TERRORISM DRAMATICALLY ALTERED the early agenda of the 107th Congress, which began the year focused on a variety of domestic issues that by year’s end were going nowhere fast.

President Bush’s administration was making progress advancing two of its top legislative priorities — education reform and tax relief — when Sen. Jeffords’ May departure from the Republican Party shifted majority control of the Senate to the Democrats. Still, the president’s tax cut proposal was enacted into law in June. Eight weeks later, the Academy held an educational briefing for congressional staff on pension provisions of the new law, which increases annual benefit and contribution limits for employer-sponsored retirement plans and increases disclosures in pension plan conversions.

After Sept. 11, however, attention shifted abruptly from other domestic issues to homeland security and foreign policy. In November, the House passed legislation establishing a federal backstop to cushion the impact of potential future terrorist attacks on the insurance industry. Senate leaders worked to reach agreement on a separate terrorism reinsurance plan, but efforts to negotiate a compromise failed, partly due to disagreement over tort reform provisions included in the House bill, but also because of a failure to reach consensus on an economic stimulus package. Steve Lehmann, the Academy’s vice president for casualty issues, submitted written testimony in October for hearings of both the Senate Banking Committee and House Financial Services Committee.

The issue remains on the agenda for 2002, with passage a top priority for insurance industry advocates. The General Accounting Office is studying how a lack of affordable terrorism insurance might affect the U.S. economy. Officials from the Bush administration have said that evidence of economic disruption will be need-

A TALK WITH THE NEW ASB CHAIR
Hewing to a Strong Standard

BILL KOENIG, the new chairperson of the Actuarial Standards Board (ASB), became an actuary by accident and good fortune.

As a high school freshman in Illinois, he was asked to sit for a statewide mathematics exam. Unable to answer some of the more difficult questions, he passed the time looking through the exam book and discovered the exam had been co-sponsored by the Society of Actuaries.

“That piqued my interest,” Koenig remembers. “I didn’t even know what an actuary was.”

Later, when asked what career he wanted to pursue, Koenig would say that he planned on being an actuary — an answer, he now admits, designed as much to flummox those who didn’t know what an actuary was as it was to indicate decided interest in the field. It wasn’t until he was majoring in mathematics at the University of Illinois, Koenig says, that he decided to make good on his threat and began seriously considering a career in actuarial science.

Now a senior vice president and chief
Academy NEWS Briefs

Reaching Out to Local Clubs

As part of an effort to have Academy leaders meet with more members at the grassroots level, Academy President Dan McCarthy has sent letters to 55 local actuarial clubs and affiliates offering to send an Academy officer to one of their meetings.

"We believe we can better carry out the Academy’s mission if we broaden our two-way communication with actuaries in this country,” McCarthy said. “Speaking at club meetings seems like a good way to do that.” The Academy has always responded to requests to have an Academy officer attend meetings of local and regional actuarial organizations, McCarthy noted, but this is the first time the Academy has sought opportunities for such appearances.

McCarthy is already scheduled to attend several local meetings and plans to travel to at least 15 others this year. Clubs that are interested in scheduling a visit from an Academy officer should contact Angela Heim, the Academy’s external relations and membership outreach manager (heim@actuary.org; 202-223-8196).

As a bonus, local clubs can schedule a joint appearance with officers from both the Academy and the SOA. Similar arrangements are being made with the CAS, McCarthy said.

EA Meeting


Come to Cancun

The 27th International Congress of Actuaries will meet March 17-22 in Cancun, Mexico. For more information go to www.ica2002.com.

The Academy’s Membership Committee has two new members: Regina Berens, vice president and chief actuary at Scruggs Consulting in Wyckoff, N.J., and John Schubert, a senior consultant with PricewaterhouseCoopers LLP in Chicago.

The List

Defined benefit plans are hot. Just ask Robin Givhan of the Washington Post, who asked them to her annual New Year’s compilation of what’s in and what’s out. What’s on the way out? You guessed it: tech stocks.

