JULY 2006

THE NEWSMONTHLY OF THE AMERICAN ACADEMY OF ACTUARIES

Actuarial UPDATE

DOE Reverses Pension Policy Faulted by Academy

THE ACADEMY HAS COMMENDED the Department of Energy (DOE) for deciding to suspend its policy denying reimbursements to DOE contractors for the costs of their new employees' defined benefit pension plans. The Academy's May 3 letter to Energy Secretary Samuel Bodman was one of the first statements to arise from the public condemning the new policy. In its letter, the Academy argued that not only did the new policy work against retirement security and the voluntary retirement system but that it also didn't responsibly address concerns about cost levels and volatility.

In a letter to Sen. Pete Dominici (R-N.M.) on June 19, Bodman announced his intention to suspend the policy for at least one year while the DOE consults with various stakeholders.

"The Energy Department's policy would have virtually denied the new employees of department contractors a predictable, guaranteed, and secure retirement income," said Donald Segal, the Academy's vice president for pension issues. "Secretary Bodman should be commended for listening and deciding to suspend this new policy for further review." The Academy's Pension Practice Council has offered its assistance to the DOE to ensure the development of policies that promote retirement security for contractors' employees.

The Academy's opposition to the proposed policy was reported in the *Washington Post* and other newspapers and was cited by numerous other groups and by key legislators. Sen. Edward Kennedy (D-Mass.), ranking member of the Health, Education, Labor and Pensions Committee, cited the Academy's objections during his floor statement opposing the new policy.

"We believe that the new policy would have been seriously detrimental to the interests of American workers who have come to depend on the defined benefit pension system in particular and the nation's public/private retirement partnership in general," Segal said.

—HEATHER JERBI

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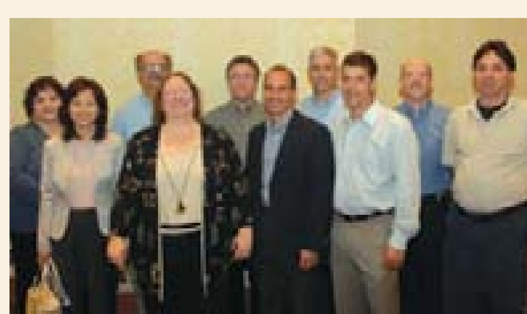
Summer NAIC Meeting

Principles-Based Effort Continues to Move Forward



Members of the Life Practice Council convene at the NAIC meeting.

AT ITS JUNE 10-13 SUMMER national meeting in Washington, the National Association of Insurance Commissioners (NAIC) formed a high-level working group that will focus on the development of principles-based regulation of life insurance.

This was an important step in moving forward the Academy's ongoing initiative to encourage more principles-based regulation rather than rely on formulas that actuaries must follow. As just the latest part of that initiative, the Academy submitted more than two dozen separate documents to various NAIC groups working on principles-based reserving or capi-

See **NAIC MEETING**, Page 4

Calendar

JULY

7 Academy Life Reserves Work Group meeting, Chicago

10-14 SAV course on quantitative risk management, Lausanne, Switzerland

11 Academy webcast on policyholder behavior

12 Academy/CCA joint webcast on peer review

16-19 2006 Western Benefits Conference, Las Vegas

20-23 NCOIL summer meeting, Boston

23 Academy Pension Practice Council meeting, Burlington, Vt.

24 Academy Pension Committee meeting, Burlington, Vt.

AUGUST

2 Academy Financial Reporting Council meeting, Chicago

3 Academy Executive Committee meeting, Washington

15 Academy Committee on Qualifications meeting, Boston

15-19 National Conference of State Legislators meeting, Nashville

23-25 ASB meeting, Washington

SEPTEMBER

7-8 NAIC Life and Health Actuarial Task Force meeting, St. Louis

9-12 NAIC fall meeting, St. Louis

11-12 Casualty loss reserve seminar (Academy, CAS), Atlanta

13 Academy Life Financial Reporting Committee meeting, Chicago

25 Academy Board of Directors meeting, Washington

26-27 Academy annual meeting, Washington

28-October 1 North American Actuarial Council meeting, Napa Valley, Calif.

OCTOBER

11-12 Academy P/C Loss Reserve seminar, Chicago

15-18 SOA annual meeting, Chicago

18 CIA joint day with SOA, Chicago

19-20 CIA general meeting, Chicago

23-25 CCA annual meeting, Rancho Mirage, Calif.

