MAR 2015

Actuarial UPDATE

THE MONTHLY NEWSLETTER OF THE AMERICAN ACADEMY OF ACTUARIES

Academy Launches Enhanced ASB Website

THIS MONTH THE ACADEMY premiered the enhanced website of the Actuarial Standards Board, which features a clean, contemporary look; interactive features on the actuarial standards of practice (ASOPs), exposure drafts, and discussion drafts; and a responsive design so the site is accessible on mobile devices.

An exciting new feature of the enhanced site is the increased flexibility with which a user can interact with documents—users can now access ASOPs, exposure drafts, or discussion drafts as either a webpage or a PDF. Each document's webpage features a clickable table of contents that allows users to quickly jump to a specific section of the document, rather than just scrolling through. In addition, a search function allows users to search either one page or the entire site for the term or phrase they are looking for.

The enhanced website also adds "hover definitions," which allow users to view the definition of a glossary term within a specific ASOP, exposure draft, or discussion draft. To view a definition, simply hold your cursor over any term that is in light blue and is double underlined. The ASOPs can also be filtered according to practice area, so users can view those ASOPs that apply to their specific practice area, such as Health or Pension.

The enhanced site is completely mobile-friendly on all devices and tablets, so users can conveniently access the information that they need from anywhere. All features of the site—including the clickable table of contents, the ability to filter ASOPs by committee, and the hover definitions—are available across all devices. The mobile site also features an icon that can be added to your mobile device's home screen for convenient access. To add this icon, simply visit the site on your mobile device and follow the directions when prompted.

Users can now share items they find interesting on a variety of social media sites, including LinkedIn, Twitter, and Facebook. To share an item of interest, simply click on

SEE **ASB WEBSITE,** PAGE 9

Task Force Publishes Issue Brief on Expansion of ACA 'Small Group' Definition

THE SCHEDULED EXPANSION of how small employers are defined under the federal Affordable Care Act beginning in 2016—to include groups sized 51 to 100—could result in changes to health care premiums and coverage for significant numbers of employees of small businesses. The Health Practice Council released an issue brief on the subject this month that explains the subject and outlines possible next steps.

According to the issue brief, "For plan years beginning in 2016, the Affordable Care Act (ACA) expands the definition of small employers to include those with up to 100 employees. As groups with 51 to 100 employees renew or newly purchase coverage, they must abide by the rules and regulations governing the small group market, including those related to benefit coverage, actuarial value, and premium rating restrictions."

Senior Health Fellow Cori Uccello said, "Many employees in groups 51-100 could be facing changes to their benefits, and this expansion could also mean increased premiums for those in groups 1-50."

The issue brief, *Potential Implications of the Small Group Definition Expanding to Employers with 51–100 Employees*, developed by the Individual and Small Group Market Task Force, examines how the rules applying to groups sized 51 to 100 will change and what that means for insurance coverage in the small group market, and finds:

Many employers and employees will be affected by the change in the small group definition. Such a change could affect over 150,000 establishments with more than 3 million workers.

SEE **ISSUE BRIEF,** PAGE 9

APRIL

8 Webinar: The Academy Capitol Forum: National Council on Aging

12-15 Enrolled Actuaries Meeting, Washington

17 Webinar: Post-NAIC Update

28 Academy Executive Committee Meeting, Washington

28-29 Academy Board of Directors Meeting, Washington

MAY

13 Webinar: Exploring Global Health Care Cost Drivers: U.S. and South Africa

SEPTEMBER

10-11 Casualty Loss Reserve Seminar, Atlanta

NOVEMBER

9-12 Life and Health Qualifications Seminar, Arlington, Va.

12-13 Academy Annual Meeting and Public Policy Forum and Gala 50th Anniversary Celebration, Washington

To continue receiving the *Update* and other Academy publications on time, remember to make sure the Academy has your correct contact information. Academy members can update their member profile at the member login page on the Academy website.