CASUALTY NEWS

Asbestos Monograph: The Casualty Practice Council’s Mass Tort Work Group recently published Overview of Asbestos Issues and Trends, a brief history of personal injury claims arising out of asbestos exposure. For a copy, contact Heather Jerbi, the Academy’s legislative assistant (jerbi@actuary.org; 202-223-8196), or download it from www.actuary.org/pdf/casualty/mono_dec01asbestos.pdf.

Andrea Sweeney, a principal at Casualty Actuarial Assistance LLC in Meriden, Conn., is the new chairperson of the Academy’s Committee on Property and Liability Financial Reporting. She replaces Patricia Teufel, who is the Academy’s new vice president for financial reporting issues. Stuart Suchoff, a principal at Milliman USA in Irvine, Calif., is the new chairperson of the Committee on Property and Casualty Risk-Based Capital, replacing Michael McCarter.

A Washington Post article on federal support for the insurance industry in the wake of Sept. 11 quoted J. Robert Hunter, a consulting actuary and director of insurance for the Consumer Federation of America in Arlington, Va., Stephen Lowe, a principal with Tillinghast-Towers Perrin in Hartford, Conn., and Todd Bault, a senior research analyst at Sanford C. Bernstein & Co. in New York.

An article about reinsurance markets that ran in the Bergen County, N.J., Record quoted Matt Mosher, group vice president-property/casualty for A.M. Best in Oldwick, N.J., on the boom in new business for insurance companies operating in Bermuda in the wake of the Sept. 11 attacks.

A Chicago Tribune article about the rising cost of auto insurance quoted Gary Grant, vice president and actuary for State Farm Mutual Auto Insurance Co. in Bloomington, III.

Anju Arora, an associate actuary with Hartford Financial Services Group, in Hartford, Conn., was profiled in the Hartford Courant about her job as an actuary.
Role of the Federal Medicare Actuary?, describing the role played by the chief actuary of the Centers for Medicare and Medicaid Services and his staff in assessing the financial viability of Medicare. For a copy, contact Heather Jerbi, the Academy’s legislative assistant (jerbi@actuary.org; 202-223-8196), or download it from www.actuary.org/briefs.htm#med. The Health Practice Council is currently shepherding two other issue briefs through production: one on the concept of defined contribution and Medicare, the other on genetic information and long-term care and disability income insurance.

The following have recently joined the Academy’s Health Rate Filing Task Force: Damian Birnstihl, corporate actuary, and Paul Fleischacker, vice president and chief actuary, of Highmark Inc. in Pittsburgh; Bryan Miller, vice president and chief actuary of Blue Cross/Blue Shield of Kansas City in Kansas City, Mo.; Diane Seaman, executive director of Anthem Blue Cross and Blue Shield in Louisville, Ky.; Tove Stigum, associate actuary of Blue Cross/Blue Shield of Vermont in Montpelier, Vt.; and Anthony Wittman, vice president and chief actuary of Blue Cross/Blue Shield of Louisiana in Baton Rouge, La.

A Wall Street Journal column on the market for term-life insurance after Sept. 11 quoted J. Robert Hunter, a consulting actuary and director of insurance for the Consumer Federation of America in Arlington, Va.

Joining the Academy’s Pension Accounting Committee are Kenneth Friedman, a consulting actuary at Milliman USA in Melville, N.Y., and Mark Beilke, director of employee benefits research at Milliman USA in Vienna, Va.

Ken Buffin of Buffin Partners, Inc. in Rutherford, N.J., has joined the Academy’s Social Insurance Committee, as has Bob Randall of Stamford, Conn., a retired actuary featured in Continuities in 1999. Adrien LaBombarde has left the committee.

The new chairperson of the Governmental Accounting Standards Board, the Academy’s Pension Accounting Committee recently sent a letter commenting on the feasibility of an alternative estimation method of calculating the obligations associated with small OPEB plans. To read the letter go to www.actuary.org/comments.htm#6.

A Business Week article on 30-year Treasury bonds quoted Mark Beilke and Ron Gebhardtbsauer, the Academy’s senior pension fellow. Gebhardtbsauer was also quoted in a Philadelphia Inquirer article on preparing for job layoffs.

