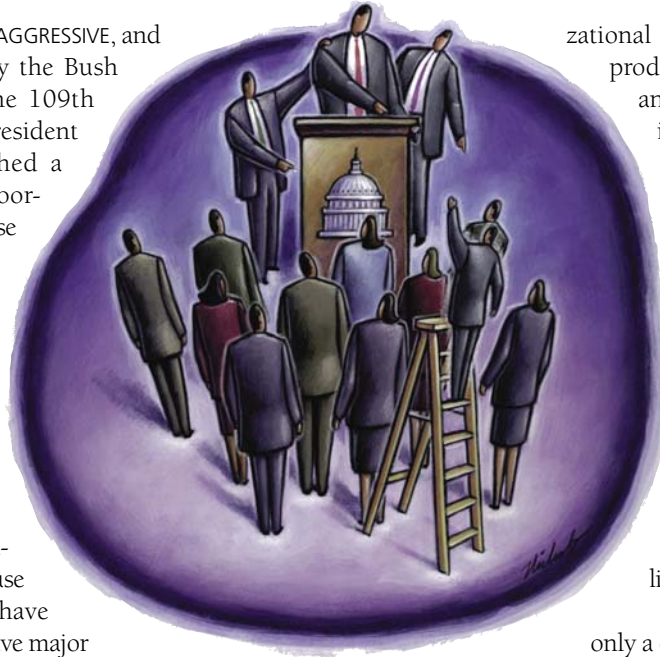


Federal Agenda Task Force Established

IN RESPONSE TO A LARGE, AGGRESSIVE, and fast-moving agenda by the Bush administration and the 109th Congress, Academy President Robert Wilcox has launched a presidential task force to coordinate the Academy's response to major federal initiatives this year. The 2005 Federal Agenda Task Force will focus on Social Security and Medicare/Medicaid reform, tax reform, retirement security issues, the federal regulation of insurance, and other issues as needed.

"The major domestic policy initiatives the White House and congressional leaders have announced for this year all have major actuarial components," said Wilcox. "This task force will be the Academy's 'rapid response team,' ensuring that high-priority issues are quickly elevated, and that our input is timely. It will allow us to be a leader in the debates on these important national issues."

He stressed that the current public policy organi-



zational structure works well to produce serious, thoughtful, and thorough analyses of issues for policy-makers and regulators. But the current structure is not as effective in producing concise answers under tight deadlines in response to inquiries from the media, Congress, and others in the public policy community. This problem is particularly acute when issues cut across organizational lines.

"Because we often have only a day or a few hours to develop a coordinated response," Wilcox said, "we risk being left out of the debate. This task force will make the Academy a more influential and effective voice for the profession."

The wealth of work products issued by the Academy's

See **TASK FORCE**, Page 4

Gary Nichols/SS

Inside

ASB Action

A new introduction to the standards and the final version of the data quality standard are approved **PAGE 2**

Mental Health Parity

A new issue brief considers the consequences of further extending mental health coverage. **PAGE 4**

Congressional Actuary

Neela Ranade brings actuarial muscle to the Congressional Research Service **PAGE 5**

Your Opinion, Please

Comments are sought on a new Small Group Medical Business Practice Note **PAGE 5**

Timely Advice on Pension Reform

IN A CULMINATION OF MONTHS of research, discussion, revision, and expansion, the Academy's Pension Practice Council this month publishes its monograph on pension funding reform.

The timing couldn't be better.

On Jan. 10, Labor Secretary Elaine Chao unveiled the Bush administration's proposal to bring simplicity, accuracy, stability, and flexibility to pension funding rules. Not surprisingly, legislators, policy-makers, and journalists (the intended audience for the Academy monograph) paid attention. Pension reform is finally on the map.

"We are encouraged to see that the administration is addressing issues of

simplicity and flexibility, which the Academy identifies as two of the principles for funding reform," said Ken Kent, the Academy's vice president for pension issues and chairperson of the Pension Practice Council. "We look forward to examining additional details on the administration's proposal as they are provided."

