

Marshalling Volunteer Resources

THE ACADEMY'S NEWLY FORMED VOLUNTEER RESOURCE COMMITTEE is up and running and looking to capitalize on the Academy's biggest resource—its members.

The committee, formed by the Academy's Board of Directors at its May meeting to follow up on findings from the Academy's recent web survey on volunteerism, is chaired by Bob Conger, a consultant with Towers Perrin in Chicago. Other

members are David Cohn, a senior consultant with Sullivan Cotter & Associates in Atlanta; Troy Filipek, an actuary with Milliman in Brookfield, Wis.; Thomas Hess, an assistant actuary with the Ohio Department of Insurance in Columbus; Burt Jay of Omaha, Neb.; Paul Kneuer, chief actuary with Holborn Corp. in New York; Karl Madrecki, an actuary with Blue Cross Blue Shield Association in Chicago; Tonya Manning, chief actuary, U.S. retirement, for Aon Consulting in Winston-Salem, N.C.; Cande Olsen, senior vice president, regulatory modernization, for New York Life Insurance



Co. in New York; James Reiskytl of Mequon, Wis.; and D. Joelf Williams, a consultant with Actuarial Management Resources Inc. in Winston-Salem, N.C.

Nearly 500 Academy members took the web survey, which gave participants the opportunity to rank their interest in participating in various Academy volunteer groups. During the coming weeks, the committee will be reviewing survey results, instituting a process

for deploying members who indicated in the survey that they were interested in volunteering, and looking at other ways to support volunteer recruitment, management, and development for the Academy. Because most Academy committees plan their activities for the coming year in the autumn, much volunteer recruitment and staffing activity occurs at that time as well.

For more information or to volunteer with the Academy, contact Kate Callahan, the Academy's membership services project manager (Callahan@actuary.org; 202-223-8196).



JENNY HORNE / WWW.123REF.COM

Actuarial UPDATE

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Academy Webcast on Qualifications Standards

IF YOU MISSED OUT ON REGISTERING for the Academy's free Sept. 20 webcast on the amended Qualification Standards, don't despair.

A recording of the webcast will be posted online for actuaries to access on demand, at no charge; it will remain online indefinitely.

Two additional webcasts are being planned for October and December.

The webcasts are offered by the Academy as a service to the profession and are open to members of the Academy, the American Society of Pension Professionals and Actuaries, the Casualty Actuarial Society, the Conference of Consulting Actuaries, and the Society of Actuaries.

Actuaries who participate in the webcast may earn up to 1.8 hours of continuing education (CE) credit as an

"organized activity" under the current and revised Qualification Standards. Those who utilize the recording of the webcast when it is posted on the Academy's [website](#) may also earn up to 1.8 hours of CE credit. Though high demand may have prevented some from registering for the Sept. 20 webcast, those who access the Sept. 20 webcast online may credit it toward "organized activity." Normally, under the current and revised Qualification Standards, any self-study in the form of listening to or viewing recordings of seminars would be credited only toward "other activities."

The revised standards take effect Jan. 1, 2008. Printed copies were mailed to all Academy members with the August issue of the *Update*. They are also available [online](#).



SEPTEMBER

- 5-6 ASB meeting, Washington
- 10-11 CAS Casualty Loss Seminar, San Diego
- 17-18 SOA Valuation Actuary Symposium, Austin, Texas
- 19 Academy Council on Professionalism meeting, Washington
- 20 Academy webcast on Qualification Standards
- 20-21 SOA small group health underwriting seminar, Raleigh, N.C.
- 24 Academy Social Insurance Committee meeting, Washington
- 24-26 SOA critical illness conference, San Antonio
- 25 Academy Life Insurance Financial Reporting Committee meeting, Washington
- 26 Academy International Financial Reporting Standards Task Force meeting, Washington
- 26-28 SOA DI and LTC insurers' forum, San Antonio
- 28-October 1 NAIC fall meeting, Washington

OCTOBER

- 1 Council of U.S. Presidents meeting, Washington
- 1-2 SOA 3rd annual equity-based insurance guarantees conference, Chicago
- 2 Academy Board of Directors meeting, Washington
- 3 Academy leadership and annual meeting, Washington
- 4 Academy Health Practice Council meeting, Washington
- 4-6 North American Actuarial Council meeting, Lake George, N.Y.
- 14-16 National Academy for State Health Policy annual meeting, Denver
- 14-17 SOA annual meeting, Washington
- 17 Academy P/C loss reserve opinion seminar, Chicago
- 18 Academy P/C loss reserve opinion seminar, Chicago
- 21-24 ASPPA annual conference, Washington
- 21-24 CCA annual meeting, San Antonio
- 24-25 CCA seminar on healthcare issues for pension actuaries, San Antonio
- 24-25 CCA seminar on medical management measurement, San Antonio
- 25-28 IAA meeting, Dublin, Ireland

NOVEMBER

- 4 Academy Pension Practice Council meeting, New Orleans
- 5 Academy Pension Committee meeting, New Orleans
- 5-6 SOA federal income tax for life insurers seminar, Atlanta

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

Ornstein to Keynote Annual Meeting

NORMAN ORNSTEIN, a resident scholar at the American Enterprise Institute for Public Policy Research (AEI) and an election analyst for CBS News, will be the featured speaker at the Academy's 2007 Annual Meeting luncheon on Oct. 3 in Washington.