22-25 ASPPA annual meeting, Washington

NOVEMBER

5 Academy Pension Practice Council meeting, Las Vegas

6 Academy Pension Committee meeting, Las Vegas

6-9 Academy Life and Health Qualifications Seminar, Arlington, Va.

12-15 CAS annual meeting, San Francisco

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

Academy NEWS Briefs

Actuaries: In Search of a Working Definition

THE ACADEMY IS LOOKING FOR VOLUNTEERS to assist the Department of Labor in updating information about the actuarial profession for its Occupational Information Network, also known as O*NET.

O*NET publishes information about skills, abilities, activities, and work context for nearly 900 occupational categories in the U.S. economy. The last complete update of its dictionary of occupational titles was carried out in the late 1970s. O*NET defines an actuary as an individual who analyzes statistical data, such as mortality, accident, sickness, disability, and retirement rates and who constructs probability tables to forecast risk and liability for payment of future benefits; also an individual who may ascertain premium rates required and cash reserves necessary to ensure payment of future benefits.

If you have done the sort of work described above for five or more years and have worked in the field within the past six months—practicing, teaching, consulting, instructing, or supervising—the Labor Department wants to hear from you. As a token of appreciation, the Labor Department is providing $40 and a framed certificate of appreciation to qualified experts who participate.

RTI International, a nonprofit research firm, is assisting the Labor Department in collecting data for O*NET. Those interested in participating should send an e-mail, including experience, title, name, address, phone and fax numbers, employer, and area of actuarial practice to Ronald Wandscher (onetrwandscher@pub.rti.org) or call him at 877-233-7348, ext. 108.

IN THE NEWS

Academy Senior Pension Fellow **Ron Gebhardtsbauer** made an appearance on CNBC's "Street Signs" on May 22 to discuss pension accounting rules and Exxon Mobil's pension funding deficit. Gebhardtsbauer said Exxon was contributing only the minimum amount required to its pension plan because it had no incentive to do more. In a May 29 *BusinessWeek* article on the same topic, **John Ehrhardt**, a principal and consulting actuary with Milliman in New York, was quoted with the same conclusion.

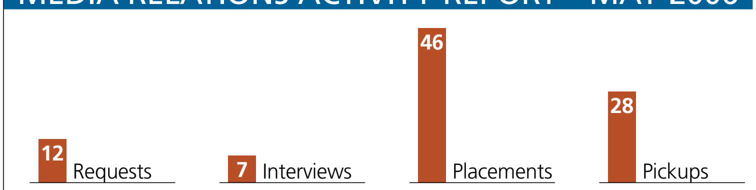
In the May 15 *Washington Post* "Federal Diary," reporter Stephen Barr wrote about efforts by the House Appropriations Subcommittee and other members of Congress to block the Department of Energy's benefits policy change for contractors and quoted from the Academy's letter to the Energy Department (see Page 1) faulting the policy: "They contend that it would deny a contractor the ability to choose the type of retirement plan it wants to sponsor and say the policy seems inconsistent with benefits provided to civil service employees, who receive guaranteed pensions and 401(k)-type plans."

U.S. Senate coverage on C-SPAN 2 from May 8 included a segment on medical liability that mentioned Academy work: "Sen. Lisa Murkowski, of Alaska, says that the American Academy of Actuaries has stated that placing limitations on unquantifiable, non-economic damages is imperative in stabilizing the physician professional liability insurance marketplace."

John Ehrhardt and **Ron Gebhardtsbauer** were quoted in a recent *Employee Benefit News* article on the Financial Accounting Standards Board's proposed "mark-to-market" rule changes for the accounting of defined benefit plans. Ehrhardt said the proposed accounting modifications "could change the ratios of assets and liabilities sufficiently to violate existing covenants, and require renegotiation of the terms of existing loans and/or make it difficult or almost impossible to raise additional capital." In the event of a violation, Gebhardtsbauer said, renegotiation is more common because companies may not be able to pay off the loan.