In addition to simplicity and flexibility (including incentives for funding), other principles for pension funding reform that are outlined in the Academy's

See **PENSION REFORM**, Page 6



Actuarial UPDATE

FEBRUARY

- 2 Academy Joint Universal Life/Standard Valuation Law Work Group meeting, Chicago
- 8 Academy Life Capital Adequacy Subcommittee meeting, Orlando, Fla.
- 9-11 NAIC finance summit, Orlando, Fla.
- 10-11 Academy Health Practice Council Capitol Hill visits, Washington
- 11 Academy joint Health Practice Council/Federal Health Committee meeting, Washington
- 17 Academy Social Insurance Committee meeting, Washington
- 17-19 North American Actuarial Council meeting, Oaxaca, Mexico
- 28 Academy Pension Practice Council Capitol Hill visits, Washington

MARCH

- 3-6 NCOIL spring meeting, Hilton Head, S.C.
- 8 Academy Life Financial Reporting Committee meeting, Chicago
- 9 Academy Life Practice Council meeting, Salt Lake City
- 9 Academy Committee on Property Liability Financial Reporting meeting, Los Angeles
- 10-11 CAS ratemaking seminar, New Orleans
- 12-15 NAIC spring meeting, Salt Lake City
- 17-19 ASPPA 401(k) summit, San Diego
- 29-30 ASB meeting, Washington

APRIL

- 3 Professional standards seminar (Academy, ASPPA, CAS, SOA), Washington
- 3-6 Enrolled actuaries meeting (Academy, CCA), Washington
- 6 Small consulting firms and practices roundtable (Academy, ASPPA, CAS, SOA), Washington
- 6-7 Medicare prescription drug seminar (Academy, ASPPA, SOA), Washington
- 6-7 2005 pension symposium (Academy, ASPPA, SOA), Washington
- 7-8 Geneva Association seminar on global trade, Geneva, Switzerland

MAY

- 1-2 CAS enterprise risk management symposium, Chicago
- 2-3 Academy spring meeting, Washington
- 4 Academy Board of Directors meeting, Washington
- 5-6 ASPPA Great Lakes Benefits Conference, Chicago
- 15 Academy Casualty Practice Council meeting, Phoenix
- 15 Academy Pension Practice Council meeting, Orlando, Fla.
- 15-18 CAS spring meeting, Phoenix
- 16 Academy Pension Committee meeting, Orlando, Fla.
- 23-24 SOA spring meeting (financial reporting, product development), New Orleans
- 23-24 ASPPA Mid-Atlantic Area Benefits Conference, Philadelphia
- 27 18th Groupe Consultatif Colloquium, Lisbon, Portugal

WEB INTERFACE

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

Academy NEWS Briefs

ASB Action

At its December meeting, the Actuarial Standards Board (ASB) approved a new [introduction](#) to the Actuarial Standards of Practice that explains the purpose, nature, and format of ASOPs, as well as some of the commonly used terms and concepts.

At the same meeting, the ASB also adopted a final [revision](#) of ASOP No. 23, *Data Quality*, for actuaries who are selecting, reviewing, or using

data, or are relying on data supplied by others. It applies to actuarial work products begun on or after July 1, 2006; it also applies to actuarial work products for which data is provided to or developed by an actuary on or after May 1, 2005.

Both documents are enclosed with this issue of the *Update* and are available online at www.actuarialstandardsboard.org.

International Action The Academy has created a new oversight group to monitor public statements issued by the International Actuarial Association. Members include Academy President **Bob Wilcox**, a consulting actuary with R.E. Wilcox & Co. in Alpine, Utah, the Academy's president-elect, **Peter Perkins**, and immediate past president, **Barbara Lautzenheiser**, a principal with Lautzenheiser Associates in Hartford, Conn. Other members are **Michael Abroe**, the Academy's vice president for health issues and a principal with Milliman in Chicago; **Howard Bolnick**, chairman of InFocus Financial Group in Chicago; **Paul Braithwaite**, president-elect of the Casualty Actuarial Society, a member of the Academy's Board of Directors, and a consulting actuary in New York; **Tony Broomhead**, senior international consultant with Watson Wyatt Worldwide in Chicago; **Donna Claire**, the Academy's vice president for life issues and president of Claire Thinking Inc. in Fort Salonga, N.Y.; **Ron Gebhardt-bauer**, the Academy's senior pension fellow; **William Hines**, a consulting actuary with Milliman in Wakefield, Mass.; **Curtis Huntington**, a math professor at the University of Michigan in Ann Arbor; **Burt Jay**, the

