



Publications Prepare to Go Electronic



SINCE IT WAS INTRODUCED as the Academy's nameless quarterly newsletter in November 1971, the *Update* has gone through several makeovers—each designed to improve the Academy's ability to communicate with its members. Starting in January, the *Update* is taking another major step in its evolution as it becomes one of several Academy publications to go completely electronic.

Instead of being printed and mailed, when the first issue of 2009 is completed and posted on the Academy's website, members will receive an e-mail with a link to download a PDF file of the newsletter. Those who wish to get their news at their computers can do so, while those who like a hard copy are encouraged to print the file out to take with them on the way to work. This change will help prepare members for the fall of 2009, when the *Update* is planning to go purely electronic as it finds its permanent home on a redesigned Academy website.

The online overhaul of Academy communications will extend to its other member publications, as the *Enrolled Actuaries Report*, the *Yearbook*, and the lead-

ership manual will all go fully electronic next year. *Contingencies* will continue to be mailed in hard copy to its full circulation, though electronic access to the magazine's contents will also be improved in the same fashion as other Academy publications. The Academy's previous e-newsletter *Inside the Academy* will be replaced in January in preparation for the *Update's* final transformation.

Academy leadership considered a number of factors in the decision to make its publications electronic. Foremost in the decision are the time and money saved in printing and mailing costs that will enable the Academy to provide better value to its members. As Academy members—like most Americans—increasingly look to the Internet for their information, the improved electronic delivery of Academy news will enable more effective communication with members. As an ecological consequence, the Academy will also be doing its part to eliminate unnecessary paper waste and energy consumption. ▲

Actuarial
UPDATE

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Opinions on Market Value of Liabilities Disclosed

Public Interest Committee Hosts Forum

THE ACADEMY'S PUBLIC INTEREST COMMITTEE hosted a public forum Sept. 4 to discuss the merit of issuing a statement concerning the disclosure of the market value of assets and liabilities (MVA, MVL) in financial statements for public pension plans.

The forum featured 14 stakeholders and interested parties who were divided into three different panel sessions. Members of the Public Interest Committee moderated the discussion, which covered a wide spectrum of opinions on the issue.

One key point of contention was how useful the numbers, derived from the calculation of the market value of assets and liabilities, would be to users of financial statements for public pension plans.



David Wilcox, economist at the Federal Reserve Board, speaks at the public pension plan forum.

See **PENSION FORUM**, Page 6

OCTOBER

- 2-4 NAAC meeting, Sedona, Ariz.
- 5 CUSP meeting, Paradise Valley, Ariz.
- 6 Joint orientation for U.S. boards, Paradise Valley, Ariz.
- 7 Academy Board of Directors meeting, Paradise Valley, Ariz.
- 16 Academy life webcast on PBR developments
- 19-22 SOA annual meeting, Orlando, Fla.
- 19-22 ASPPA annual meeting, Washington
- 24 Academy webcast on Code of Professional Conduct
- 26-29 CCA annual meeting, Bonita Springs, Fla.
- 27 Academy annual meeting, Bonita Springs, Fla.

NOVEMBER

- 1-4 IAA meeting, Limassol, Cyprus
- 10-13 Academy Life and Health Qualifications Seminar, Arlington, Va.
- 13-14 CIA general meeting, Toronto
- 16-19 CAS annual meeting, Seattle
- 20-23 NCOIL annual meeting, Duck Key, Fla.

DECEMBER

- 3-4 Academy Casualty Effective Loss Reserve Opinion Seminar, Baltimore
- 4 Academy webcast on Actuarial Standards of Practice
- 6-8 NAIC winter meeting, Grapevine, Texas
- 8-9 Actuarial Standards Board meeting, Washington

FEBRUARY

- 19-20 NAAC meeting, Zacateras, Mexico
- 26-March 1 NCOIL spring meeting, Washington

MARCH

- 14-16 NAIC spring meeting, San Diego

APRIL

- 1 Enrolled Actuaries Meeting (Academy, CAA), Washington

MAY

- 3-6 CAS spring meeting, New Orleans

JUNE

- 13-15 NAIC summer meeting, Minneapolis

WEB INTERFACE

Links to documents underlined in blue are included in the online version of this issue at www.actuary.org/update/index.asp

Academy NEWS Briefs

Web Gem

The Academy's Social Security Game recently won a 2008 Web Award for outstanding achievement in website development from the Web Marketing Association. The interactive tool lets users experiment with ways to solve Social Security's long-term insolvency.