A Wall Street Journal column on pension payouts quoted Larry Sher, a principal with Unifi Network, a Pricewaterhouse-Coopers unit in Teaneck, N.J., and a member of the Academy’s Pension Practice Council.


An article in Business Insurance on 401(k) catch-up provisions quoted Amy Reynolds, a principal at William M. Mercer, Inc. in Glen Allen, Va.

Michael Young, a worldwide partner at William M. Mercer, Inc., in Minneapolis, co-authored an article on retirement planning that ran in the quarterly WorldatWork Journal.

The Academy’s new vice president for professionalism issues is Robert Rietz, a director with Deloitte & Touche in Detroit and a former president of the CCA. He replaces Henry Knowlton, who resigned to devote more time to personal matters.

The new chairperson of the Academy’s Life and Health Qualification Seminar Task Force is Timothy Harris, a principal with Milliman USA in St. Louis. He replaces Robert Beuerlein, who will remain on the task force.

The new chairperson of the Academy’s Committee on Professional Responsibility is Tom Bakos of Tom Bakos Consulting Inc. in Harrisburg, Pa. He replaces Allan Ryan.

The new chairperson of the of the ASB Casualty Committee is Robert Miccolis, a member of the Academy’s Board of Directors and a consulting actuary with Deloitte & Touche LLP in Philadelphia.

New members of the Academy’s Life Financial Reporting Committee are Matt Clark, manager and consulting actuary of Ernst & Young, LLP in Chicago, Carol Salomone, vice president of Allianz Life Insurance Co. of North America in Minneapolis, and Greg Smith, a consulting actuary with Tillinghast-Towers Perrin in Weatogue, Conn.

Iowa Insurance Commissioner Terri Vaughan was elected president of the NAIC in December. She was formerly an NAIC vice president.

Michael Braunstein, a member of the Academy’s Communications Review Committee and the Editorial Advisory Board for the Actuarial Update, is the director of North American operations for BPP Professional Training in Weatogue, Conn. He was formerly president and chief executive officer of Actex Publications.

Burt Jay, vice chairperson of the Academy’s Financial Reporting Council, chairperson of the Academy’s Accounting Policies Task Force and the State Health Issues Committee, and former Academy treasurer and vice president, has retired as senior vice president and actuary for the Mutual/United of Omaha Insurance Co. in Omaha, Neb. He will continue to consult part time for the company and will remain active in Academy activities.

Rowland Cross has retired as principal actuary of the Internal Revenue Service (IRS) in Washington. He had been an employee of the IRS for 28 years and served as a member of the Joint Board for the Enrollment of Actuaries for 10 years, including a stint as board chairman. He is a charter member of the Academy.

Terry Watson is senior actuarial associate with Union Central Life Insurance Co. in Cincinnati, Ohio. He was formerly senior actuarial associate with General American Life Insurance Co. in St. Louis.
MEMBERS OF THE ACADEMY’S Financial Reporting Council met in November with members and staff of the Financial Accounting Standards Board (FASB) for a broad-ranging discussion of issues with a heavy emphasis on fair value accounting.

Topping the agenda was a discussion of the draft statement of principles being developed by the Insurance Steering Committee (ISC) of the International Accounting Standards Board (IASB). The ISC is proposing that insurance liabilities be accounted for under the entity-specific approach — which discounts insurance liability cash flows assuming that obligations related to insurance contracts are settled over the lifetime of the contracts — as long as the existing international accounting standards are in place. It is the view of the ISC that a reporting entity’s own credit rating isn’t reflected in determining the value of the liabilities under the entity-specific method. Some FASB members indicated a preference for a fair value approach, which uses the current market value or an estimate of the market value of a financial instrument, over one based on historical cost or an entity-specific method.