Ornstein's campaign finance working group of scholars and practitioners helped shape the major campaign finance law, known as McCain-Feingold, that was enacted in 2002. *Legal Times* has referred to Ornstein as "a principal drafter" of that law. Currently, he co-directs an AEI/Brookings Institution project to improve American election policies and administration and is senior counselor for another AEI/Brookings project on ensuring the continuity of government institutions in the event of a catastrophic attack on Washington.

Ornstein writes a weekly column about

Congress for the Capitol Hill newspaper *Roll Call* and regularly appears on national TV news programs. He has also written numerous books. He is the co-editor of the recently published *Second-Term Blues* and co-author of *The Broken Branch: How Congress Is Failing America and How to Get It Back on Track*.

The noon annual meeting luncheon is open to all Academy members and will feature the presidential transition ceremony and inaugural address of incoming President Bill Bluhm; the vote for new regular members of the Academy's Board of Directors; and the presentation of the Jarvis Farley Service Award. Wrapping around the luncheon, the Academy will hold a series of invitation-only strategic planning sessions.

For more information, go online to the Academy's [website](http://www.actuary.org) or contact Academy Meeting Planner Denise Winston (Winston@actuary.org; 202-223-8196).

New York, New York Start spreading the news: Running out of money in retirement is a real and frightening risk for today's and tomorrow's retirees. That was the message that Academy Senior Pension Fellow **Ron Gebhardt** brought to New York in a series of July meetings with senior editors and reporters covering personal finance and business news for CNN, *BusinessWeek* and *Money* magazines, and other media outlets.

Each conversation started with an important message: People can live a lot longer than planned and run out of savings in retirement. That conversation would then segue into ways to mitigate the financial risks associated with living longer. Annu-

ties, evolving 401(k)s, and employee benefit legislation were common topics during Gebhardt's daylong media tour.

In addition to briefing the media on an important topic, the trip served to strengthen relationships with key journalists and to demonstrate the expertise of actuaries in general and the Academy in particular.

On the same trip, Gebhardt met with a documentary filmmaker who has been researching retirement in the United States. The meeting blossomed into a filmed interview with Gebhardt, who discussed retirement trends and the financial challenges ahead for a population that is living longer.

Executive Appointment The Academy has hired **Tigran Martirosyan** as a senior policy analyst reporting directly to Academy Executive Director Kevin Cronin. Martirosyan will provide staff support for the work of such Academy governance groups as the Board of Directors, Executive Committee, and Council of U.S. Presidents (CUSP), as well as the work of the international North American Actuarial Council (NAAC). He has a master's degree in international public policy from the Johns Hopkins University and has served as a university office manager and research assistant.

Research Resource The Casualty Actuarial Society (CAS) has launched a new research

journal, *Variance: Advancing the Science of Risk*. The journal is designed to disseminate work of interest to casualty actuaries and other risk professionals in general insurance worldwide. Its peer-reviewed articles focus on original practical and theoretical research in non-life actuarial science and related areas in the science of risk. The CAS has set up a website, www.variancejournal.org, which provides online access to the journal and other pertinent details, including guidelines for submitting papers and subscription information. Complimentary one-year subscriptions to the journal are available and can be requested through the website.

IN THE NEWS

Academy Senior Pension Fellow **Ron Gebhardt** was quoted in a July 9 *Pensions & Investments* article about a new proposal by the Employee Retirement Income Security Act Industry Committee to create a national retirement and health program that operates independent of employers. Gebhardt said the proposal may reduce complexities, thus encouraging employers to offer defined benefit (DB) and hybrid pension plans. He said the proposal could be a good thing, particularly if it relieved employers from wor-

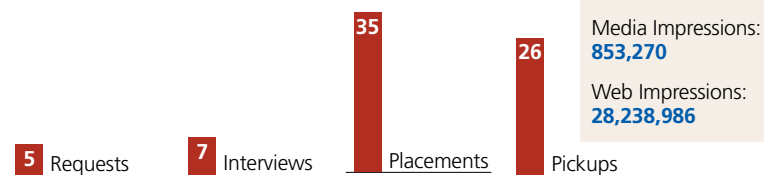
rying about being plan sponsors or fiduciaries.

In a July 17 *Chattanooga Times Free Press* article, Gebhardt also offered advice to baby boomers considering taking early Social Security benefits. He said that it's easy to underestimate life expectancy and reminded readers that 50 percent of people will live longer than average. He also said that those who are considering early retirement should be confident that their savings are adequate.