The Web Marketing Association was founded in 1997 to help set a high standard for Internet marketing and development of the best websites on the World Wide Web. The award came in the category of association standard of excellence. The game received a resurgence in press attention recently, garnering writeups in the *Baltimore Sun* on Sept. 2 and Sept. 6 and in the Sept. 8 edition of *U.S. News & World Report*. ▲



New Analyst

The Academy's Pension Practice Council welcomed Jessica Thomas in September as its new pension policy analyst. Thomas was previously a legislative coordinator with the American Psychiatric Association in Arlington, Va., where she served as a liaison to volunteer committees, tracked legislation, and facilitated the association's visits to Capitol Hill. Prior to that, she was a legislative researcher for public affairs firm Democracy Data and Communications.

Thomas began her work at the Academy on Sept. 8, along with the Academy's new Senior Pension Fellow Frank Todisco. (For a profile of Todisco, check out the [September Update](#).) She takes over for Samuel Genson, who had been working remotely from West Lafayette, Ind., since the spring.

Meet the Press

Three Academy volunteers

received media training Sept. 8 as part of the Academy's program to prepare official spokespersons. Senior Pension Fellow Frank Todisco wasted no time diving into his Academy responsibilities, as he spent his first day on staff undergoing the media relations crash course. Other participants included Actuarial Standards Board Chairperson Stephen Kellison, a consulting actuary and visiting professor at the University of Central Florida in Orlando, and Academy President-Elect John Parks, a consulting actuary in Pittsburgh.

IN THE NEWS

Representing the Academy's Multiemployer Plans Subcommittee during a July 31 IRS hearing on multiemployer plans were Chairperson **Eli Greenblum**, a senior vice president and actuary with The Segal Co. in Washington, and subcommittee member **Samuel Stanley**, a senior vice president and consulting actu-

ary with Aon Consulting in Southfield, Mich. Their comments were included in hearing coverage by Commerce Clearing House on Aug. 1 and 14 and the Bureau of National Affairs (BNA) on Aug. 1. They told the IRS that the actuarial profession needs crystal-clear rules on how emergence from critical status works under the proposed regulation.

BNA covered an IRS hearing about determining minimum required pension contributions. The article included comments from the Pension Committee's **Donald Segal**, a vice president and consulting actuary for JPMorgan Compensation and Benefit Strategies in New York. Segal said that it would be unreasonable to require plan sponsors to make an irrevocable decision about the dollar amount of credit balances to include in quarterly contributions by the quarterly payment due date. Because decisions

to use credit balances to satisfy the statute's quarterly contribution requirement must often be made without knowing the exact amount that might be used, Segal asked the IRS to be flexible in regulating the timing and dollar amount of credit balances that plan sponsors elect to include in their quarterly pension contributions. BNA coverage ran on Aug. 1 and 5.

Academy Senior Health Fellow **Cori Uccello** authored an op-ed by request for the *Delaware News Journal*, a top-100 newspaper in the United States by circulation. In the Aug. 17 commentary, Uccello argued that creating larger risk pools is not the magic bullet for covering the uninsured and that efforts must address the root of the problem—the growth in health care spending. She said encouraging strategies such as comparative effectiveness research and care management and coordination programs could potentially help reduce increasing health care costs.

Tom Campbell, Academy vice president for life issues and vice president and corporate actuary with Hartford Life in Weatogue, Conn., was quoted in a *National Underwriter Life & Health* article published online on Aug. 20 and in print on Sept. 1. The article reported on the National Association of Insurance Commissioners Life and Health Actuarial Task Force's unanimous adoption of a reserving guideline for variable annuities with guarantees, also known as VACARVM.