In a story about the appointment of Henry Paulson as the new secretary of the treasury that ran on the Reuters

MEDIA RELATIONS ACTIVITY REPORT—MAY 2006



Media Impressions:
4,297,551

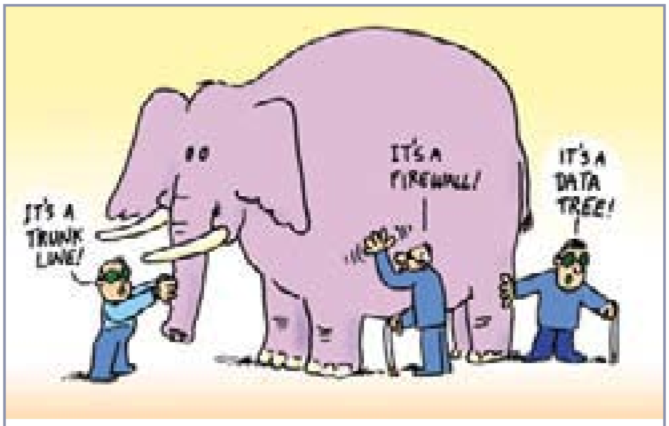
Web Impressions:
11,703,770

Note: Media impressions are a combination of readership, listenership, and viewership. Web impressions are distinct from media impressions and reflect the number of daily, unique individuals who access a website. A placement is an article containing an Academy reference and/or a quote or attribution from an Academy spokesperson. A pickup is the publication of an Academy news release, media alert, statement, or letter to the editor.

wire, mention was made of Paulson's previous support of terrorism risk insurance legislation. The story quoted **Michael McCarter**, chairperson of the Academy's Terrorism Risk Insurance Subgroup and vice president of industry and regulatory affairs for American International Group in New York, speaking on projected losses from a large attack and calling for a national framework for managing terrorism risk.

On May 31, the Academy sent letters to the Financial Accounting Standards Board (FASB) expressing concerns with its proposal to amend standards governing accounting for pensions and other post-retirement benefits (see story, Page 6). The letters sparked stories in the June 2 and 12 online editions of the *National Underwriter*. Joint Committee on Retiree Health Co-chairpersons **Jeffrey Petertil**, a consulting actuary in Oak Park, Ill., and **Adam Reese**, a consulting actuary with the Hay Group in Arlington, Va., were quoted June 2 on their concern that the FASB's proposal ignores the nature of retiree health benefits. Follow-up coverage on June 12 included additional remarks by Petertil and Reese and comments from **William Sohn**, chairperson of the Committee on Pension Accounting and a consulting actuary with Buck Consultants in New York. Sohn said that including an allowance for future salary growth would most likely lead to cutbacks in defined benefit plan sponsorship.

The May 5 *National Underwriter* online led with an item about the Academy's letter to Congress on small-business health plan legislation. The article quoted **Karen Bender**, chairperson of the Small-Group Task Force and a principal with Mercer Oliver Wyman Actuarial Consulting in Milwaukee, and **David Bahn**, a member of the task force.



It's an old, old tale but a good one: Don't make a judgment based on partial information. Make sure you have all the facts before you before you opine.

Comments on lapse rates from **David Sandberg**, the Academy's vice president for life issues and a vice president and corporate actuary with Allianz Life Insurance Co. of North America in Minneapolis, were included in a June 2 Best Wire article.

ON THE MOVE

► Former Academy President **Larry Zimpleman** has been named president and chief operating officer for the Principal Financial Group in Des Moines, Iowa. In his new position, Zimpleman will oversee all global and domestic operations, including the U.S. and international asset accumulation businesses; Principal Bank; the life and health insurance businesses; and the global asset management businesses under Principal Global Investors. Zimpleman joined the company in 1971 as a part-time actuarial student. From 1976 to 1997 he served in various management and leadership positions at the officer level in the pension department. He was named vice president in 1997, senior vice president in 2001, and president of retirement and investor services in 2003. Zimpleman is past chair of the board of trustees for the Employee Benefit Research Institute and a trustee of the Actuarial Foundation. He was a delegate at the 2002 and 2006 National Summit on Retirement Savings hosted by President Bush and the secretary of labor.

► **Gary Wendlandt** has been promoted to senior executive vice president of New York Life Insurance Co. He was formerly chief executive officer of New York Life Investment Management LLC. A member of New York Life's executive management committee, Wendlandt will continue as chairman of the investment management subsidiary.

► **Mark Lyons** has been promoted to president and chief operating officer of Arch Insurance Group in New York. He was formerly executive vice president of group operations and chief actuary.

► **Wade Harrison** and **Dale Hall** have been named vice presidents at Country Insurance & Financial Services in Bloomington, Ill. Harrison has been named senior vice president of life and health operations. He was formerly director of property/casualty personal lines underwriting. Hall has been named vice president and chief life/health actuary. He was formerly a life/annuity actuary.