Academy's vice president for risk management and financial reporting issues; **Larry Johansen**, chief actuary for the New York State Teachers' Retirement System; **Ken Kent**, the Academy's vice president for pension issues; **Shu-Yen Liu**, vice president and actuary for Asia Pacific for Metropolitan Life Insurance Co. in Jersey City, N.J.; **Dan McCarthy**, a consulting actuary with Milliman in New York; **Mary D. Miller**, the Academy's vice president for casualty issues and an actuary with the Ohio Department of Insurance in Columbus; **Robert Rietz**, a director for Deloitte Consulting in Detroit; **David Sandberg**, vice president and corporate actuary for Allianz Life Insurance Co. in Minneapolis; **Geoffrey Sandler**, the Academy's vice president for professionalism issues and assistant vice president and actuary for Empire Blue Cross Blue Shield in New York; **Bruce Schobel**, an actuary with New York Life Insurance Co.; and **Terri Vaughan**, commissioner of the Iowa Insurance Department in Des Moines.

New members to the Academy's Joint Committee on IAA Coordination, created to coordinate its votes on IAA matters with those of the other U.S.-based organizations that represent actuaries, are **Bob Wilcox**;

Amy Bouska, managing principal and consulting actuary with Towers Perrin in Minneapolis; and **Curtis Huntington**.

CASUALTY NEWS



The Committee on Property and Liability Financial Reporting has

updated its annual [practice note](#) on reserve opinions to include actuarial opinion summary model law issues.

HEALTH NEWS



The Health Practice Council has formed an IAA Review Group to

consider fast-track issues in the health area emanating from the International Actuarial Association. Members of the new group are **Michael Abroe**, the Academy's vice president for health issues and a principal with Milliman in Chicago; **Ian Duncan**, a partner with Lotter Actuarial Partners Inc. in New York; **Jinn-Feng Lin**, senior manager with PricewaterhouseCoopers in Chicago; and **John Schubert**, a member of the Academy's Board of Directors and a manager with PricewaterhouseCoopers in Chicago.

► Joining the Committee on State Health Issues are **Michael Carstens**, assistant vice president and actuary for Physicians Mu-

tual Insurance Co. in Omaha, Neb., and **Grady Catterall**, senior manager of the Lewin Group in Falls Church, Va.

► **Sandra Loyal**, a consultant with Towers Perrin in Atlanta, has joined the Disease Management Work Group.

LIFE NEWS



A work group of the Life Valuation Subcommittee published a December

[practice note](#) updating several 1995 practice notes on asset adequacy analysis practices used by appointed actuaries.

► Joining the Tax Work Group are **Chuck Miller**, vice president and actuary with MetLife in Long Island City, N.Y., and **Carolyn Stontz**, consulting actuary and managing principal with Actuarial Resources Corp. in San Clemente, Calif.

► New members of the Universal Life Work Group are **Mary Bahna-Nolan**, vice president and chief product and risk management officer for North American Co-Life/Health in Chicago; **Aryeh Bak**, assistant actuary for New York Life Insurance Co. in New York; and **Eric Schuering**, principal consultant with PricewaterhouseCoopers in Chicago.

► **John Morris**, a principal consultant with Pricewaterhouse-

Coopers in Downingtown, Pa., has joined the Standard Valuation Law 2 Work Group.

► **Jeff Krygiel**, an actuary with Northwestern Mutual in Milwaukee, has joined the Variable Annuity Practice Note Work Group.

PENSION NEWS



Manha Yau, a consulting actuary with Watson Wyatt Worldwide

in Chicago, has joined the Retirement Security Principles Task Force.

PROFESSIONALISM NEWS



William Cutlip, president of William C. Cutlip Consulting in

Tucson, Ariz., has joined the Actuarial Standards Board.

IN THE NEWS

A Dec. 20 Associated Press story on President Bush's Social Security reform proposals cited the Academy's 2003 [letter](#) to Social Security's trustees criticizing the use of "infinite horizon" estimates for unfunded liabilities. The story ran in a number of newspapers, including the *Washington Post*, the *Boston Herald*, the *Kansas City Star*, the *Seattle Times*, and the *Miami Herald*. A lead editorial in the

Jan. 3 *New York Times* on Social Security reform cited the same letter. And Jan. 8 *Newsday* and Jan. 14 *Buffalo News* columns on the same topic cited Academy analysis concluding that Social Security is not in imminent danger of collapse.