The two groups also discussed the limitations on using reinsurance transactions for determining the fair value of similar liabilities. Academy members pointed out that the cost of reinsurance may not reflect the same risks that were included in the original liability and that the characteristics of the reinsurance asset only partially offset the risks of the liability to the policyholder. Similarly, the group discussed the reliability of the risk margins reflected in the liability and the potential conflict between reliability and relevance.

Several main points in the Academy’s Fair Value Task Force response to the Draft Standard on Accounting for Financial Instruments created by the IASB’s Joint Working Group were discussed, including:

- The Academy’s position that if fair value accounting is adopted as an international standard it should be comprehensive and apply to all financial instruments and entities at the same time.
- The Academy’s position that the required disaggregation of the components of the change in fair value liabilities from period to period should be limited, but under a fair value system, the change due to change in credit standing, if required, should be shown separately.

FASB members expressed a strong commitment to convergence with international standards as they emerge and assured us that the Academy’s opinions are valued.

In addition to myself, council members attending the meeting were Pat Teufel, the Academy’s vice president for financial reporting issues, Ralph Blanchard, a member of the Academy’s Board of Directors, Peter Duran, Dave Sandberg, chairperson of the Academy’s International Task Force, and Andrea Sweeney, chairperson of the Academy’s Joint Financial Reporting Task Force.

Burt Jay is vice chairperson of the Academy’s Financial Reporting Council and chairperson of its Accounting Policies and Procedures Task Force.

KOENIG continued from Page 1

Was born in Chicago; lives now in Milwaukee.

Has a bachelor’s degree in mathematics from the University of Illinois.

Has been married to his wife Linda for the past 32 years and is the father of three children.

Enjoys reading and bicycling in his spare time.
ed to get Congress to act on terrorism reinsurance. With federal attention and resources diverted to the war on terrorism, the health care agenda largely fell by the wayside. Before September, the House and Senate had each passed patient protection measures. But extensive negotiations failed to break a stalemate, and a conference committee had not been appointed by year-end. Similarly, no progress was made in establishing a new Medicare prescription drug benefit, despite the introduction of several proposals. Earlier in the year, the Academy released an issue brief on providing prescription drugs to seniors in conjunction with an April 9 Capitol Hill briefing on the topic.

The outlook for health issues in 2002 is uncertain, even as Congress faces continuing political pressure to improve affordable prescription drug coverage for seniors. A formal conference on patient protection legislation is expected this year (the Academy released an issue brief on patient protection legislation and managed care last spring), and the problem of the uninsured, spurred by layoffs in the wake of Sept. 11 and recent statistics indicating a 6.9 percent increase in health costs last year, could provide momentum for legislative efforts to tackle this issue.

The creation of the president's Social Security reform commission in May generated some attention on Social Security. Anticipating the commission's final report in December, the Academy released an issue brief in November on annuitization of individual Social Security accounts. The Academy's first Capitol Hill briefing of 2002 on Jan. 16 centered on this issue but also gave a large audience of congressional staff and other policy-makers the opportunity to discuss related issues in the commission's report as well. However, little legislative action is expected in 2002.

During 2001, Congress began to recognize the effect of the discontinuance of 30-year Treasury bonds on defined benefit pension plans. In October, the House passed an economic stimulus bill that would have temporarily replaced the 30-year Treasury interest rate with a higher rate. The Senate opted not to take up the bill before adjourning. Advocates are actively pursuing a legislative remedy this year, however, and this is a key issue for discussion during Capitol Hill visits by members of the Academy's pension practice council in early February. On Feb. 25, the Academy will also sponsor a briefing for congressional staff and media representatives to highlight a new study by the Society of Actuaries on post-retirement risk.

The issue of an optional federal charter for insurers is also likely to receive congressional attention in 2002. Proposals were unveiled in 2001 by several major trade groups—including the American Council of Life Insurers, the American Insurance Association, and the American Bankers Insurance Association—and Sen. Charles Schumer (D-N.Y.) drafted legislation for introduction. The Academy's Federal Charters Work Group is currently writing a monograph on the issue that is planned for release later this spring in conjunction with a Capitol Hill briefing. An additional briefing is planned on the differences between banking and insurance risk.