► **LeRoy Boison** and **Roosevelt Mosley** have been named principals at Pinnacle Actuarial Resources in Bloomington, Ill. Both Boison, who works in Pinnacle's Garden City, N.Y., office, and Mosley were formerly senior consulting actuaries with Pinnacle.

tal requirements for consideration at the summer meeting.

Convening just prior to the summer meeting, the NAIC's Life and Health Actuarial Task Force (LHATF) voted to expose an updated draft of the Academy's model regulation governing principles-based reserves for life products, along with updates to three accompanying guidelines on principles-based life reserving (AG PBR), life reserve assumption margins (AG MAR), and life reserving disclosure (AG DIS).

LHATF also voted to expose a new version of the actuarial guideline VACARVM (an acronym for the commissioners' annuity reserve valuation method for variable annuities). Before the vote, the Academy reported on the results of a survey of company readiness to implement the proposed guideline. The new version of the guideline reflects an April proposal from the New York State Insurance Department with one major modification: The effective date was changed to year-end 2007. It is possible that the new guideline will be adopted as early as the NAIC's fall national meeting in St. Louis.

In the area of risk-based capital, the NAIC's Capital Adequacy Task Force (CADTF) and its Life Risk-Based Capital Working Group considered and adopted the Academy's proposed revisions to life instructions related to C-3 Phase II. The two groups also approved the Academy's proposed instructions in the area of modified coinsurance. Final approval is expected at the fall national meeting with the instruction changes effective for year-end 2006.

The Academy submitted more than two dozen separate documents to various NAIC groups for consideration at the summer meeting.

Among the host of other reports the Academy delivered to the NAIC were results from a survey of companies' reactions to C-3 Phase II, an update on the Academy-SOA preferred mortality study project, a report from the Life Reserves Work Group on gross premium valuation, and a report on areas in which additional actuarial judgment guidance is needed. The Academy also made a comprehensive presentation to LHATF on applying the principles-based approach to valuation and capital requirements.

Expanding the principles-based effort to the health side, the Academy made a presentation to LHATF on principles-based issues in long-term care, with discussion continuing on areas such as premium deficiency reserves and the individual rate regulation market. During its meeting, the CADTF formed a subgroup to focus on Medigap issues. The Academy's State Health Committee will be an interested party in this subgroup, offering expertise and support as it prepares a report for consideration by CADTF at the NAIC's fall meeting.

On the casualty side, the Academy submitted a white paper on the role of actuaries in a risk-focused framework for insurance regulation that it prepared at the request of the Casualty Actuarial Task Force (CATF). The task force is helping to rewrite the Financial Examiners Handbook to include a risk-focused framework and sought the Academy's input on the means by which actuaries could provide support in the financial examination process. The CATF also received oral updates on two projects of the Academy's Committee on Property and Liability Financial Reporting: a workers' compensation large-deductible study and a report on finite risk and risk transfer in P/C reinsurance. Finally, members of the Academy's Terrorism Risk Insurance Subgroup briefed the NAIC's Terrorism Risk Insurance Working Group on comments it recently submitted to the President's Working Group on Financial Markets (see story, Page 5).

Academy TRIA Analysis Blazes a Trail

SITTING ATOP 39 comment letters recently submitted to a federal working group tasked with reporting to Congress by Sept. 30 on the long-term availability of terrorism insurance was a letter from the Academy's Terrorism Risk Insurance Subgroup.

While happenstance, and the benefit of alphabetical order, placed the Academy's letter at the top of the file submitted to the President's Working Group on Financial Markets, the Academy's work proved to be a leading voice on the subject that echoed in the 38 letters that followed.

Included in 12 of those other comment letters are references and citations of Academy and subgroup work products, ranging from issue briefs to public statements made by Michael McCarter, chairperson of the subgroup. The American Insurance Association references the Academy's 2004 monograph, *P/C Terrorism Insurance Coverage: Where Do We Go Post-Terrorism Risk Insurance Act?*, and quotes from the Academy's August 2005 letter to the House Subcommittee on Capital Markets about a Treasury Department study of the Terrorism Risk Insurance Act (TRIA). Comments from the National Association of Realtors quote McCarter's March testimony before the National Association of Insurance Commissioners (NAIC). A letter from the National Council on Compensation Insurance includes in its appendix a copy of the Academy's December 2005 statement about extending or replacing TRIA. The Independent Insurance Agents and Brokers of America's letter refers to the Academy's work multiple times and includes a chart distributed by the Academy at the NAIC's March hearing listing combined insured losses in four major U.S. cities as a result of a truck bomb; a medium chemical, nuclear, biological or radiological (CNBR) event; or a large CNBR event.