► An article on predictions of an imminent crisis in Social Security that ran in the Jan. 16 *New York Times Magazine* quoted **Harry Ballantyne**, former Social Security chief actuary and winner of the Academy's Myers Service Award; **Steve Goss**, Social Security's current chief actuary and a member of the Academy's Social Insurance Committee; and **David Langer**, president of David Langer Co. in New York.

► A Dec. 12 *Baltimore Sun* column on Social Security reform quoted **Ron Gebhardtsbauer**, the Academy's senior pension fellow, and directed readers to the [Social Security Game](#) on the Academy's website. The game was also mentioned in a Jan. 18 column that ran on CNN/Money.com. Gebhardtsbauer was also quoted in a Jan. 14 article on Social Security expectations of baby boomers that ran on the Knight Ridder wire and appeared in a number of newspapers, including the *Philadelphia Inquirer* and the *Kansas City Star*. And Gebhardtsbauer's comments were featured in a Dec. 18 *Los Angeles Times* article on United Airlines' proposal to scrap its main pension plan and a Dec. 6 *National Underwriter* article on hybrid retirement plans combining features of traditional defined benefit pension plans and 401(k) programs. **Larry Zimpleman**, president of retirement and investor services for the Principal Financial Group in Des Moines, Iowa, was also quoted in the *National Underwriter* piece.

► **Timothy Pfeifer**, a consulting actuary for Milliman in Lake Forest, Ill., was quoted

in a Dec. 12 *Wall Street Journal* column on annuities.

► An article on actuarial integrity in the Dec. 10 edition of *Insurance Journal* quoted Academy President **Bob Wilcox**, a consulting actuary with R.E. Wilcox & Co. in Alpine, Utah; **Mary Frances Miller**, immediate past president of the Casualty Actuarial Society and a consulting actuary with Select Actuarial Services in Nashville, Tenn.; and **Brian FitzGerald**, president of the Canadian Institute of Actuaries in Toronto.

► A series of articles on variable annuities that ran in the Dec. 1 *Best's Review* mentioned the Academy's C-3 Phase 2 project and quoted **Tom Campbell**, vice chairperson of the Life Practice Council and vice president and corporate actuary for Hartford Life Insurance Co. in Weatogue, Conn.; **Ari Lindner**, senior vice president and chief life officer for Ace Tempest Life Reinsurance in Hamilton, Bermuda; and **Hubert Mueller**, a member of the Life Capital Adequacy Subcommittee and chairperson of the Variable Annuity Practice Note Work Group and a principal with Towers Perrin in Weatogue, Conn.

ON THE MOVE

John Rollins is a consulting actuary with Watson Wyatt Insurance and Financial Services in Gainesville, Fla. He was formerly chief actuary for the Florida Farm Bureau Insurance Cos.

► **Bernard Rabinowitz** has been named senior vice president and corporate actuary for Ascent Assurance in Forth Worth, Texas. He was formerly a senior consultant with Reden & Anders in Chicago.

► **Linda Dembiec** is a consulting actuary in the new Charlotte, N.C., office of Select Actuarial Services. She was formerly chief financial officer and chief actuary for Medical Mutual Liability Insurance Society of Maryland. ▲

Joe Sutliff



If these cats were actuaries, would they be in violation of the principles of Precept 10? It doesn't look like they are waiting in a spirit of "courtesy and cooperation" for the wayward flip of a fishing rod.

Is Mental Health Parity Equal?

WHEN CONGRESS PASSED the federal Mental Health Parity Act in 1996, the intention was to extend annual and lifetime limits on mental health benefits to equal those offered on medical and surgical benefits.

But the law doesn't mandate mental health coverage. For those employers who do provide mental health benefits, the law allows for the adoption of various limiting features, such as higher cost-sharing requirements or limits on the number of inpatient days or outpatient visits.

Not surprisingly, many employers and health plans responded to the legislation by increasing the use of inside limits or by increasing member cost-sharing for mental health.

As a result, new federal proposals to extend the act continue to surface, most recently the Sen. Paul Wellstone Mental Health Equitable Treatment Act of 2003, which would prohibit reduced benefits for mental health illnesses compared with other medical benefits.