Academy NEWS Briefs

Register Now for Webinar on Aging

THIS YEAR, as Social Security turns 80, both Medicare and the Older Americans Act turn 50, and the 6th White House Conference on Aging is convened, the issues of an aging population are in the spotlight. Join us on April 8 for an Academy Capitol Forum webinar on the topic. Leslie Fried, senior director for the National Council on Aging's (NCOA) Center for Benefits Access, will offer an overview of the NCOA, discuss the importance of focusing on policy issues that have implications for an aging population, and highlight some of the work the NCOA is doing on issues ranging from long-term care to economic security to benefits access.

The "Academy Capitol Forum: Meet the Experts" webinar series is an opportunity for actuaries from across all practice areas to learn about a wide variety of public policy topics from the policy experts themselves.

Academy Seeks Senior Pension Fellow

THE ACADEMY is seeking a senior pension fellow to help communicate the Academy's message on pension actuarial issues to the public and to policymakers. Our fellows work with practice councils, interact directly with federal and state regulatory and legislative officials, and communicate with the media about new developments in their fields. For more information and details on how to apply, see the job listing for Senior Pension Fellow on the Academy website.

Dues Reminder

MEMBERSHIP DUES are due Jan. 1 every year. Members can log in to the Academy website to pay dues or print an invoice. Dues remain unchanged for a fourth consecutive year, but those who don't pay by May 1 will be assessed a 20 percent late fee.

Don't let your membership lapse—you'd miss out on all the benefits Academy membership confers, including free access to a full library of professionalism webinars and presentations, free and low-cost continuing education programs to keep current with public policy and professionalism material affecting your daily responsibilities, and satisfaction of legal or regulatory requirements that may be applicable to your practice area.

Do you qualify for a partial or full dues waiver? If you are under the age of 70 and retired, planning to retire soon, or on temporary leave, you may be eligible for a partial Academy membership dues waiver. Qualified members receive a substantial discount and can continue to enjoy the benefits of full membership. Click here to learn more about how partial dues work and to apply. Members who qualify for total disability or are active military can apply for a full dues waiver. Email membership@actuary.org with questions about dues.

Transcript From Dismissal Hearing in Academy Litigation

THE TRANSCRIPT of the court proceedings on Feb. 24, 2015, is now available. On that date, Judge Peter Flynn of the Circuit Court of Cook County, Illinois, dismissed without prejudice all claims against the Academy—including any claims for injunctive or declaratory relief—that had been filed in December by a former president of the Society of Actuaries.

During the proceedings, Judge Flynn said that the "plaintiff's position apparently is that his agreement to the procedures set forth in the bylaws of the organizations for the activities of the Actuarial Board for Counseling and Discipline only applies if he likes what the Board is doing. ... Our court system is inclined not to want to overturn contractually agreed upon alternative dispute resolution mechanisms without some reason to do it."

In dismissing the case, the court strongly affirmed that the U.S. actuarial profession may require members to have disciplinary complaints heard by the ABCD and not by the courts.

Noncompliant Volunteers and Interested Parties to Be Dropped From Committees

THE ACADEMY is dropping volunteers and interested parties who have not submitted annual acknowledgments required by the Academy from their respective Academy councils, committees, task forces, and work groups.

Since January, the Academy has emailed volunteers and interested parties several times with requests to complete the acknowledgements, which are a vital element in the Academy's ability to maintain its standards in providing unbiased, reliable information for policymakers and others who need actuarial insight to inform their decisions regarding U.S. fiscal and societal challenges. The Academy requires members who serve in volunteer positions with the Academy to annually acknowledge its long-standing Conflict of Interest (COI) policy, and to comply with the continuing education (CE) requirements of the U.S. Qualification Standards. Individuals who serve as interested parties must formally acknowledge the principles of the Academy's COI policy.

For more information about the Academy's commitment to professional objectivity, please visit the Professional Objectivity at the Academy page. Questions? Contact the Academy's professionalism department at objectivity@actuary.org.

Recently Released

THIS MONTH saw the release of three Academy publications: *Contingencies*, *HealthCheck*, and *Retirement Account*.

The March/April issue of *Contingencies* features a cover article, "Smoke and Mirrors: Marijuana Use and Underwriting," in which the author looks at how life insurance underwriting policies treat marijuana use, and asks whether that treatment is backed up by sound science. Also included are features on autonomous vehicle technologies and auto insurers, possible reforms for health care payment systems, and how Big Data and "nudges" can be used to influence people's behavior.