Bruce Schobel, chairperson of the Academy's Retirement Security Principles Task Force, was quoted in a personal finance column offering advice on when to collect Social Security benefits. Schobel said if your spouse collects benefits on your record and you claim benefits early, his/her maximum benefit will also be affected—and could cost a fortune over his/her lifetime. The column was first published in the *Los Angeles Times* on Aug. 17 and later in other daily newspapers, including the *Hartford Courant*, *Fort Worth Star-Telegram*, *Tulsa World*, and *Sacramento Bee*.

In last month's *Update*, we reported on the media buzz surrounding the release of the Academy's advocacy statement on Social Security. The initial media splash presented the opportunity to drum up support for raising the retirement age. A number of daily newspapers' editorial boards and columnists have offered encouraging words in support of the statement. View them now on the Academy's website: www.actuary.org/newsroom/news_socsec.asp.

Efforts promoting the Academy's statement also continued into September as Academy spokespersons **Bruce Schobel** and **Tom Terry** took the Academy's message to Capitol Hill. Among other placements, Schobel discussed the Academy's message on *Marketplace Morning Report* on Sept. 5. Echoing the statement, he said raising Social Security's retirement age is "a demographic solution to a demographic problem."



Bruce Schobel, chairperson of the Academy's Retirement Security Principles Task Force, talks about Social Security's actuarial imbalance. He and **Tom Terry**, Academy vice president for pension issues, presented the Academy's statement advocating raising the retirement age at a briefing on Capitol Hill Sept. 5.

ON THE MOVE

► **David Ingram** is now an enterprise risk management adviser with Willis Re Inc. in New York. He was previously a director of enterprise risk management with Standard & Poor's in

New York.

► **Yves McGale** is now chief administration officer of Aon Consulting's U.S. retirement practice. McGale, based in Irvine, Calif., joined Aon in June after serving as a worldwide partner at Mercer. ▲

Qualification Standards



What kinds of continuing education (CE) are allowed under the new requirement to earn three professionalism CE credits per calendar year?

The Academy, CAS, CCA, and SOA have various audio-casts, webcasts, and seminars on professionalism topics throughout the year. Information on many of these can be accessed online via the North American Actuarial CE Calendar on the Academy website.

Relevant CE might involve such topics as actuarial discipline, actuarial communication, the Code of Professional Conduct, and actuarial standards of practice (ASOPs). Such professionalism CE could include studying, reviewing, or commenting on an ASOP exposure draft; studying or reviewing the Code of Professional Conduct; or serving on an ASB committee or a professionalism committee. Professionalism CE does not have to be earned from "organized activities" but may be earned from self-study and similar "other activities."

Courses on topics that involve business ethics, in general, could be counted as professionalism CE. However, courses on general business topics that do not involve ethics could count only as general business or consulting CE, which is limited under the revised Qualification Standards to a maximum of three CE credits per year.

Shedding Light on Election Issues

IN CASE YOU HAVEN'T HEARD, health care reform continues to be a topic of much discussion as the 2008 presidential election nears. Several of the Health Practice Council's work groups have been focused on developing educational materials for policymakers on aspects of the reform debate. Two of those issue briefs were released in September: *Taking Control—An Actuarial Perspective on Spending Growth and Health Insurance Coverage and Reimbursement Decisions—Implications for Increased Comparative Effectiveness Research*.

In *Taking Control*, the Uninsured Work Group discusses a number of the major causes of health spending growth, broken down into two categories. The first category is drivers that increase health care services prices, such as broader provider networks, shortage of primary-care physicians, and provider consolidation. And the second is drivers that increase utilization, such as new medical technology and treatments, provider reimbursement, generosity of benefit packages, and lifestyle choices.

While there aren't any simple solutions to the problem of rising health care costs, the issue brief does examine various options that have been proposed to address these drivers. Some of the options discussed include comparative effectiveness research, a restructuring of the provider payment system, benefit design changes, and implementation of more care management and care coordination.

Showing that many of these issues are connected, the Health Care Quality Work Group developed an issue brief that focused on comparative effectiveness research. The issue brief looks at how advances in technology and protocols are incorporated into the



health care system, specifically in coverage and reimbursement decisions. It discusses the role comparative effectiveness research can play in increasing quality and value by reducing variation in practice patterns through increased primary research of head-to-head trials that compare new technologies and treatments with existing ones.

