



Academy Senior Pension Fellow Ron Gebhardt explains Social Security's demographic and financing problems to reporters at a news conference at the National Press Club in Washington, D.C.

Welcome to the inaugural edition of *Media Update*, a newsletter dedicated to covering the media and external relations activities of the American Academy of Actuaries.

As the voice of actuaries on public policy and professionalism issues, the Academy has a unique and important role to play in raising the profile and improving the image of the actuarial profession. Through its media and external relations programs, the Academy speaks for the profession to policy-makers, the media, business leaders, and the public. And, as you will see, people are listening.

We hope that you will find *Media Update* a must-read. It will be published three times a year. Please feel free to send us a note with your comments to [mediaupdate@actuary.org](mailto:mediaupdate@actuary.org).

— The Editors

*Media Update*

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What's Making News

## Actuaries Gain Prominence in National Debates

### Social Security Reform and Pension Turmoil Drive News Coverage

When President Bush announced that Social Security reform was going to be at the top of his domestic policy agenda for his second term, actuaries were immediately pushed to center stage in what has become a contentious national debate. While the debate has coalesced around the predictable political fault lines, the actuarial profession has stayed neutral, acting as a valuable source of sound, nonpartisan policy analysis.

Since the beginning of the year through April, the Academy has been quoted or cited by media outlets in stories about Social Security 108 times, more than half of the media placements the Academy has garnered this year.

**Social Security News**

In the first four months of 2005, the Academy has appeared in 108 stories, including these media outlets:

- The New York Times*
- USA TODAY*
- The Wall Street Journal*
- National Public Radio*
- CNNmoney.com*
- Kiplingers*
- National Review*
- Newsday*
- International Herald Tribune*
- The Philadelphia Inquirer*
- Detroit News*
- Detroit Free Press*
- The Baltimore Sun*
- The Kansas City Star*
- St. Louis Post-Dispatch*

The Academy has been in stories ranging from front-page articles in *USA Today* and editorials in *The New York Times*, to reports on National Public Radio and on high-profile media websites, such as CNNmoney.com. Academy spokespersons have commented on topics as varied as the impact of longevity and early retirement on the trust fund, to Federal Reserve Board Chairman Alan Greenspan's call for reform sooner rather than later.

To help inform the media about the many complexities of reform, the Academy held a press briefing on Feb. 1 at the National Press Club in Washington. Academy Senior Pension Fellow Ron Gebhardt walked reporters through Social Security's financing and explained the impact of the various reform proposals that had been floated by the Bush Administration.

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Senior Health Fellow Cori Uccello briefed Capitol Hill staff on Medicare reform in April.

the country. *The New York Times* has used it twice in editorials on Social Security, while dozens of other media outlets used the letter in articles about the claim the program was in “crisis.” The Academy promoted the letter as part of its efforts to clarify complex actuarial issues for the media and the public. “The concept of an ‘infinite horizon,’ as it was being called, is one that actuaries and economists understand, but many reporters, and most of the public, finds confusing. A key to having an honest public debate on Social Security is a common understanding of



The Academy was the only non-governmental organization mentioned during the release of the Social Security and Medicare Trustees' reports.

Social Security and Medicare/Medicaid Trustees' reports on March 23. A reporter used the letter in tough questioning of Treasury Secretary John Snow, who was joined at the event by Labor Secretary Elaine Chao and Health and Human Services Secretary Mike Leavitt. Citing the Academy's letter, a reporter asked Snow if the infinite horizon estimates were “misleading.” Snow explained that the estimates came from the actuaries at the Social Security Administration, saying, “I have a lot of respect for actuaries.” The Academy was the only non-governmental organization mentioned during the news conference.

The biggest actuarial newsmaker so far has been the Academy's Dec., 2003 letter to the Social Security trustees regarding the use of infinite time-period estimates of the program's unfunded obligations. The letter has been cited, debated, praised, and condemned in articles and editorials across

the concepts and numbers used in the debate, and we felt a responsibility to go on record with an explanation,” said Bruce Schobel, one of the principal architects of the letter and an Academy board member at the time.

The Academy's letter cropped up at the news conference releasing the

Following the release of the Trustees' reports the Academy held a Capitol Hill briefing on April 1 that also covered Medicare reform. “Creating forums where legislative staff and reporters can interact with actuaries is one of the most effective ways we have to raise the level of debate on major national issues,” said Craig Hanna, the Academy's director of public policy. Hanna, who served 16 years as a congressional staffer, noted that, “the Academy is considered an honest broker of thoughtful analysis on the Hill.”