In the March issue of *HealthCheck*, read about a new issue brief examining how the rules applying to groups sized 51-100 will change with the ACA's scheduled expansion of the definition of small employers to those with up to 100 employees. Also in this issue is a synopsis of the letter from the Health Practice Council (HPC) to Health and Human Services (HHS) Secretary Sylvia Mathews Burwell on the possible implications of a Supreme Court ruling in King v. Burwell, recent regulatory updates, and more.

Finally, in the Spring 2015 issue of *Retirement Account*, Senior Pension Fellow Don Fuerst presents written testimony to a U.S. Senate Special Committee on Aging hearing. Also in this issue, comments the Pension Committee sent to the IRS on the use of mortality tables, comments sent to the ASB on modeling standards, and more.

Procedure for Use of Academy Materials

THE ACADEMY produces volumes of materials each year—from public policy monographs that examine reform options for social insurance programs, to *Essential Elements* papers that boil down complex issues for a nontechnical audience, to Powerpoint presentations that Academy volunteers use at industry and regulator meetings. We're proud of the work we do, and we're typically happy to share our research and materials when the request aligns with our mission of serving the public and the United States actuarial profession.

We generally require requestors to state the material they are seeking to reprint (title) and the number of people expected to receive the reprint. Requestors must agree to the following conditions:

- The material is reproduced "as is" in its entirety, without alterations, changes, or additions.
- The material will not be reproduced on any other site or in other format without the express written permission of the Academy.
- The material will not be reproduced for charge to others, except for nominal amounts.
- The venue will correctly identify the title, author, and date of initial publication, and will state that it is the copyright of the American Academy of Actuaries (copyright and year) and that it is being reprinted by permission of the Academy.

If you or your organization would like to use proprietary materials produced by the Academy, we require that you secure written permission beforehand. Please contact Sheila Kalkunte, Academy assistant general counsel, at kalkunte@actuary.org with a detailed description of your organization and how you'd like to use our copyrighted materials. We'll respond to such requests within seven days.

IN THE NEWS

The national news media continues to cite the Health Practice Council's Feb. 24 letter to Health and Human Services Secretary Sylvia Mathews Burwell on the rate filing implications of King v. Burwell. The letter identifies potential ramifications the Supreme Court's decision may have on the nation's health care system as a whole and recommends steps to help ensure insurer solvency in case the petitioners prevail. National outlets including *Modern Healthcare*, *U.S. News & World Report*, *The Christian Science Monitor*, *Kaiser Health News/Washington Post*, and *The Hill* have cited the letter in their coverage of the case. Visit the Academy Newsroom to see the full list of media stories that cite the Academy's letter in their coverage.

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Senior Pension Fellow Don Fuerst was quoted in two separate Bankrate.com stories examining retirement security. The article "Will Social Security be there when you need it?" examines options for addressing the program's financial challenges, including increasing the program's normal retirement age, which the Academy supports. "We're working all the time to get Congress to make the changes sooner," said Fuerst. The second piece, "Wake up! Your retirement is your problem," looks at retirement security risks relative to pensions and 401(k) plans. Fuerst commented on recent changes to the Employee Retirement Income Security Act and the Pension Protection Act.

Fuerst also provided comments to *Pensions & Investments* for a story on multiemployer pension reform options to allow plan designers greater flexibility to balance benefits and assets. "[A variable benefit model is] an ideal design for a multiemployer plan because they don't have the same dependable source of revenue that single employers do. Trustees need the ability to adjust benefits if circumstances warrant. We will have another recession, so it's very important to remember that," said Fuerst.

Additionally, *Benefitslink.com* published written testimony Fuerst provided for a U.S. Senate Special Committee on Aging hearing, "Bridging the Gap: How Prepared Are Americans for Retirement?"

A *Bloomberg BNA* story, "Little-Noticed ACA Provision Could Impact Small Group Plans in 2016," reports on the Academy's issue brief released this month. The story presents key points from the issue brief, noting that "companies in the 51-100 size group with younger, healthier employees are likely to face higher premiums, while companies in that size group with older, sicker employees will pay less." The issue brief was also cited in the *Washington Examiner*, *Life & Health Advisor*, in a *California Broker* magazine story that focuses on the potential impact that the ACA's new small group definition will have on California's insurance market, and in a *Politico Pro* subscriber-only story that reports that HHS is considering delaying the ACA provision on small group market expansion.