Overall, the political realities of congressional redistricting, midterm elections, federal budgetary constraints, and a narrow margin of control in both chambers will limit the prospects for major legislation in 2002. In such a partisan environment, consensus on most issues will be difficult to achieve. A narrow window of opportunity for any action will rapidly close by late spring, with the remainder of the year likely to focus on "must-do" items, such as annual appropriations measures.

As they did in 2001, Academy members will continue to play an active role in the legislative process, participating in meetings with Capitol Hill staff, holding Capitol Hill briefings, drafting papers on timely policy issues, and responding to requests for actuarial expertise from policy-makers.

— TODD TUTEN

Nominations Sought for Myers Award, Board

DO YOU KNOW AN ACTUARY who has made an outstanding public service contribution? The Academy is looking for nominations for the 2002 Robert J. Myers Service Award. The award, named for the former chief actuary of Social Security, recognizes candidates with a single noteworthy public service achievement or those who have devoted careers to public service. The nominee may be a current or former government employee, the employee of an organization whose primary focus is government work, or an unpaid volunteer working at a philanthropic organization. Public work completed by a paid consultant, by a member of an actuarial committee, or by an officer of an actuarial organization is ineligible. You may e-mail your nomination to griffin@actuary.org. All nominations are due March 1.

The Academy is also looking for nominations for the 2003 Academy Board of Directors. Directors will be elected at the Academy's annual meeting in Washington in October. A reply card is enclosed with this issue of the Update. You may also e-mail nominations to winkel@actuary.org. All nominations must be received by May 1.
As part of its public policy mandate, the Academy has always used a variety of approaches — including testimony before Congress, comment letters on legislation and regulatory proposals, and monographs and issue papers — to get its message out to policy-makers, the media, and members of the public. 2001 was no different. The Academy released issue briefs on topics such as providing prescription drugs for seniors and Social Security’s financial condition, a monograph on asbestos, and numerous reports to the NAIC. And in the aftermath of Sept. 11, the Academy used a variety of means to communicate an actuarial perspective on the effects of terrorism on the insurance industry.

Here are the public statements issued by the Academy in 2001. All are available to members. If you’re interested in more information, contact Legislative Assistant Heather Jerbi (Jerbi@actuary.org; 202-223-8196) or go to www.actuary.org/pubs.htm or www.actuary.org/issues.htm to view the originals.

**Casualty**
- **February 5** letter to the NAIC on its catastrophe reserve proposal
- **June 5** comments to the NAIC on a variety of Schedule P proposals
- **June 5** comments to the NAIC on an Illinois blanks proposal to change the annual statement instructions for statements of actuarial opinion
- **June 8** letter to the NAIC on hedge effectiveness and index-based derivatives
- **June 10** monograph, "Insurance Industry Catastrophe Management Practices"
- **June 22** letter to Connecticut State Sen. John Fonfara on a Connecticut legislative task forces auto insurance study
- **July 12** presentation to the National Conference of Insurance Legislators (NCOIL) on workers’ comp issues
- **July 12** presentation to NCOIL on catastrophe reserve proposals
- **August 5** letter to the NAIC on catastrophe reserve proposal
- **October 9** letter to the House Financial Services Committee urging actuarial inclusion in proposed catastrophe loss commission
- **October 25** testimony for the Senate Committee on Banking, Housing, and Urban Affairs and the House Committee on Financial Services on terrorism insurance proposals
- **November 28** letter to every member of the U.S. House of Representatives on terrorism insurance legislation
- **December 5** letter to every member of the U.S. Senate on terrorism insurance legislation
- **December** monograph, "Overview of Asbestos Issues and Trends"
- **December** addendum to P/C practice note on considerations related to terrorist attacks for actuarial opinion statements on P/C loss reserve as of Dec. 31, 2001
- **December** statements of actuarial opinion on P/C loss reserves as of Dec. 31, 2001