But what are the consequences of further extending parity in mental health coverage? In a new [issue](#)

[brief](#), *Mental Health Parity: Often Separate, Usually Unequal*, the Academy's Mental Health Parity Work Group provides background on the topic and weighs the costs of such a move from the perspective of employers, insurers, and consumers. Issues discussed include:

- ▶ The current state of mental health coverage
- ▶ The effect of enhanced mental health parity requirements on mental health insurance costs
- ▶ Medical cost offsets
- ▶ The impact on prescription drug usage and costs
- ▶ The impact of mental health managed care on the cost of mental health parity requirements
- ▶ Transfer of public mental health costs to the private sector.



As chairperson of the work group, Donna Novak coordinated preparation of the issue brief. Others who participated are John Anderson, Ronald Bachman, Daniel Bailey, James Gutterman, Joseph Korabik, Alexander Marek, Stephen Melek, John Price, and Courtney White. ▲

Task Force, *continued from Page 1*

councils will be used to develop the comments issued by the task force. "We will not be reinventing the wheel," said Wilcox. "Rather, we plan to retool the wheels we already have so that they can run on a fast track as the debate on these issues speeds up."

Two actuaries with extensive public policy experience will lead the task force. Ron Gebhardtshauer, the Academy's senior pension fellow, will serve as chairperson, and Cori Uccello, the Academy's senior health fellow, will serve as vice chairperson. Each of the Academy's councils will have representatives on the task force (see complete list to the right), along with additional members with specific expertise in high-priority areas.

"Many of our members have asked that the Academy raise its profile on major issues such as Social Security reform and Medicare, and that is exactly what we intend to do," said Wilcox. ▲

2005 Federal Agenda Task Force Mission Statement

The 2005 Federal Agenda Task Force will coordinate the Academy's comments on major federal initiatives, whether they originate with the Congress or the administration. These issues include Social Security, Medicare, Medicaid, tax reform, retirement security, and others issues as appropriate. The task force shall: ① identify and track issues, ② coordinate activities between councils, ③ commission research, and ④ develop comments and provide spokespersons for the media, Congress, government agencies, or other policy-makers.

2005 Federal Agenda Task Force

CHAIRPERSON

Ron Gebhardtshauer, Academy Senior Pension Fellow

VICE CHAIRPERSON

Cori Uccello, Academy Senior Health Fellow

MEMBERS

Michael Abroe, Academy Vice President, Health

Donna Claire, Academy Vice President, Life

Burton Jay, Academy Vice President, Risk Management & Financial Reporting

Lawrence Johansen, former Academy President

Kenneth Kent, Academy Vice President, Pension

Mary D. Miller, Academy Vice President, Casualty

Rade Musulin, Chairperson, Communications Review Committee

David Sandberg, Vice Chairperson, Life Practice Council; Academy Board member

Geoffrey Sandler, Academy Vice President, Professionalism

Donald Segal, Vice Chairperson, Pension Practice Council*

Bruce Schobel, former Academy Board member

John Schubert, Vice Chairperson, Health Practice Council; Academy Board member

Timothy Tongson, Vice Chairperson, Risk Management & Financial Reporting Council

*Donald Segal's name was inadvertently omitted from the Jan. 19 [e-mail](#) to all Academy members announcing the formation of the task force. The Academy regrets any confusion that this may have caused.

Congressional Research: Filling in the Blanks

BOWING TO DEMOGRAPHIC REALITY, the Congressional Research Service (CRS) a couple of years ago made the decision to broaden the intellectual muscle it brings to bear on issues related to the aging of the U.S. population. Last year, CRS (the government agency responsible for providing analysis and research on legislative issues to members of Congress and their staffs) hired for the first time a bio-ethicist, a demographer, a geneticist, a gerontologist, and actuary Neela Ranade.



Ranade is a member of the Academy's Joint Health Practice Council/Pension Practice Council Committee on Retiree Health with more than 25 years under her belt as a consulting actuary. Her new job has been very much like, and at times challengingly different from, her previous assignments.

For starters, she had to define what an actuary brings to the table. "The CRS didn't know exactly what they were going to use an actuary for when they hired me," Ranade says. "They don't have as many quantitative people, so I do bring in a lot of new perspectives and skill." Fairly quickly, however, Ranade also had to point up the limits in her working definition. "I'm the only actuary here, and they think a single actuary can do anything actuarial—whether it's Medicare, long-term care, pensions, or Social Security," Ranade explains.