## DB Pensions Woes Make Headlines

Troubles with America's defined benefit (DB) pension system has become a hot topic with the media, and Ron Gebhardt'sbauer has become one of the most sought after experts on the issue. In the first four months of the year the Academy was cited in 35 stories on pension reform, including comments on the Bush administration's proposals and the financial status of the Pension Benefit Guaranty Corporation (PBGC). The Academy also offered its own principles for reform.

When a bankruptcy judge approved the termination of United Airlines' DB plans, pension news became red hot. Gebhardt'sbauer was quickly scheduled for interviews on MSNBC and BBC radio, after talking to numerous newspaper and trade press reporters who called for his input. Because erroneous reports on the impact of the UAL terminations began surfacing, the Academy issued a news release and fact sheet showing that the terminations would have little or no impact on the PBGC's growing deficit. “Clarifying complex issues is one of our most important jobs. With more than 10,000 media outlets in the country, not including Internet media, a mistake can be repeated thousands of times in just a matter of hours. That requires that we move quickly and decisively to correct serious cases of misinformation,” said Ken Kent, the Academy's vice president for pensions. ♦



Senior Pension Fellow Ron Gebhardt'sbauer explains the impact of the United Airlines pension terminations to a global audience on BBC Radio's “World Business Review” show.

## A Newsworthy Endorsement for Actuarial Professionalism

A letter the Academy sent to members of congressional leadership in March has created quite a stir. The letter was about a little known loophole in the laws that govern the positions of chief actuary for the Social Security and Medicare programs: the chief actuaries do not have to be actuaries. In light of the political pressures and public scrutiny the actuaries in these positions must undergo, the Academy called upon Congress to change the law to require that the chief actuaries be members of the Academy. This would ensure that the chief actuaries actually are actuaries. In an editorial on April 12 entitled “Strength in Number Crunchers,” *The New York Times* wrote of the Academy's proposal, “Every once in a while, an idea comes along that's so breathtakingly sensible it immediately demands support,” and “We endorse this wholeheartedly.” Academy president Bob Wilcox said, “Having one of the most influential newspapers in the country endorse our proposal is an unprecedented accomplishment.” ♦

## The New York Times

**“We endorse this wholeheartedly.”**

*In Other News***Medicare, Health Care, Other Issues Garner Ink**

**S**ocial Security reform may be in the headlines, but the imminent financing problems of Medicare have not gone unnoticed. Academy Senior Health Fellow Cori Uccello has been a regular source for the media, both on-the-record and in background interviews. The complexity of the Medicare program makes it more difficult to explain reform options, which is why Uccello's expertise has been sought by reporters from the *New York Times*, *Wall Street Journal*, and the Knight-Ridder wire service. She has been quoted in major Medicare articles that have appeared in *USA Today* and Bloomberg News, which titled its article, "Actuaries Group's Uccello Comments on Medicare Trustees Report." When the Academy issued a statement urging further action to address Medicare's financing woes, 17 media outlets, including *Kiplingers*, CNN Money.com, and the Dallas Morning News.com, covered the statement.

The Academy's issue brief critiquing proposed legislation for association health plans generated articles in both the trade and mainstream media.

The trade press has been covering the Academy's work on life issues, ranging from universal life reserving to C-3 Phase II, with articles in *National Underwriter*, *BestWeek*, MSN Money.com, A.M. BestWire, and InsuranceNewsnet.com.

Asbestos reform generated the most property-casualty news with the Academy being cited in *BestWire*, *National Underwriter*, and the *Rocky Mountain News*. Finite-risk issues and the fate of TRIA have gained prominence with a spate of interviews conducted with Academy spokespersons that will likely result in stories in the next few weeks. ♦

**A Fast and Furious Start**

**W**hile the success of a media relations program cannot be measured only in numbers, a comparison of some of the key statistics from the first four months of this year versus 2004 demonstrates how the Academy takes advantage of issues that are driving media coverage.

In 2004, the Academy generated a total of 225 media placements, conducted 84 interviews, and handled an additional 39 media inquiries. In the first four months of 2005 it has 208 media placements and has conducted 74 interviews. The Academy generated 52 million media impressions\* in all of 2004, compared to 40 million so far this year.

"By positioning the profession as a credible, reliable source of nonpartisan analysis, we have become a major news source for reporters," said Academy Communications Director Noel Card. He noted that the careful coordination of the Academy's media relations, government relations, and professionalism operations has helped to establish the Academy's positive image with the media and on Capitol Hill.