An opinion piece in the *Contra Costa (Calif.) Times* and InlandPolitics.com on the underfunding of public employee pension plans cites the Academy issue brief *The 80% Pension Funding Standard Myth*. The columnist argues that the myth's persistence has aggravated the state system's long-term funding challenges.

A story in Risk Market News, "Insurers, Reinsurers Differ on Government Terrorism Timing," discusses the government's timetable for declaring an event an act of terrorism under the Terrorism Risk Insurance Program Reauthorization Act. It notes that the Academy's Terrorism Risk Insurance Subcommittee recommended a timeline of less than 30 days for such a declaration in a March 6 comment letter to the Federal Insurance Office.

The "Smoke and Mirrors" cover story in March/April *Contingencies* about marijuana use and underwriting prompted a blog post by a *Mother Jones* reporter. He suggests that the story reflects a broader trend toward accepting legalization.

Pension Funding Webinar Attracts Wide Audience

THE ACADEMY hosted a webinar on March 25 on the underfunding of state and local pension plans and the factors that help explain that underfunding. The webinar, "How Did State & Local Pension Plans Become Underfunded?" was the latest in the Academy Capitol Forum webinar series and attracted more than 400 attendees.

The webinar's guest speaker, Jean-Pierre Aubry, assistant director of state and local research at the Center for Retirement Research (CRR) at Boston College, provided data that showed the two major stock market drops during this century coupled with increased pension costs were mainly responsible for public plans becoming underfunded.

The funding status of state and local public plans has stabilized as the plans have started paying a higher percentage of annual required contributions into the plans, reducing the average discount rate used, and lowering their pension costs as a percentage of payrolls, Aubry said.

"The good news is that plans are starting to reduce their costs," he said. "Some of the worrying things range from investment portfolios that are too risky to questionable amortization practices." The percentage of state and local public pension assets invested in equities more than doubled, to 66.6 percent from 1984 to 2012, he said.

Using the example of the Teachers Retirement System of Georgia, the largest component of underfunding by far was investment returns lower than assumed, especially after 2008. This category was primary across most plans analyzed, Aubry said. The second-most prevalent factor was contributions that fell below normal costs plus interest.

How public plans will fare going forward remains murky, Aubry said, because of several variables:

- How will Government Accounting Standards Board Statement No. 67 (GASB 67) change plans' funded ratios?
- Can states legally cut future benefits for current employees?
- What will happen if the stock market crashes?

The CRR is developing a new tool for analyzing the unfunded actuarial accrued liability (UAAL) of public plans, and is compiling 12 years of data for each plan, and the information is broken down into UAAL factors. The database of 150 plans should be available to study by this summer, Aubry said.

Don Fuerst, the Academy's senior pension fellow, moderated the webinar. Fuerst discussed related Academy work products, including *The 80% Pension Funding Standard Myth* issue brief, which states that pension plans should have a target of being fully funded, not 80 percent as some have suggested as a standard.

ABCD and ASB Recap 2014

Chock-full of important information, the Actuarial Board for Counseling and Discipline (ABCD) and the Actuarial Standards Board (ASB) have just published their respective 2014 annual reports. Of note, the number of requests for guidance at the ABCD hit a record high of 90, and the ASB adopted four revised actuarial standards of practice (ASOPs) while tackling prominent subjects like the Minimum Value and Actuarial Value determinations under the Affordable Care Act, cross-practice modeling, and guidance on principle-based reserving.

ABCD: Requests for Guidance on the Rise

With 90 requests for guidance (RFGs) and 35 new complaints, the ABCD had a busy year in 2014. Pension alone accounted for one-third of RFGs and roughly 85 percent of complaints.

The steady rise in RFGs in recent years suggests that actuaries are growing more willing to turn to the ABCD for guidance. The ABCD views this rise as a positive development, in part because it indicates a greater awareness by the profession of its responsibilities under the *Code of Professional Conduct*, and potentially helps to avoid violations. In 2014, actuaries asked about qualifications, communication, professional integrity, conflicts of interest, Precept 13, cooperation with successor actuaries, and control of work product. (For detailed examples, see the report.)