Both of these issue briefs were released in September, in conjunction with a related Capitol Hill briefing.

—HEATHER JERBI

DREAMSTIME

[CASUALTY NEWS]

Academy Suggests Model to NAIC

THE ACADEMY HAS OFFERED INPUT to the Large Deductible Study Implementation Working Group of the National Association of Insurance Commissioners' Casualty Actuarial and Statistical Task Force in response to its request for a model for the reporting of first-dollar premium equivalents for large-deductible workers' compensation insurance policies.

In an Aug. 28 [letter](#) and accompanying proposal for the reporting format, the Academy's Workers' Compensation Subcommittee provided a brief summary of existing data-reporting procedures for workers' compensation insurance. Large-deductible policies, under which the insured employer agrees to reimburse its carrier for losses up to \$100,000 or more on any claim(s), are used to provide workers' compensation insurance to a substantial segment of the overall market.

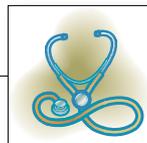
According to the subcommittee, regulators and other inter-

ested parties have difficulty assessing the exposure below the deductible amount because neither loss data nor premium data are readily available. The subcommittee was asked to develop possible methods within currently prevailing procedures and practices to approximate first-dollar premiums on large-deductible policies.

In the letter, signed by Chairperson Tim Wisecarver and the members of the subcommittee, the group suggested an analytical approach that could be used to approximate first-dollar premiums on large-deductible policies relying on existing (or at least readily available) information. Such a construct could be used in states that may want to recognize and approximate the effects of large-deductible policies on premiums for purposes of certain premium-based assessments and/or to acquire additional information about large-deductible business and its effect on the workers' compensation marketplace.

—LAUREN PACHMAN





International Approaches for Comparative Effectiveness

BY JOHN BERTKO

AS THE UNITED STATES SEARCHES FOR SOLUTIONS to reduce health care costs, analysts are looking to other countries for models of comparative effectiveness. Comparative effectiveness analysis evaluates the relative value of drugs, devices, surgical procedures, diagnostic tests, and medical services in relation to their alternatives. For example, drug therapy could be analyzed to compare its effectiveness for some patients versus an invasive cardiology procedure.

Many countries that are members of the Organization for Economic Cooperation and Development (OECD) have agencies that produce comparative effectiveness information on some or all medical services. Best known is the United Kingdom's National Institute for Health and Clinical Excellence, which issues guidance on the use of new and existing medicines, procedures, and treatments for specific diseases. In Germany, the Federal Joint Committee works with German "sickness funds" (organizations similar to non-profit health insurers) to assess drugs, new technology, and treatments. Also, in Switzerland, the Federal Social Insurance Office regulates private insurers and what they offer in the basic benefit package to meet standards of clinical effectiveness and cost-effectiveness.

Although the U.S. has a variety of agencies producing a limited amount of comparative effectiveness analysis, evaluations by various agencies (the Institute of Medicine, Congress' Medi-

care Payment Advisory Commission, and the Congressional Budget Office) and leading policy analysts (Uwe Reinhardt at Princeton and Gail Wilensky of Project Hope, for example) have concluded that more information is needed for the U.S. system. To read more about the issue, check out the Medicare Payment Advisory Commission's June 2008 [report](#) to Congress, as well as former Sen. Tom Daschle's book *Critical: What We Can Do About the Health-Care Crisis*. ▲

John Bertko, a consulting actuary in Flagstaff, Ariz., is chairperson of the Academy's Health Practice International Task Force.

HEALTH BRIEFS

- ▶ **Joyce Bohl**, actuarial director for Humana Inc. in Tallahassee, Fla., has joined the Academy's Small-Group Market Task Force.
- ▶ **Glenn Crouse**, actuarial director for WellPoint Inc. in St. Louis, has joined both the Academy's Uninsured Work Group and the Disease Management Work Group.
- ▶ **Susan Mateja**, actuarial corporate director for Humana Inc. in Louisville, Ky., has joined the Academy's Health Practice International Task Force.
- ▶ **Alan Furan**, a health actuary for the Ohio Department of Insurance, has joined the Academy's State Long-Term Care Task Force.