**ACADEMY NEWS RELEASES**

January - May 2005

- March 1 Issue Analysis on Multi-Employer Pension Plans
- March 3 Actuaries Support Greenspan's Call for Action on Social Security
- March 16 Issue Brief- Medicare Next Steps
- March 18 Issue analysis on President Bush's Single-employer Pension Funding Proposal
- March 23 Social Security and Medicare Trustees' Reports Show No Significant Change
- April 11 Fact Sheet Explains Credit Balances for Pension Plans
- April 12 FAQs on Association Health Plans
- April 26 Actuaries Seek Improvements to Pension Reform Proposal
- April 27 Disease Management Programs: What's the Cost?
- May 17 Does the United Airlines' Pension Plans' Termination Increase the PBGC Deficit?

\*A media impression equals the number of readers, viewers, or listeners of the media outlet for that day or time slot.

*Thank You, Larry Summers***Breaking "Stereotypes" About Actuarial Science**

**DONNA CLAIRE**, the Academy's vice president for life issues, knows full well how a news story can gain a life of its own. Tom Marony and Michael Goldman, the hosts of the "Simply Put" show on Bloomberg Radio, had been discussing the much celebrated case of Harvard President Larry Summers' remarks regarding the under-representation of women in the sciences and technology fields. This led to a discussion of the inherent unfairness of using "stereotypes," including in the setting of insurance rates.

The Academy arranged for Claire to explain the difference between stereotypes and how actuarial science is used in insurance. "It took a while for me to explain the analytical techniques we use, but by the time we were done they understood that the work that actuaries do is completely different than stereotyping." Chalk one up for truth, justice, and the actuaries. ♦

	2004
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## Spokesperson Training Keeps Pace With Demand

Having the right people in the right places to talk to the media is a crucial element of the Academy's media relations program. The Academy's Official Spokespersons Program provides specialized training for actuaries who speak to the news media.



Senior Health Fellow Cori Uccello (right) discusses interview strategies with Chris Robichaux, Assistant Director for Public Affairs, and Tracey Young, Media Relations Manager, at one of the media training program's studios.

Since the first class in December 2002, 31 actuaries have been trained during nine training sessions. The program has grown beyond the Academy, with one member of the Casualty Actuarial Society and two from the Society of Actuaries participating.

Actuaries who have taken the class find it an adventure in reprogramming the way they think and express themselves. For example, Academy senior health fellow, Cori Uccello, said it has helped her with communicating with congressional staff members who want bullet points of facts.

Tim Tongson, an Academy spokesperson for optional federal charters, said the training helped him focus, stay with his developed message, and avoid the non-germane subjects during an interview.

There is a shock factor when introducing actuaries to both the mechanics and the thinking process of news creation and distribution. "Some actuaries believe that doing a brain dump is the only way to communicate

complex actuarial concepts. In most circumstances, that does not work with the media. Training helps actuaries learn how to shape information for reporters, increasing the likelihood that it will actually be used," said Chris Robichaux, manager of the training program. ♦

### Media Training by Area

Casualty	5
Pension	5
Health	8
Life	2
Leadership	3
Risk Mgt. & Financial Reprt.	5
CAS	1
SOA	2

## Newsmakers

### The Snow Man Cometh

When Treasury Secretary John Snow agreed to be the speaker for the Academy's Washington Luncheon at the 2005 Spring Meeting, it guaranteed that there would be unprec-



C-SPAN, CNBC, Bloomberg Television, and more than a dozen print reporters, covered Treasury Secretary Snow's appearance at the Academy's Spring Meeting, which was followed by an impromptu media huddle.

edented media coverage of the event. An entourage of reporters followed Snow to cover his remarks, which were carried by C-SPAN, CNBC, and dozens of other media outlets.

Snow is the highest ranking federal government official to ever address an actuarial meeting, and the fact that the Bush administration accepted the invitation is evidence that the opinion of the actuarial profession is considered important in the public debate on Social Security reform. "This is just further evidence of our growing credibility in the public policy arena on Social Security and Medicare reform — and especially on pension reform," said Ken Kent, the Academy's vice president for pensions. ♦

## Media Insights: On Background

Getting a quote in the first paragraph of a front page, above-the-fold news story is a coup. But the Academy also is interested in helping the media even when it means a spokesperson will not be quoted. Being a reliable source involves providing information "on background."

Spokespersons are regularly interviewed on background, and briefings of reporters is a major part of the Academy's media relations program. One of the Academy's recent "background" media efforts was the publication of its *2004 Election Guides* (on Medicare, Social Security, and Americans Without Health Insurance.) While the guides did not generate any headlines on their own, during a recent conversation, Kristin Hallam, a Capitol Hill reporter with Bloomberg News, thanked the Academy for the guides, saying that she and a colleague used them to prepare for interviews. That was good news to hear, even if it was heard ... on background. ♦



In May, 15 reporters who write stories on savings issues attended a background briefing at the National Press Club Foundation conducted by Academy Senior Pension Fellow Ron Gebhardtbauer.