In the RFG process, an ABCD member familiar with the area of practice at issue listens to the requestor's concerns, asks questions to elicit more information, and may offer a different perspective. Requestors usually draw their own conclusions at the end of the discussion, writes Robert Rietz, outgoing ABCD chair, in the *Annual Report*. As he notes, RFGs are kept confidential.

As for new complaints, most involved Precept 1, and about half of those centered on "failure to act with integrity." Allegations involving Precept 2 (performing work when not qualified) and Precept 3 (work fails to satisfy an ASOP, unreasonable assumptions) were the next most frequent complaints.

As Rietz notes, not all inquiries lead to an investigation, and not all investigations result in discipline. Of the 37 complaints the ABCD disposed in 2014 (some were carried over from 2013), only four were recommended for public discipline.

The ABCD looks forward to helping even more actuaries in 2015 and encourages actuaries with questions or ethical concerns involving any of the *Code*, qualifications, and ASOPs to contact the ABCD for guidance. To find out more about requesting guidance, click here. To learn more about the complaint process, click here. To read the full ABCD *Annual Report*, click here.

ASB: Guiding the Profession on Appropriate Practice

The ASB had a productive year in 2014, adopting four final revised ASOPs and approving six exposure drafts for comment. In addition, the ASB issued two requests for comments, one on public pension plan funding, and one on life insurance and annuity pricing. The ASB also submitted comments to the International Actuarial Association on the exposure draft of International Standard of Practice 3, *Actuarial Practice under IAS 19 Employee Benefits*. To read the *2014 Annual Report of the Actuarial Standards Board*, click here.

Final ASOPs

- ASOP No. 6, *Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions*
- ASOP No. 8, *Regulatory Filings for Health Benefits, Accident and Health Insurance, and Entities Providing Health Benefits*
- ASOP No. 35, *Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations*
- ASOP No. 38, *Catastrophe Modeling (for All Practice Areas)**

Exposure Drafts

- ASOP No. 34, *Actuarial Practice Concerning Retirement Plan Benefits in Domestic Relations Actions*
- *Principle-Based Reserves for Life Products* (second exposure)
- *Property/Casualty Ratemaking*
- *Determining Minimum Value and Actuarial Value Under the Affordable Care Act*
- *Assessment and Disclosure of Risk Associated With Measuring Pension Obligations and Determining Pension Plan Contributions*
- *Modeling* (second exposure)

** Release subject to any changes necessitated by the final version of the proposed new* Modeling *ASOP*

ASB Welcomes New Member

DARRYL KNAPP, executive director for advisory services at Ernst & Young, has been appointed to the Actuarial Standards Board. Knapp has more than 25 years of experience in commercial group insurance and managed health care. In his service to the Academy, he has served on the Board of Directors, chaired the Health Practice Financial Reporting Committee, and currently acts as vice chairperson for the Financial Reporting Committee of the Risk Management and Financial Reporting Council. Knapp was instrumental in the development of the Academy's proposed risk-based capital formula for health organizations.

Academy President Mary D. Miller announced the appointment after a meeting of the Selection Committee, for which she serves as chairperson. Knapp's appointment follows the untimely passing of ASB member Michael Stephen Abroe, who served the Academy for more than 20 years. The ASB looks forward to working with Knapp.

ASB Adopts ASOP No. 49 on Medicaid

THE ACTUARIAL STANDARDS BOARD recently adopted ASOP No. 49, *Medicaid Managed Care Capitation Rate Development and Certification*. The actuarial standard of practice was developed to establish guidance for actuaries preparing, reviewing, or giving actuarial advice on capitation rates for Medicaid programs, including actuarial certifications required by 42 CFR 438.6(c). ASOP No. 49, which will be effective for opinions and certifications issued on or after Aug. 1, 2015, can be viewed here, on the newly enhanced ASB website.

PROFESSIONALISM BRIEFS

- **Leon Langlitz**, senior vice president and principal at Lewis & Ellis Inc. in Overland Park, Kan., has joined the Life and Health Qualifications Seminar Committee.
- **Karin Wohlgemuth**, director, actuarial services at Arch Mortgage Insurance Co. in Walnut Creek, Calif., is now chairperson of the Committee on Professional Responsibility.

