering your group—you'll receive one free registration for each six Academy members you register.

This is a great opportunity for you and your colleagues to learn the latest requirements including regulatory guidance and actuarial qualification standards through intensive presentations and case studies, and it will allow shared opportunities for open dialogue and Q&A. [Register now](#). ▲

CASUALTY BRIEFS

- ➔ **Nick Hartmann, Jim Lynch, Nicky Witrans**, and **Eric Xu** joined the Automobile Insurance Committee.
- ➔ **Jason Pessel, Yoyo Tsai, Nicky Witrans** joined the Cyber Risk Task Force.
- ➔ **Jim Lynch** joined the P/C Extreme Events and Property Lines Committee.

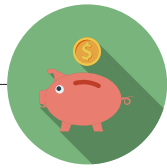
HEALTH NEWS

Report Examines Int.'l Health Funding

THE ACADEMY'S Health Practice International Committee (HPIC) released the [International Health Care Funding Report](#), the first iteration of a project intended to be an illustration of international models of health care funding and reflects the state of 36 health funding systems from around the world as of Dec. 31, 2019. The report is a joint effort of volunteers of the HPIC, the International Actuarial Association Health Section, and the Society of Actuaries International Section. ▲

HEALTH BRIEFS

- ➔ **Annette James** is chairperson of the new Health Equity Work Group, **Bela Gorman** and **Stacey Lampkin** are vice chairpersons, and the following are new members: **Audrey Halvorson, Donna Novak, Dan Pribe**, and **Yixuan Song**.
- ➔ **Matt Bernstein** joined the AV/MV Work Group.



Pension Committee Releases Exposure Draft of a Practice Note on ASOP No. 56, Modeling

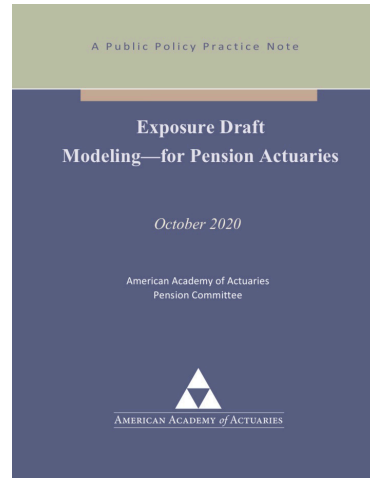
THE PENSION COMMITTEE released an exposure draft of a practice note, *Modeling—For Pension Actuaries*, that provides background and ideas about how pension actuaries may be approaching ASOP No. 56, *Modeling*. ASOP No. 56 was adopted by the Actuarial Standards Board in December 2019 and is effective for work performed on or after Oct. 1, 2020.

The exposure draft reviews perspectives on the authors' views of responsibilities of pension actuaries, as they relate to this general standard, when performing actuarial services with respect to designing, developing, selecting, modifying, using, reviewing, or evaluating models. Comments should be sent to pensionanalyst@actuary.org by Jan. 31, 2021.

Webinar Set for Nov. 17

The Academy's Pension Committee will host a webinar, "[Practice Note on ASOP No. 56, Modeling: A Discussion of the Exposure Draft](#)," that will offer an overview of the recently released exposure draft of the practice note, *Modeling—For Pension Actuaries*.

Presenters—Pension Committee members Margaret Berger and Grace Lattyak—will discuss the implications for pension actuaries, as outlined by the draft practice note, of the new



cross-practice ASOP. There will be time for Q&A during this webinar, and the discussion will help inform the Pension Committee as it works toward publishing a final practice note. Pension Committee Chairperson Bruce Cadenhead will moderate.

Attendees may earn up to 1.8 organized and continuing education (CE) credits for attending this live webinar, and the

Academy believes in good faith that Enrolled Actuaries may earn 1.8 continuing professional education (CPE) non-core credits under the Joint Board for the Enrollment of Actuaries (JBEA) rules. The webinar will be held Tuesday, Nov. 17, from 3:30–5 p.m. EST. [Register today](#). ▲

Pension Committee Releases PBGC Issue Brief

THE PENSION COMMITTEE published an issue brief, *PBGC Single-Employer Premiums and Their Impact on Plan Sponsorship*, detailing Pension Benefit Guaranty Corporation (PBGC) single-employer premiums and considering their impact on pension plan sponsorship.

Key points include:

- ▲ One of the PBGC's missions is to encourage the continuation and maintenance of voluntary private-sector pension plans for the benefit of their participants.
- ▲ PBGC premiums have increased substantially over the past decade, especially for those plans subject to variable premiums, causing some employers to fully or partially exit the system by terminating their plan, purchasing annuities for some of their participants, or offering lump sum programs.
- ▲ Consideration should be given to changes to both the PBGC single-employer premium structure and to how PBGC premiums are set. ▲



CRS Report Cites Academy DB Analysis

THE CONGRESSIONAL RESEARCH Service's report released Oct. 14, "[Policy Options for Multiemployer Defined Benefit Pension Plans](#)," cites Academy analysis of defined benefit pension plans that include [variable annuity benefits](#). ▲

PENSION BRIEFS

➔ **Katie Brown, David Carlson, Adrian Cox, Greg Drennan, Matt Fishel, Lora Ford, Aldwin Frias, Winston Hall, Alexander Landsman, Phil Loftus, Lisa Louk, Steve Mendelsohn, John Monroe, Mark Olson, Christine O'Neal, Amy Trainor, and Jingjing Xu** joined the Pension Assistance List.

RISK MANAGEMENT BRIEFS

➔ **Jennifer Balester** joined the Data Science and Analytics Committee.



Actuarial Update

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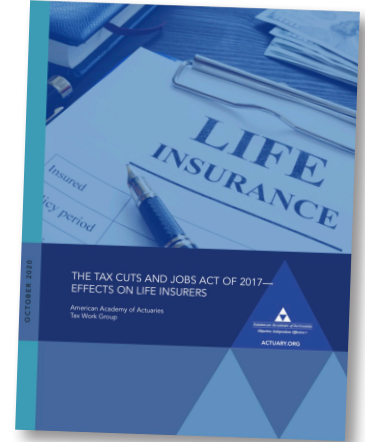
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Work Group Releases White Paper on 2017 Tax Cuts and Jobs Act

THE TAX WORK GROUP released a white paper outlining the most significant changes in the taxation of life insurance companies that were made by the *Tax Cuts and Jobs Act of 2017* (TCJA). The white paper, *The Tax Cuts and Jobs Act of 2017—Effects on Life Insurers*, investigates the many changes that directly affect the work of actuaries, as well as the financial reporting impact of the TCJA on the life insurance industry.

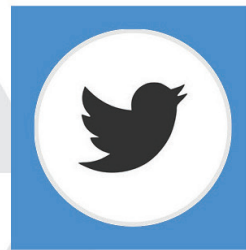
“The TCJA substantially changed the actuarial calculations of tax reserves, Deferred Acquisition Cost tax, tax basis changes, and other actuarial tax items,” Mary Elizabeth Caramagno, chairperson of the work group, said in an interview in the Fall *Life Perspectives*, published this month. ▲



LIFE BRIEFS

- ➔ **Brandon Emerson, Geoffrey Hancock, Dan Kim, and Al Zlogar** joined the Economic Scenario Generator Work Group.
- ➔ **Anthony Laudato** joined the LTC Combo Product Valuation Practice Note Work Group.

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