Other organizations that referred to Academy work in their comments to

The Academy's work proved to be a leading voice on the subject.

the working group include the Coalition to Insure Against Terrorism, the Chubb Group of Insurance Companies, the Group Life Coalition, the NAIC, and the Property Casualty Insurers Association of America.

—ANDREW SIMONELLI

GAO Taps Academy Expertise

ON JUNE 21, members of the Academy's Terrorism Risk Insurance Subgroup met with representatives of the Government Accountability Office (GAO) to discuss options for insuring against the risk of chemical, nuclear, biological, or radiological (CNBR) terrorist attacks.

The GAO is preparing to publish a report in early fall on the financial implications of insuring the risk associated with CNBR events. The GAO's senior financial analyst, Sonja Bensen, said in the meeting with Michael McCarter, chairperson of the subgroup, and Kevin Thompson that the GAO's charge, which emanated from the office of Rep. Michael Oxley (R-Ohio), is limited to analyzing the financial issues raised by insuring CNBR risks. The GAO doesn't intend to evaluate options for future involvement at the federal level.

Meeting conversation touched several times on the subgroup's comments to the President's Working Group on Financial Markets, which has been asked to report to Congress by Sept. 30 on the long-term availability of terrorism insurance, including group life insurance and coverage for CNBR attacks (see story above). Other topics included the varying effects a CNBR event would have on different lines of business both within and outside the casualty realm.

—LAUREN PACHMAN

CASUALTY BRIEFS

➤ **Shawna Ackerman**, principal and consulting actuary with Pinnacle Actuarial Resources Inc. in San Francisco, is the new chairperson of the Natural Catastrophes Subcommittee, and **Stuart Mathewson**, lead product actuary for Swiss Re in St. Louis Park, Minn., is the new chairperson of the Flood Insurance Subcommittee. Both are taking over the chairmanship from **Dennis Fasking**, who will remain on both subcommittees as a member.

HEALTH BRIEFS

➤ **Al Raws**, a manager with KPMG LLP in Radnor, Pa., has joined the State Long-Term Care Principles-based Subgroup.

➤ **Brian Raymon**, an actuary with Allianz Life Insurance Co. of North America in Minneapolis, has joined the Medicaid Work Group.

➤ **Kevin Dotson**, a consulting actuary with CCA Strategies in Atlanta, has joined the Disease Management Work Group.

➤ **Martha Spenny**, a senior associate actuary with Blue Cross and Blue Shield of Michigan in Southfield, has joined the Small Group Market Task Force.

RISK MANAAGEMENT AND FINANCIAL REPORTING BRIEFS

➤ **Harold Luber**, assistant vice president and actuary for Swiss Re Life & Health America in Armonk, N.Y., has joined the Risk Management and Solvency Committee.

Joint Academy and SOA Briefing

Gauging Retirement Risk

WHEN IT COMES TO RETIREMENT, people often say one thing and do another. They say they prefer a guaranteed income in retirement, but when they are offered an annuity or a lump-sum payment upon retirement, they choose the lump sum.

This is one of a number of puzzling behaviors highlighted in a recent survey report of how people understand and manage retirement risk, authored by Mathew Greenwald & Associates, a public opinion and market research company, and the Employee Benefit Research Institute. Commissioned by the Society of Actuaries' Committee on Post-Retirement Needs and Risks, survey results were presented at a June 19 Capitol Hill briefing co-hosted by the Academy and the Society of Actuaries (SOA).

Anna Rappaport, right, talks with a reporter after the briefing.

"The research doesn't necessarily provide the answers," Anna Rappaport, chairperson of the SOA's committee, told the briefing audience of journalists, congressional staff, and other policy-makers. "The research provides a reality check of

FASB Draft Guidance Draws Academy Concern

ON MAY 31, two Academy committees sent letters to the Financial Accounting Standards Board (FASB) expressing concerns with its proposal to amend the financial accounting standards governing accounting for defined benefit pensions and other post-retirement benefit plans.