Academy Continues Its Professionalism Outreach

DURING the 15th annual Intercompany Long Term Care Insurance Conference in Colorado Springs, Colo., the Academy's assistant general counsel, Sheila Kalkunte, led a robust three-hour professionalism session for an audience of 150 long-term care actuaries. The discussion included the latest qualification issues being addressed by the Academy at the request of regulators at the National Association of Insurance Commissioners, and included several case study examples and Code precept implications explored by the audience, Kalkunte, and the other panelists at the session.

On March 30, Kalkunte was invited to speak to an audience of approximately 150 at the MassMutual Actuarial Gathering in Chicopee, Mass., on professionalism issues including the topic of qualifying for a new/emerging area of practice.

Three Comment Letters on Life Topics

THE PBR STRATEGY SUBGROUP and Life Reinsurance Work Group sent a comment letter to the NAIC's PBR Implementation Task Force regarding the XXX/AXXX reinsurance supplemental proposal.

In urging a revision to the proposed exhibit, the Academy work groups stated, "We believe that there is the potential for inconsistent reporting by companies, and for reported data to be misunderstood or misconstrued."

The Life Illustrations Work Group sent a comment letter to the NAIC's Life Actuarial (A) Task Force on an exposed actuarial guideline for indexed universal life illustrations.

In its letter, the work group recommended "additional clarity as to how the proposed Actuarial Guideline applies to in-force policies," noting it had "concerns that common practices under ASOP 24 Section 3.7 ("Illustrations on Policies In Force One Year or More") may be affected in an unintended manner." Further, the work group urged the task force to modify or expand the scope of the guideline "to include policies that utilize an external index to determine non-guaranteed elements other than index credits (e.g., participating whole life policy with index-linked dividends)."

The Life Capital Adequacy Committee submitted comments to the NAIC Life Risk-Based Capital (E) Working Group regarding the latest exposure drafts related to the XXX/AXXX reinsurance framework.

Noting that it continues to oppose the prescription of a qualified actuarial opinion via AG48, the committee nonetheless "support[s] the changes set forth in exposure 2014 33-L Qualified, which would … avoid additional capital requirements on products outside the scope of AG48."

After reiterating its belief that an adjustment to Total Adjusted Capital is more appropriate than the proposed increase in Authorized Control Level (ACL) set forth in Exposure 2014 35b-L Shortfall (Cushion), the committee offered suggestions for modifications to the exposure should the working group move forward with the adjustment in ACL requirements.

Pension News

Academy Provides Testimony to Senate Special Committee on Aging

ACADEMY Senior Pension Fellow Donald Fuerst provided written testimony for a U.S. Senate Special Committee on Aging hearing, "Bridging the Gap: How Prepared Are Americans for Retirement?" Fuerst's testimony addressed longevity risk and potential approaches to increase Americans' financial literacy. He noted that "some steps have been taken to improve retirement security, but workers, retirees, and society could benefit from further actions that aid people in creating assured, adequate income throughout their retirement years."

In contemplating how to adapt today's retirement rules to care for tomorrow's retirees, Fuerst suggests wider availability of options to assure lifetime income. "It would also be helpful if individual plan sponsors were encouraged or required to make a form of lifetime income a default option. Such a change would require some level of fiduciary protection, such as clarification of a safe harbor. Having a variety of lifetime-income options to suit varying circumstances is critical to achieving greater use."

His testimony concludes: "The American Academy of Actuaries is committed to examining the challenges of Americans securing income throughout their entire lifetimes, addressing the actuarial and public-policy aspects of lifetime income, and raising the level of understanding and awareness of the actuarial profession, public policymakers, and the general public of the need to address lifetime-income issues."

PENSION BRIEFS

- **Alan Milligan**, chief actuary at the California Public Employees' Retirement System in Sacramento, Calif., has joined the Pension Practice Council.
- **Tonya Manning**, chief actuary for Buck Consultants at Xerox in Winston-Salem, N.C., **Nadine Orloff**, senior consulting actuary at Towers Watson in New York, and **Timothy Marnell**, consultant actuary at Tim Marnell Actuarial & Benefits Consulting LLC in Evanston, Ill., have joined the Pension Committee.