**Health**
- **January** issue brief, "Risk Classification in Voluntary Individual Disability Income and Long-Term Care Insurance"
- **January** letter to the NAIC on the 2001 Health RBC formula
- **March** report to the NAIC on the health formula for treating health care delivery assets
- **March** report to the NAIC on the health and life RBC factors for disability insurance products
- **March** issue brief, “The Effects of Proposed Patient Protection Legislation onManaged Care”
- **April** issue brief, “Providing Prescription Drugs to Seniors: A Patchwork of Coverage”
- **April 26** statement on the 2001 Medicare Trustees Report

**Financial Reporting**
- **March 16** letter to FASB on exposure draft concerning business combinations and intangible assets in goodwill accounting
- **May 18** letter to the NAIC on proposed changes to the “Accounting Practices and Procedures Manual”
- **May 29** letter to the IASB on hybrid financial instrument accounting treatment

**August 29** comments to the NAIC on SSAP 54
**September 21** comments to FASB on a proposed accounting standard for financial instruments
**December 9** session at the NAIC winter meeting on risk management in the insurance industry
**December 9** letter to the NAIC on mapping of insurance risks into banking risks
STATEMENTS

AUGUST issue brief, “Federal Tax Incentives for Long-Term Care Insurance: Actuarial Issues and Public Policy Implications”
AUGUST 29 comments to the NAIC on SSAP 54
SEPTEMBER issue brief, “How Is Medicare Financed?”
SEPTEMBER report to the NAIC on health and life RBC formulas
SEPTEMBER status report to the NAIC from the Long-Term Care Work Group
DECEMBER status report to the NAIC from the Long-Term Care Work Group
DECEMBER progress reports to the NAIC of the H RBC LTC and Stop-Loss Work Groups

LIFE

JANUARY 24 letter to the New York State Insurance Department on its draft survey about VAGLBs
MARCH letter to the NAIC on draft actuarial guideline VL-GMDB
MARCH 21 letter to the NAIC on speed to market
MARCH 21 presentation to the NAIC on loading of 2001 CSO mortality table
MARCH 22 report to the NAIC on various topics, including a draft VAGLB practice note
MARCH 26 comments to the NAIC on a proposed change in the treatment of common stock in the life RBC formula
MARCH 26 report to the NAIC on recommended tax factors for 2001 life RBC and deferred assets
MARCH 26 report to the NAIC on the C-1 treatment of real estate
MARCH practice note, “NAIC Model Regulation XXX Practice Note”
APRIL draft practice note, “Variable Annuity Guaranteed Living Benefits”
APRIL report by COLIFR on its GAAP survey
JUNE 1 letter to the NAIC on amending the regulation on actuarial opinions and memorandums
JUNE presentation to the NAIC on recommended changes to Actuarial Guideline VL-GMDB
JUNE report to the NAIC on the proposed 2001 CSO mortality table
JUNE report to the NAIC on life RBC tax codification factors and instructions
JUNE report to the NAIC on recommended changes in the LRBC instructions on concentration calculation for replication transactions
JUNE report to the NAIC on LRBC instructions for C-3 interest rate risk
JUNE report to the NAIC on common stock covariance instructions
JUNE report to the NAIC on Federal Home Loan Bank stock changes
JUNE progress report to the NAIC from the VAGLB Work Group
AUGUST 24 letter to the NAIC on reserve requirements and SSAP 51
SEPTEMBER report to the NAIC from the VAGLB Work Group
SEPTEMBER status report to the NAIC from the Nonforfeiture Work Group
SEPTEMBER status report to the NAIC from the C-3 Subgroup on a recommended approach for setting regulatory risk-based capital requirements for variable account guarantees
OCTOBER 9 comment letter to the NAIC on standards of life insurance products
NOVEMBER 16 codification maintenance agenda submission form for group annuities
DECEMBER letter to the NAIC on Life Practice Council reorganization and support of new standard valuation law
DECEMBER draft report to the NAIC from Commissioners Standard Ordinary Task Force
DECEMBER report to the NAIC on refinements to the life RBC formula
DECEMBER report to the NAIC on proposed new RBC method for separate accounts
DECEMBER update report to the NAIC on deferred tax assets
DECEMBER report to the NAIC from the VAGLB Work Group