Almost uniquely, Ranade says, her job gives her "an opportunity to look at issues from an interdisciplinary point of view." She often works closely on projects with analysts from highly divergent fields, such as a joint project on Social Security that Ranade is developing with the CRS demographer. "As a group, the analysts are highly educated and very smart," Ranade says. "It's a very collegial environment." The downside? "If I need peer review on actuarial content, there is no one here to do that," Ranade says. So far, she has handled this problem on a case-by-case basis. On a report she completed recently on the financial condition of the Pension Benefit Guaranty Corp., for instance, Ranade sent the report to actuaries at the PBGC for technical vetting.

Fortunately, Ranade's previous work as an actuarial con-

sultant has helped her bridge these difficulties. Primarily an enrolled and retirement actuary, Ranade worked for many years for Actuarial Sciences Associates in Somerset, N.J. (now a part of AON consulting). Among other duties there, she ran the health care consulting unit. For three years before taking the position at CRS, Ranade ran her own consulting company, working on a variety of projects including evaluations of New York City's municipal pensions and the federal employee long-term care plan. A native of India, Ranade came to this country some 30 years ago to get a doctorate in mathematics, having earned her bachelor's and master's degrees in math in

India. She picked up another master's degree but then decided to become an actuary. Married to a research engineer, Ranade is the mother of two children, one currently in law school and the other in high school.

As the actuarial point person at CRS, Ranade not only responds to specific requests for information but also tries to do reports anticipating the research needs of members of Congress and their staffs.

"This year the focus is naturally on Social Security and defined benefit pensions," Ranade says. "And there is already a lot of activity. We get ad-hoc questions, requests for briefings, and we are doing reports to clarify nuances in the various reform proposals."

Since Social Security and other government entitlement programs can be politically explosive, CRS must be careful to present both points of view. Which doesn't mean that Ranade is unable to respond directly to specific questions put by a member—about the risks of creating individual accounts in Social Security, for instance. "For something like that, we can give a response that is more focused on the question," Ranade says, but adds, "These memos are very confidential." Fortunately, Ranade says she has never felt any political pressure to craft her responses to favor one political position over another. For someone who has been providing unbiased information over the course of a long actuarial career, it's a familiar and comfortable way to work. ▲

Comments Sought on New Health Practice Note

THE ACADEMY'S HEALTH PRACTICE COUNCIL is interested in your input on an updated [version](#) of its Small Group Medical Business Practice Note. Specifically, comments are sought on the appropriateness of the practice note, the frequency of updates, and substantive disagreements with its recommendations.

Updating an original published in 1995, the revised version covers valuation issues that are related to determining reserve levels and asset adequacy for small group medical insurance coverage. Small group medical business includes fully insured comprehensive medical plans, which often are sold with



ancillary benefits, such as vision coverage, prescription drug cards, and short-term disability coverage. Donna Novak chaired the subgroup of the Practice Note Work Group that prepared the revision. Other members who worked on the project are Karen Bender, James O'Connor, Bernard Rabinowitz, and David Shea.

The updated practice note is posted on the Academy's website, www.actuary.org. There is a Feb. 25 deadline for comments, which should be sent to GERALYN TRUJILLO, the Academy's state health policy analyst (Trujillo@actuary.org; 202-223-8196). ▲

new monograph, *Pension Funding Reform for Single-Employer Plans*, include solvency, predictability, transparency, avoiding moral hazards, and ensuring a smooth transition. As part of its examination of incremental reform alternatives, the monograph discusses different means of improving the financial condition of the Pension Benefit Guaranty Corp. (PBGC), ensuring predictable and flexible funding for pension plans, and increasing transparency for employees and investors.

The Academy began working on the monograph more than a year ago, in response to the growing economic difficulties faced by private-sector pension plans caught between declining interest rates and equity values, producing increasing liabilities and stagnant assets.

As described by Chao, the administration proposal would reform funding rules to ensure that employers fully fund their retirement promises, revise PBGC premiums to reflect a plan's risk of termination, and increase a plan's disclosure to ensure greater transparency and accountability. Specifically, the administration proposal would:

- ▶ Offer a single, accurate liability measure based on a current duration-matched yield curve of corporate bond rates
- ▶ Allow for assumptions that reflect a plan's risk of termination
- ▶ Permit sponsors to make additional deductible contributions in good economic times
- ▶ Restrict underfunded plans or weak sponsors from increasing benefits
- ▶ Clarify the treatment of hybrid plans
- ▶ Improve the PBGC's ability to enforce contributions on firms in bankruptcy.