Casualty News

Subcommittee Submits Comments to FIO on Timeline for Terrorism Certification

THE TERRORISM Risk Insurance Subcommittee of the Casualty Practice Council sent a comment letter to the Federal Insurance Office of the Department of the Treasury regarding the process by which terrorist events are certified for purposes of triggering the Terrorism Risk Insurance Program (as recently amended).

In its request for feedback, the FIO sought comments on "[t]he establishment of a reasonable timeline by which the Secretary must make an accurate determination on whether to certify an act as an act of terrorism." The subcommittee set forth a timeline of less than 30 days, while allowing that "it will be difficult to accurately determine the collective size of the loss from industry data in a short time frame."

Further, the subcommittee urged expediency in certifying an event as an act of terrorism, stating, "Timing is crucial, as uncertainty in the insurance and financial markets is typically viewed unfavorably."

RBC Committee Offers Insights to NAIC

THE P/C RISK-BASED CAPITAL (RBC) Committee submitted a comment letter to the NAIC's Property/Casualty Risk-Based Capital Working Group on methods of properly quantifying reserve and premium underwriting factors.

CASUALTY BRIEFS

- **Gregory Chrin**, senior manager at Deloitte Consulting LLP in New York, is now chairperson of the Medical Professional Liability Committee.
- **Stephen Koca**, actuary at Milliman Inc. in Pasadena, Calif., has joined COPLFR.

Academy Volunteers Offer Actuarial Perspectives on Capitol Hill

MEMBERS of the Risk Management and Financial Reporting Council visited Capitol Hill late last month to discuss ongoing developments in group solvency and capital standards, and other important regulatory priorities, with policymakers. Council volunteers met with Federal Insurance Office Director Mike McRaith; Tom Sullivan, senior adviser for insurance at the Federal Reserve Board; and Republican and Democratic staff on the House Financial Services and Senate Banking committees.

Academy Vice President for Risk Management and Financial Reporting William Hines said of the visits, "We heard that our input is valued by many we met with, and they look forward to our ongoing support." McRaith, he said, "noted that actuaries are clearly viewed as experts, and our advice is highly valued."

Separately, as part of their annual Capitol Hill visits, 17 members of the Health Practice Council and Federal Health Committee visited over 40 congressional offices and government agencies on March 12 and 13 to discuss a wide variety of health-related issues. One of the predominant issues raised during the course of the visits was concern about the potential implications of King v. Burwell, the Supreme Court case that could result in a ruling on the legality of premium subsidies for individuals in states with federally facilitated marketplaces.

Darrell Knapp (member of the Health Practice Council (HPC)), Laurel Kastrup (chairperson of Health Practice Financial Reporting Committee), and Cathy Murphy-Barron (vice president of the HPC) stop in front of the Treasury building during the HPC's recent Capitol Hill visits.

Congressional and agency staff also were eager to discuss the expansion of the small group definition to groups sized up to 100, the impending excise tax on a high-cost employer plan (i.e., the Cadillac Plan Tax), Medicare, Medicaid, delivery and payment system reform, and long-term care. "As expected, the Hill is still very focused on ACA issues—King v. Burwell was a major topic in all our meetings—but in general we found that our priorities for the coming year align well with the priorities of those we met with during our visits with congressional and agency staff," said Cathy Murphy-Barron, the Academy's vice president for health.

Honor an Exceptional Colleague or Mentor

AS THIS IS THE ACADEMY'S 50TH ANNIVERSARY, now is the perfect time to recognize another Academy member for his or her service to our profession. Each year the Academy honors its members who devote themselves to the actuarial profession through their public service and volunteer efforts with our Robert J. Myers Public Service Award and Jarvis Farley Service Award, respectively. The awards will be given at the Academy's Annual Meeting and Public Policy Forum, Nov. 12-13 in Washington.

The Jarvis Farley Service Award honors actuaries whose volunteer efforts on behalf of the Academy have made significant contributions to the advancement of the profession. See eligibility requirements and submit your nominations here.