The Academy's Committee on Pension Accounting welcomed the FASB's project to revisit pension accounting but disagreed with its proposal to include an allowance for future salary inflation in the balance sheet liability for pensions.

"Including an allowance for future salary growth is inappropriate in a balance sheet liability and is likely to lead to an unwarranted cutback in defined benefit plan sponsorship," said William Sohn, chairperson of the pension accounting committee. "Pending a comprehensive review of the measurement issues, it would be more appropriate to use a measure of the pension obligation that does not include an assumption about future salary growth. Such a measure is already available in the footnotes to the financial statements."

A second letter from the Academy's Joint Committee on Retiree Health urged FASB to revise its methodology for measuring the accumulated post-retirement benefit obligation before bringing into the balance sheet a measure that now only appears in the footnotes to the financial statements.

ACADEMY PREPS HILL STAFFERS ON FASB STANDARD

As congressional staff prepared for a June 14 Senate Banking, Housing and Urban Affairs Committee hearing on a proposed financial accounting standard governing accounting for defined benefit pensions and other post-retirement benefit plans, the Academy provided some informal assistance.

William Sohn, chairperson of the Pension Accounting Committee, and Jeffrey Petertil, co-chairperson of the Joint Committee on Retiree Health, summarized for committee staffers the Academy's concerns with the Financial Accounting Standards Board's (FASB) proposed new standard.

Sohn's and Petertil's concise list of issues, based on two letters the Academy sent to FASB on May 31 (see story above), was intended not only to educate congressional staffers about technical aspects of the proposed standard but also to provide them with potential questions for the two panelists who would be testifying at the hearing: Robert Herz, chairman of the FASB, and Sir David Tweedie, chairman of the International Accounting Standards Board.

While the hearing ended up focusing more on the process and timeline for finalization of the standard and less on its technical aspects, both Sohn and Petertil felt their input was valued.

"Providing staff with this information was a proactive step for the Academy," said Petertil. "We were happy to serve as a resource as they prepared for a hearing that had the potential to be technical and complex. At the same time, we had a chance to show them that the Academy can be a valuable resource as they deal with these issues in the future."

—HEATHER JERBI

where people are."

The study highlights a number of areas where people lack knowledge about retirement planning and shows the degree to which people are not systematic in managing retirement risk.

"This research points up the continuing value of retirement programs that don't force employees to make individual decisions when they don't comprehend the risk," Rappaport said.

The new study builds on the committee's 2001 and 2003 surveys on the risks and process of retirement. To complement the survey, focus group discussions on financial management in retirement were conducted in Hartford, Conn., Chicago, and Phoenix. Findings from both the survey and the focus group discussions indicate that pre-retirees and retirees fail to understand the risk of outliving their financial assets. "As we talk about the future, we continue to find gaps in personal risk understanding and poor risk management strategies," said Rappaport.

For instance, because they assess risk primarily in terms of what they can control, many focus group participants thought it less risky to take personal responsibility for investment decisions, said Ruth Helman, research director for Mathew Greenwald & Associates. As a consequence, few turned to risk-reducing products such as annuities to protect themselves. The one exception, Helman said, was in the area of health coverage, where 63 percent of retirees in the focus groups either participate in an employer-provided retiree health plan or have purchased insurance to supplement Medicare.

At the same time, Rappaport said, most underestimated how long they will live and, among pre-retirees, had unrealistic expectations of how long they would be able to continue to work in retirement. Only a minority of those in the focus groups used a formal calculation or financial adviser to help them evaluate their needs in retirement, preferring an informal approach that left them without exact figures or projections of how their expenses might change.

The study underscores the importance of greater public education on the risks of retirement, Rappaport said. "Most of the focus in the retirement system has been about accumulating funds. We need to focus on how to manage money in retirement."

Copies of the new study are available from Heather Jerbi, the Academy's senior pension analyst (jerbi@actuary.org), or by going to www.soa.org/ccm/content/?categoryID=332001.

"Our committee is extremely concerned with the exposure draft," said Jeffrey Petertil, co-chairperson of the Academy's Joint Committee on Retiree Health. "Placing the existing measure of the accumulated post-retirement benefit obligation on corporate balance sheets threatens to distort financial statements rather than make them more transparent."