Additionally, the administration proposal would alter the PBGC's premium structure to reflect a plan's cost. The flat-rate premium would increase to \$30 per participant per plan year (it is currently \$19 per participant per plan year), and future increases would be indexed for growth in the national average wage.

At the same time, underfunded plans would be charged risk-based premiums based on the underfunding relative to their funding target. The PBGC's board would have the authority to adjust the risk-based premium rates periodically to ensure that the PBGC has enough revenue to cover expected losses.

Ron Gebhardtshauer, the Academy's senior pension fellow, was the primary author of the monograph, working with the as-

sistance of the Pension Practice Council, chaired by Kent, and the Academy's Pension Committee, chaired by Carolyn Zimmerman.

—HEATHER JERBI

Multiemployer Plan Reform Also in the Mix

ALTHOUGH LABOR SECRETARY ELAINE CHAO said during her speech at the National Press Club on Jan. 10 that the administration's pension reform proposal doesn't affect multiemployer plans, the Academy thinks the latter shouldn't be neglected.

"Even though the administration's proposal does not focus on multiemployer plans, it is crucial for policy-makers to understand the differences between the two types of plans and the implications that changes in funding reform rules may have on each," said Ken Kent, the Academy's vice president for pension issues.

To aid in that effort, the Academy's Multiemployer Plans Task Force in January published a new [issue brief](#), *Principles of Pension Funding Reform for Multiemployer Plans*. The issue brief explains the differences between single-employer plans, multiple-employer plans, and multiemployer plans, particularly with regard to funding mechanisms, risk-sharing, and governmental guarantees.

The issue brief establishes principles similar to those associated with reform of the single-employer system, and it encourages Congress to weigh the impact of changes to single-employer funding rules on multiemployer plans.

James McKeogh is the chairperson of the task force that produced the issue brief. Other task force members who worked on the project are Eli Greenblum, Brian O'Konski, Howard Rog, and Samuel Stanley.

NAIC NOTES

THE NAIC is still looking toward implementation of the Academy's C-3 Phase 2 [project](#) by the end of this year, although final approval was held up at the NAIC's December winter national meeting in New Orleans as discussions continued among Academy volunteers, regulators, and industry representatives on issues such as revenue sharing, a standard scenario, and timing of calculations.

Also at the winter meeting, the P/C Risk-Based Capital Committee [reported](#) to the NAIC's Capital Adequacy Task Force on proposed changes in P/C RBC charges for preferred stock holdings. The NAIC had requested the Academy to evaluate

a proposal by the NAIC's Life RBC Working Group to assign stocks the same RBC charges as bonds in the life RBC formula. The proposal arose from changes in the way credit rating agencies rate preferred stocks. Looking at P/C companies, the Academy recommended eliminating the separate preferred stock table of charges, using P/C bond charges instead. This would eliminate the double charging of preferred stocks and maintain consistency in process with the life insurance RBC formula. The impact of this change on P/C companies with the largest dollar amounts of unaffiliated preferred stock holdings would be negligible, the committee reported. ▲

NEW MEMBERS

IN THE SECOND HALF OF 2004, the Academy added 274 new members to its rolls. By joining, they have demonstrated a commitment to ethical and responsible actuarial conduct and an interest in keeping up with the issues and events that are shaping their profession.

That interest in staying current and connected is reflected in another statistic: As of December, 90.75 percent of Academy members listed an e-mail address. That number jumps even higher (to 94.49 percent) when you factor out members whose dues are waived, primarily because of retirement or because they are over the age of 70. **To the new members: Welcome. You are in good, and well-connected, company.**

Michelle Abhasakun
Jeffrey Adcock
Mark Afdahl
Michael Agan
Garo Aghjayan
Brian Archdeacon
Francis Armstrong
Timothy Atwill
Nicki Austin
Kathleen Bachman
Carolyn Bahrman
Simpa Baiye
Daniel Balsam
Rose Barrett
Merson Bartlett
Lesley Bausch-Ward
E. Adam Beardsworth
Joe Bellanca
Precious Bellitto
Benjamin Bergeson
Derek Berget
Carl Bergh
Rebekah Biondo
Elena Black
Roman Blichar
Michael Born
John Broadrick
Jeffrey Brown
Michael Brown
Rebecca Brown
Roger Brown
Eric Brust
James Buchanan
Gary Burczek
Tyler Burnett
Douglas Busta
Jennifer Byington
Jennifer Carrick
Jennie Casaday
Patrick Causgrove
Nicole Ceurvorst
Yueh-Chi Chang
Jennifer Charbone
Cuong Chau
Miao Chen
Shuang Chen
Uisok Chong
Julia Chung
Charles Cicci
Eric Clark