The Robert J. Myers Public Service Award honors members of the Academy who have made an exceptional contribution to the common good. The Myers Award honors an actuary for a single noteworthy public service achievement or a career devoted to public service. See eligibility requirements and submit your nominations here.

The Academy is also accepting nominations for its Outstanding Volunteerism Award, which honors Academy volunteers who have made a single, noteworthy volunteerism contribution that is above and beyond what is reasonably expected of an Academy volunteer. See eligibility requirements and submit your nominations here.

All members are invited to nominate colleagues or mentors for these awards. Help us recognize those who have given so much to the profession—learn more and submit your nomination(s) today.

HEALTH BRIEFS

- **Ross Winkelman**, managing director at Wakely Consulting Group in Englewood, Colo., has joined the Health Practice Council as a liaison to the Actuarial Standards Board.
- The following members have joined the Premium Review Work Group: **Dorothea Cardamone**, actuary from Vernon, Conn.; **Scott Katterman**, actuary at Milliman Inc. in Phoenix; **Rachel Killian**, actuary at Milliman Inc. in Atlanta; **Jacqueline Lee**, vice president and consulting actuary at Lewis & Ellis Inc. in Richardson, Texas; and **Li Wang**, actuarial director and actuary at UnitedHealthcare in Cypress, Calif.

FinReg Submits Comments to FSOC on Insurance Asset Management Products

THE FINANCIAL REGULATORY TASK FORCE sent comments to the Financial Stability Oversight Council (FSOC) on the impact of insurance asset management products and activities on U.S. financial stability.

In the letter, the task force asserted, "Insurance asset management products are fundamentally different than those of other financial institutions, particularly banks, and urged the FSOC to "treat them as such as it examines the impact of asset management products and activities on U.S. financial stability."

The letter concludes: "Insurance separate account products do not pose the same risk to financial stability as other asset management products. The FSOC should consider these products separately from other asset management products within any policymaking recommendations."

RISK MANAGEMENT AND FINANCIAL REPORTING BRIEFS

- **Charles Ford**, portfolio owner at Voya Financial in West Chester, Pa., has joined the ERM/ORSA Committee.

LIFE BRIEFS

- **Randy Tillis**, actuary at PricewaterhouseCoopers LLP in Chicago, is now chairperson of the Life Financial Reporting Committee.
- **Katie Cantor**, principal at Oliver Wyman in New York, is now vice chairperson of Life Financial Reporting Committee.
- **Michael Schmidt**, assistant vice president and actuary at MetLife in New York, and **Alla Kleyner**, vice president and corporate benefit funding lead actuary at MetLife in New York, have joined the ARWG Fixed Payout Annuities Subgroup.
- **Kerry Krantz**, actuary at the Florida Department of Financial Services in Tallahassee, Fla., has joined the Life Capital Adequacy Committee.

ASB Website, continued from Page 1

the icon of the particular site that you wish to share the story on, and follow the instructions to post to your social media feed.

Patricia Matson, chair of the ASB, adds, "While I love the look of the new site, and many of the user-friendly features, my favorite part is the mobile-friendly version, which will allow users to find, search, and read ASOPs anytime, anywhere from their mobile devices. I've been looking forward to being able to say, 'ASOPs: There's an app for that!'"

All of the content from the previous site has been transferred to the enhanced site. From the homepage, users can quickly access important documents under the "Quick Links" header; all other documents are accessible via the menu at the top of the screen. If you encounter any issues or technical problems with the enhanced site, please contact the Academy at troubleshoot@actuarialstandardsboard.org.

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Groups sized 51 to 100 will face more restrictive rating rules, which will increase relative premiums for some groups, such as those with younger and healthier populations, and reduce them for other groups, such as those with older and sicker populations.

Groups sized 51 to 100 will face additional benefit and cost-sharing requirements, which could reduce benefit flexibility and increase premiums.

The more restrictive rating and benefit requirements could cause more groups sized 51 to 100 to self-insure, especially among those whose premiums would increase under the new rules.

If adverse selection occurs among groups sized 51 to 100, premiums for groups sized 1 to 50 could increase.

The issue brief is one in a series of HPC publications for policymakers and regulators on major health insurance and health care affordability issues.

Actuarial Update

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