Actuaries Increase Interest in Math

The Actuarial Foundation is finding that schools that implemented Advancing Student Achievement programs with actuaries as mentors are seeing improved attitudes toward math, increasing math scores, and increasing interest in the actuarial field as a career.

If you are interested in getting involved in your community, here is what the Foundation has to offer:

- ▶ The Actuarial Foundation's longest-running program, Advancing Student Achievement, places actuaries in classrooms working directly with kids, making math fun instead of threatening. To find out how to become a mentor, visit www.actuarialfoundation.org/youth/call_for_mentors.htm.
- ▶ The Foundation, in partnership with Scholastic, the global children's publishing, education, and media company, has developed supplemental math enhancement programs for teachers that actuaries can bring to their local classrooms. The award-winning program, Shake, Rattle & Roll, teaches students in grades 6-8 to create and analyze data using histograms and scatter plots in determining probability under the topic of natural disasters. A brand-new program, Bars, Lines & Pies, uses a variety of mathematical skills common to the actuarial field to teach students in grades 4-6 about the environment and recycling through creating, applying, and analyzing pie charts, bar graphs, and line graphs.
- ▶ The Math Academy Series is designed to showcase math used in the real world while staying true to the academic rigor required by the state standards framework.

You can download copies of these activity booklets at www.actuarialfoundation.org/grant/index.html.





Public Interest Committee Chairperson Steve Lehmann addresses the forum's panelists.

Proponents of MVL disclosure contend that current required information about the funded status of pension plans is inadequate because it doesn't account for the risk assumed in relying on stock investment returns to fund the plans.

"MVL is the best measure of the real cost—what the taxpayers owe and must come up with to finance the benefits," said Michael Peskin, managing director for Morgan Stanley Investment Management in New York. "I think the Academy supporting the disclosure of MVL is an important step to fix the problem."

Other panelists, however, such as Stephen McElhaney, a principal with Mercer Human Resources Consulting in Richmond, Va., disagreed that the MVL is the best way to account for risk. McElhaney, speaking on behalf of the Academy's Public Plans Subcommittee, pointed to a statement the subcommittee drafted earlier this year that encourages actuaries to look at MVL as an additional tool to use alongside other methods of measuring risk, such as sensitivity analysis and stochastic simulation.

"It's important that any information presented is useful information and includes who it's for and what they're going to do with it," he said. "We're not there yet with MVL."

One fear expressed by several panelists is the potential for MVL disclosure to lead to funding volatility and uneven contribution rates. Christian Weller, a senior fellow at the Center for American Progress in Washington, explained that when the market is performing poorly and asset values fall below a plan's liabilities, a plan will appear poorly funded and face public pressure to increase contributions even though the government is least likely to afford them at the time. On the other hand, when the asset level rises in relation to the liabilities, plan sponsors may face pressure to increase unsustainable benefits.

However, panelist David Wilcox, deputy director for the Federal Reserve Board's Division of Research and Statistics, said he thinks disclosure policies and investment decisions are two separate issues. New York City Chief Actuary Robert North also disagreed with the inevitability of connecting disclosures

to funding strategy. Though North has disclosed the MVL on financial reports since 2003, he says the New York City public pension plan trustees have not revised the plan's investment policy and have been supportive when North recommended raising contributions.

Wilcox said that the bigger problem isn't revealing the risk but the actual risk itself. "The fact of the matter is that state or local governments not being at risk of going bankrupt makes their obligations more secure, not less," he said, "and, therefore, implies that they should be discounted at rates that are appropriate for safe cash flows, not risky cash flows."

Since opinions are split as to how useful the MVL is, some members of the Public Interest Committee asked what the harm would be in disclosing information so those who want it can see it and those who don't can choose not to use it.

Both those in favor of disclosing the MVL and those against acknowledged that one of the major challenges in this discussion is the fear that various special interest groups might try to manipulate the information provided in financial reports. However, North said that in his experience, over time, even some staunch critics eventually came to trust that he and the sponsors knew what the numbers meant and how to account for them. Still, among all sides of the issue, there was widespread agreement on the need to better educate plan sponsors about what the numbers they see really mean.