Marianne Clifford
Thomas Cordier
Chad Covelli
Spencer Coyle
Barbara Crabtree
Nicholas Craig
Woodrow Crouch
Justin Cruz
Mark Cummings
Robert Daniel
Mari Davidson
Jennifer Della Pietra
Kent Dinius
Jeremy Donaldson
Darlene Douglas
Donald Dowdy
Rajeev Dutt
Kate Edison
Tomer Eilam
Julie Ekdorn
Chendan Esvaran
Bruce Fatz
Shane Feldhaus
Joy Ferguson
Gina Ferst
Dale Fethke
Ryan Flanagan
Pamela Fox
Matthew Frank
Eric Friedman
Frank Gallagher
Chad Gambone
Ivy Gao
Colby Gardner
Christos Giannakopoulos
Michael Gibbons
Monica Gladiszewski
Jason Gomberg
David Gordon
Aleksy Granovsky
John Grosso
Travis Grulkowski
William Grzesiak
Lisa Guajardo
Kyle Hales
Lorraine Halpin
Bobby Hancock
Kevin Haney
Megan Harder
Richard Harris

Gary Hatfield
Robin Haworth
Alice Hicks
Stephen Higgins Jr.
Brian Klava
Ann Klaessy Ho
Lorin Hoepfner
Troy Holm
Jing Hong
Rodney Howard
Farid Ibrahim
Anthony Infantini
Karen Jackson
William Jarman
Richard Jenkins
Min Jiang
Shiwen Jiang
Yi Jing
Christopher Johnson
Eric Johnson
Matthew Keller
Eric King
Scott Klabacha
Susan Klein
Steve Klingemann
Randall Koss
Dina Krofta
Zhenzhen Lai
Connie Lam
Frederick Lamm
Daryl Landvatter
Paul Lavallee
John Lebens
Yuxiang Lei
Geanie Leo
Kenneth Leonard Jr.
Russell Leuthold
Douglas Levy
Wei Li
Xin Li
Herman Lim
Jia Liu
Wenyi Lu
James Lucas
Yu Luo
Hezhong Ma
John Macera Jr.
Lynn Malloney
Francis Manganelli
Brent Martonik

Daniel Matern
Jonathan Matthews
Mahrukh Mavalvala
Howard Mayberry
John McArthur
David McKay
Shawna Meyer
Philip Michael
Peter Miller
Michael Mills
Mickey Moon
Jason Morgan
Maria Morrill
Melissa Moscovitz
Yuchun Mu
Dennis Muniz
Sudhakar Natarajan
Jacqueline Neal
Bethany Niederloh
Tadd Niemann
Timothy O'Connor
Christian O'Keefe
Mark Oiler
Alan Pakula
Bor-Rong Pan
Jothee Pathmanathan
Joseph Peterson
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Registration packets will be sent to Academy members later this month.

HELP WANTED

THE FINANCIAL ACCOUNTING STANDARDS BOARD (FASB) is embarking on an ambitious multiyear effort to restructure all U.S. GAAP accounting literature into a single authoritative codification and to modify the standard-setting process to reflect the new structure.

To help in what promises to be a monumental task requiring expertise from a wide variety of people, FASB is seeking assistance from top financial reporting professionals, specifically:

- ▶ Individuals to evaluate existing U.S. GAAP for specific topics and to structure the relevant content
- ▶ Individuals with a high level of expertise in spe-

cific topics to synthesize the content.

Actuaries, particularly those who are also CPAs or have a relevant background in accounting, are encouraged to participate. While FASB may hire some people full time for the project, it expects that the majority of participants will be working on short-term consulting contracts of two to six months.

If you are interested in learning more about the codification and retrieval project, contact Ethan Sonnichsen, the Academy's risk management and financial reporting policy analyst (202-223-8196; sonnichsen@actuary.org), or go to www.fasb.org/project/codification&retrieval_project.shtml. ▲