PENSION

FEBRUARY issue brief, “Raising the Retirement Age for Social Security” (revision of a 1997 issue brief)
APRIL 27 comments to the Treasury Department on the RP-2000 mortality table
MAY practice note, “Selecting and Documenting Investment Return Assumptions”
MAY issue brief, “Assumptions Used to Project Social Security’s Financial Condition”
MAY issue brief, “An Actuarial Perspective on the Social Security Trustees Report”
JULY 11 public statement on the impact of low 30-year Treasury rates on DB plans
JULY 17 testimony by Ron Gebhardt to the ERISA Advisory Council on increasing pension coverage and preparing for retirement
OCTOBER 12 letter to the Treasury Department on the pension provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001
OCTOBER updated issue brief, “Social Security Benefits: Changes to the Benefit Formula and Taxation”
NOVEMBER issue brief, “Annuitzation of Social Security Individual Accounts”
DECEMBER 20 letter to the Governmental Accounting Standards Board on calculating obligations with small OPEB plans

PROFESSIONALISM

FEBRUARY 20 letter to the Immigration and Naturalization Service on including actuaries on the list of professionals eligible for facilitated cross-border temporary entry under NAFTA
MARCH 29 comments to NAIC on its proposed qualification requirements for life and health actuaries
SEPTEMBER 21 letter to the Joint Board for Enrolled Actuaries requesting a deadline extension for CE credits for EAs
The world has changed since Sept. 11. The threat of another catastrophic terrorist attack is reshaping the property and casualty insurance industry, and the potential impact of bioterrorism has profound implications for both the health and life insurance industries.

But these are not the only challenges in the new millennium. Major demographic shifts that are just beginning to be felt will have a tremendous impact on employee benefits, in both the private and public sectors. Continuing globalization of the world’s economy will profoundly affect actuarial practice in coming years.

These forces are driving public policy at both federal and state levels, altering the shape of the insurance and employee benefits industries, and recasting actuarial practice as we know it. Actuaries need to be prepared to shape the inevitable changes in their world, before those changes shape them.

The American Academy of Actuaries’ 2002 Washington Forum will provide you with knowledge and insight as you prepare yourself for the future, as well as an opportunity to voice your opinions to policy-makers who are shaping the future today.

WEDNESDAY, MAY 15

5:00–7:00 pm
Washington Forum Opening Reception

THURSDAY, MAY 16

8:00–9:15 am
Opening Breakfast
The Policymakers’ View from Washington
A panel of key congressional staff and Bush administration officials will provide an overview of the status and prospects for the major legislative and policy issues being debated on Capitol Hill.

9:30–10:50 am
General Session 1: Key Issues and Action for 2002
A panel of experts from major public policy and trade organizations will discuss the key public policy issues in the P/C, health, life, and employee benefits areas.

11:00 am–12:15 pm
Concurrent Sessions
▶ 2A—Terrorism: A New Challenge for the Property/Casualty Actuary
▶ 2B—Demographic Pressures on Social Security and Medicare: Are we Ready?
▶ 2C—Bio-terrorism: A Future Catastrophe for Health Care Actuaries?
▶ 2D—Emerging National and International Financial Paradigms

12:30–2:00 pm
American Academy of Actuaries Washington Luncheon
Keynote: Lawrence Kudlow
One of the most respected economists advising Wall Street today, Kudlow will offer his unique insights on emerging financial trends along with a Washington insider’s perspective on future government regulation.

Award Presentation: 2001 Robert J. Myers Public Service Award

2:15–3:15 pm
General Session 3—Professionalism and International Practice

3:25–4:30 pm
General Session 4—Academy Open Forum
Moderator: Dan McCarthy, President, American Academy of Actuaries
Panelists will hold an open discussion on how Sept. 11 affected the actuarial profession, the lessons learned about disaster preparedness, and other major issues challenging the actuarial profession today.

For further information and to register, go to www.actuary.org. Look for a complete registration packet in your mail later this month.