Maryland State Treasurer Nancy Kopp reiterated the confusion policymakers have in this debate, as disagreements persist within the actuarial community over the meaning and function of MVL. "It's a question of just having data and having useful information," she said. "We have followed and relied on the judgment of actuaries over time. We rely on them all and understand the need for constancy and coherence in their advice to us."

Apart from the debate over whether plans should disclose the MVL, Norman Jones, chief actuary for Gabriel, Roeder, Smith, and Co. in Southfield, Mich., said the Academy's involvement is a separate issue. If the Academy were to issue a statement that specifically supports MVL disclosure, Jones said, it would be hard for an actuary to publicly defend a decision not to disclose. In other words, he argued, a statement would act like an actuarial standard of practice, which can be promulgated only by the Actuarial Standards Board.

To read all the written testimonies received by the Public Interest Committee, including those from each panelist, visit www.actuary.org/events/2008/forum_sept08.asp. ▲

PENSION BRIEFS

- ▶ **Andrew Peterson**, staff fellow for retirement systems with the Society of Actuaries in Schaumburg, Ill., has joined the Academy's Pension Practice Council.

CASUALTY BRIEFS

- ▶ The Academy's Committee on Property and Liabilities Financial Reporting released an issue brief on reserve ranges on Sept. 16. To read it, visit www.actuary.org/casual.asp.



Practice Note Addresses Assumption Credibility

THE ACADEMY'S LIFE VALUATION SUBCOMMITTEE released a new [practice note](#) on credibility theory this summer, addressing a topic that will play a key role in current and upcoming principle-based reserving proposals being developed by the National Association of Insurance Commissioners' (NAIC) Life and Health Actuarial Task Force and the Capital Adequacy Task Force.

The practice note describes practices that actuaries can use to define whether their company experience qualifies as credible, the extent to which company experience can be relied upon, and how such experience will be blended with standard tables and industry tables to determine assumptions. These assumptions are used in the modeling of cash flows and reserves and include mortality ratios, lapse rates, and reinsurance pricing.

The practice note describes a number of different approaches used to determine credibility. For each approach, the practice note details the type of results generated, the strengths and shortcomings, and the practical implications that actuaries should consider. In addition, the practice note provides examples of the standards used by regulators and how these could exhibit themselves in practice.

Robert DiRico, chairperson of the Academy's Life Valuation Subcommittee, and group members Thomas Herzog and Stuart Klugman presented the contents of the practice note during a webcast on Sept. 9. Afterward, the speakers were able to devote a large amount of time to answering participants' questions, which ranged from technical calculations to general inquiries as to how companies can determine which approach to use.

In addition to C-3 Phase II, which is already in effect, a number of principle-based reserving proposals rely on the use of company data to determine key assumptions.

One such application of credibility moved one step forward to becoming a reality when, on the day following the webcast, the NAIC's Life and Annuities Committee voted to adopt Actuarial Guideline VACARVM. To read the practice note, visit the Academy's life page at www.actuary.org/life.asp. ▲



LIFE BRIEFS

- ▶ Joining the Academy's Annuity Reserves Work Group are **Patricia Schwartz**, assistant vice president and actuary for Metropolitan Life Insurance Co. in Bridgewater, N.J.; **Charles Tan**, an actuary with Employers Reassurance Corp. in Mission, Kan.; and **Edward Robbins**, director of life actuarial services for SMART Business Advisory and Consulting LLC in Chicago.
- ▶ **Peter Bondy**, principal and actuary for Bondy and Associates Inc. in Ft. Lauderdale, Fla., has joined the Academy's Life Valuation Subcommittee.
- ▶ **Richard Payne**, principal actuary for Genesis Financial Products Inc. in Mississauga, Ontario; **Mike Ward**, a vice president of Life Insurance Co. of the Southwest in Ft. Worth, Texas; **Neil Berns**, actuarial associate with Midland National Life Insurance Co. in West Des Moines, Iowa; and **Rebecca Scotchie**, vice president for annuity product management for Old Mutual Financial Network in Atlanta, have joined the Academy's Equity Indexed Annuities Work Group.
- ▶ **Jeff Mohrenweiser**, senior director for Fitch Ratings in Chicago, has joined the Academy's Life Capital Adequacy Subcommittee.