The proposed measure of the obligation ignores the non-vested, terminable nature of the benefit and thereby overstates its value in many instances. Petertil said that it would be more appropriate to review and revise the methodology used to determine the post-retirement benefit obligation before bringing it into the balance sheet. The FASB's guidance needs to distinguish between benefits that are legally binding and those that are not, he said.

The FASB proposal is the outcome of the first phase of a two-phase project. The first phase primarily addresses balance sheet presentation, while phase two will look at measurement and income statement issues.

Research on Retirement Needs

THE SOCIETY OF ACTUARIES (SOA), in conjunction with the Academy, the Conference of Consulting Actuaries, the Center on an Aging Society, the Employee Benefit Research Institute, the Institute of Actuaries of Australia, and the Pension Research Council, recently issued a call for research papers on retirement spending and changing financial needs during retirement.

The SOA is interested in papers organized around three themes related to retirement spending and needs:

- Understanding the differences in spending on essential, discretionary, and unpredictable needs;
- How sources of retirement income change consumption patterns;
- What strategies retirees use to plan for and adjust their consumption patterns.

While primarily seeking U.S. or Canadian experiences, the SOA will welcome papers from other countries.

Interested? Submit an electronic abstract or outline for your proposed paper by Aug. 15 to Susan Martz (smartz@soa.org; 847-706-3558). Your submission should include a brief description of the subject, a list of key items to be covered, and a biographical paragraph describing your experience, including prior publications and presentations.

Representatives of the SOA and other organizations will review the submitted proposals. All papers based on accepted abstracts should be completed no later than March 31, 2007. A conference or symposium to present the papers is possible for later in 2007.

Questions? Contact Emily Kessler, SOA staff fellow (ekessler@soa.org; 847-706-3530) or Steven Siegel, SOA research actuary (ssiegel@soa.org; 847-706-3578).

Actuarial Update

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June Life Webcast

MORE THAN 1,000 people listened to the Academy's third quarterly webcast on developments related to principles-based reserves and capital, phoning in from over 182 different locations around the country. For those who missed the June 22 webcast, it is now available on CD. For more information, contact Amanda Yanek, the Academy's life policy analyst (yanek@actuary.org).

The Academy also has a new Web section devoted to the principles-based project, which can be accessed at www.actuary.org/risk.asp. It's a good starting point when you're looking for Academy reports, proposed guidelines and regulations, practice tools, and related information on principles-based reserving and risk-based capital for life insurance and annuities.

Donna Claire, left, and Amanda Yanek monitor webcast audience questions.

LIFE BRIEFS

- **Mike Ward**, vice president actuarial for the Life Insurance Co. of the Southwest in Fort Worth, Texas, has joined the Life Valuation Subcommittee.
- **Andrew Gordon**, an actuarial associate with Guardian Life Insurance Co. in New York, has joined the Universal Life Work Group.
- **Geetha Kunchakarra**, an associate actuary at Old Mutual Financial Network in Baltimore, has joined the Annuity Reserves Work Group.
- **Marc Slutzky**, a consulting actuary with Milliman in New York, has joined the Variable Annuity Practice Note Work Group.

Academy Webcast on Principles-Based Assumptions

Come catch the next in a series of Academy-sponsored webcasts on principles-based reserving,
July 11, 12:00-1:30 p.m. EDT

Listen in as industry experts look at considerations for determining and selecting the assumptions to be used for setting both a best estimate and the margins for pricing and valuation in a principles-based framework. Webcast participants, looking at a company's own experience, as well as intercompany data, will focus on assumptions for policyholder behavior, mortality, and expenses.

Experts participating in the webcast include:

- Peter Boyko, a member of the Academy's Life Financial Soundness/Risk Management Committee and NAIC actuary for Manulife Financial;
- Sam Gutterman, a director and consulting actuary with PricewaterhouseCoopers and author of an upcoming book, *Life Insurance Company Expenses*;
- Michael McLaughlin, global actuarial director for Deloitte Consulting;
- Thomas Rhodes, director of experience studies for MIB Group;
- David Sandberg, the Academy's vice president for life issues and vice president and corporate actuary for Allianz Life.

Registration fees for participating in the webcast are as follows:

- Government actuaries and/or regulators \$0
- Academy members \$160
- Non-members \$200

Webcast participants will earn 1.5 Academy continuing education credits, with professional development credit to be determined.

For further information about registration, go to www.actuary.org.

Questions? Contact Amanda Yanek, the Academy's life policy analyst (yanek@actuary.org; 202- 223-8196).