ISTOCK

2008 Effective P/C Loss Reserve Opinion Seminar

December 3-4 • The Westin BWI
Baltimore, Md.

The two-day seminar will cover introductory issues on Dec. 3 and will focus on more advanced topics on Dec. 4. All are welcome to attend one or both session(s). There will be a discount for registrants who sign up for both days. The seminar is presented annually by the Academy's Committee on Property and Liability Financial Reporting.

For more information, visit www.actuary.org/seminars/casualty/opinion08.asp.



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2008 Property/Casualty Loss Reserve Law Manual

You will soon be able to order the 2008 edition of the Academy's Property/Casualty Loss Reserve Law Manual, a reference tool designed to help appointed actuaries comply with the National Association of Insurance Commissioners (NAIC) annual statement requirements for a statement of actuarial opinion.*

The manual includes a summary of the text of the NAIC annual statement instructions for the statement of actuarial opinion for property/casualty and title insurance companies. The statement of actuarial opinion relates to the loss and loss-adjustment expense reserves. The manual outlines the statement of actuarial opinion requirements and the text of the statutes and regulations establishing those requirements.

The manual is available through the following:

- ▶ Single-user Web access that gives one person unlimited online access to the manual until Dec. 31, 2009 (subscribers receive a user name and password to access the manual online);
- ▶ Multiple-user Web access, permitting a company and its affiliates to give employees unlimited Web access to the manual until Dec. 31, 2009

(subscribers receive a single user name and password that can be distributed to employees who want access to the manual online);

- ▶ A single-user CD-ROM subscription, permitting one person to install a CD-ROM of the manual on a primary (workplace) and secondary (home or laptop) computer (it prohibits using or installing the CD-ROM on any other computer);
- ▶ A multiple-user CD-ROM subscription, permitting a company and its affiliates to reproduce and distribute an electronic version of the manual to employees (the CD-ROM is programmed in a multi-platform format);
- ▶ A single-user copy of the book.

Starting this year, PDF individual-state products will be offered in addition to the full 52-jurisdiction manual.

*The materials contained in the manual are for reference only and shouldn't be relied upon as a substitute for a thorough review of the laws, regulations, bulletins, and other materials published by individual U.S. states, Washington, D.C., or Puerto Rico, or for individualized legal advice. Please note that the manual is subject to federal copyright laws in favor of the Academy and the NAIC, and no portion of the manual in whole or in part may be reprinted, copied, or utilized without the express consent of the Academy, or where noted in the manual, the NAIC. For more information, contact: Philip Hafler (hafler@actuary.org).

2009 Life & Health Valuation Law Manual

You will soon be able to order the 2009 edition of the Academy's Life & Health Valuation Law Manual, a reference tool designed to help appointed actuaries comply with the requirements of the National Association of Insurance Commissioners (NAIC) model standard valuation law and the model actuarial opinion and memorandum regulation.*

The manual includes a summary of the valuation laws of all 50 states, Washington, D.C., and Puerto Rico, as well as copies of the NAIC's model laws and regulations that may have an effect on reserve calculations. It includes a discussion of generally distributed interpretations and copies of the current actuarial guidelines from the NAIC Examiners Handbook.

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- ▶ A single-user copy of the book.

*The manual was created as an easy reference tool only and shouldn't be relied upon as a definitive source or as a substitute for your own thorough review of the applicable laws, regulations, rules, bulletins, or other materials published by the relevant state or federal governments or agencies. This manual is also not a substitute for legal advice on the subject matter. Please note that the manual is subject to federal copyright laws in favor of the Academy and the NAIC, and no portion of the manual in whole or in part may be reprinted, copied, or utilized without the express consent of the Academy, or where noted in the manual, the NAIC. For more information, contact: Philip Hafler (hafler@actuary.org).