Gebhardt was also mentioned in a CNNMoney.com article as the source of longevity statistics for a couple aged 65. The article reported that while 401(k) balances are up, too few workers contribute adequately for their retirement. With DB pension plans waning and longevity increasing, the need to save for a potentially long retirement is growing.

Nancy Bennett, chairperson of the Academy's Invested Asset Work Group and vice president of risk management for Ameriprise Financial in Minneapolis, was quoted in the July issue of *Best's Review*. Bennett spoke

MEDIA RELATIONS ACTIVITY REPORT—JULY 2007



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.

about the Academy's preliminary **report** to the National Association of Insurance Commissioners on recommended appropriate risk-based capital treatment for hybrid securities.

The Associated Press reported on the **issue brief** *Women and Social Security*, which was released in July by the Academy's Social Insurance Committee. The AP article debuted on July 18 and was published online by, among others, the *Houston Chronicle*, *Forbes.com*, *BusinessWeek*, and *MSNBC.com*. A snippet of the brief, attributed to the committee, was included in a graphic in *The Ocean County (Calif.) Register* on July 21. The brief was also discussed in a *National Underwriter Life & Health* web-edition article on July 27.

The newly revised **Qualification Standards**, which take effect Jan. 1, 2008, were the subject of a July 23 web-edition *National Underwriter Life & Health* article. The article also appeared in the Aug. 6 print edition.

ON THE MOVE

► **Michael Kerner** has been named global chief underwriting officer for general insurance for Zurich Financial Services Group in Zurich, Switzerland. He has held several senior roles with Zurich

Financial Services Group and Zurich North America Commercial since 1992.

► **Gary Scofield** has been promoted to senior vice president and chief actuary for New York Life Insurance Co. in New York. Before joining the Office of the Chief Actuary last year, he was vice president and actuary in the Individual Life Department where he functioned as head pricing actuary.

► **Clifford Angstman** has been named assistant vice president and senior financial actuary for AIG Life Insurance Co. in Wilmington, Del. He was formerly second vice president and actuary with Berkshire Life Insurance Co. in Pittsfield, Mass.

► **José Siberon** has been named director of new product development, responsible for developing structured finance solutions, for Merrill Lynch in New York. He was formerly an executive director at JPMorgan Chase insurance solutions group. He had also worked as a senior analyst at Standard & Poor's and as an actuary at Prudential Financial.

► **Jeff Adcock** has joined Sigma Actuarial Consulting Group Inc. in Nashville, Tenn., as a consulting actuary. He was formerly vice president and consulting actuary with the captives, actuarial, and pooling solutions practice of Willis. ▲

SILVER ANNIVERSARY Hewlett-Packard has issued a 25th anniversary platinum edition of its HP 12c financial calculator.



Life Collaboration

BY DAVID SANDBERG

WHEN I THINK ABOUT the enormous level of activity in the Life Practice Council in the past two years, I am both grateful for and amazed by the extraordinary expansion of collaboration, communication, professionalism, and volunteerism that has occurred.

It all grew out of our work on the core issue of how to recommend and implement a [risk-focused approach](#) to valuation and capital for life insurance. Along the way, there has been a tremendous amount of dialogue and debate within the Life Practice Council and extending out to several other Academy practice councils, as well. We have had input from those familiar with large-company issues, with small-company issues, with foreign insurers, with small-state regulators, and with large-state regulators. In contrast to the common perception that argument can be divisive, we have seen the opposite: colleagues engaged in active discussions that focused on solutions and innovation in recognition of the fact that now is the time to help shape the future of the U.S. life profession.

As a result, we now have (or soon will have) proposed recommendations for:

- ▶ A valuation manual for life insurers
- ▶ Reserves for variable annuities
- ▶ Reserves and capital for life insurance
- ▶ Reserves and capital for deferred annuities
- ▶ Experience-based reporting
- ▶ The application of credibility to life insurance data
- ▶ Feedback processes for assumptions and experience used for reporting and examination.

The list doesn't end there. In collaboration with the Society of Actuaries, regulators, and small- and large-company representatives, we are close to recommending an improved use of mortality experience that will bring value to life insurance companies of all sizes.

There is still more work to do, but we are well on our way. And in the process, we have accrued numerous benefits that can't be measured in a simple list of work products. By actively engaging other Academy practice councils in the process, we are now able to make coordinated recommendations that respect the sometimes different risk characteristics and processes of other lines of business and of other countries. We have sought and gained input from other professions on ways of addressing such issues as capital charges for hybrids and tax code requirements in a new reporting concept. And we have honed and enhanced our communication skills via numerous presentations to state insurance departments, including examiners, analysts, actuaries, and commissioners, as well as to state legislators.

None of this progress could have been accomplished without the dedicated leadership and teamwork of many in the Life Practice Council, particularly Donna Claire, Tom Campbell, Larry Gorski, Dave Neve, Mike Boerner, Larry Bruning, Katie Campbell, Sheldon Summers, Jim Lamson, Pam Hutchins, Bob DiRico, and Cande Olson. They have my thanks and admiration.

David Sandberg completes his term as the Academy's vice president for life issues this month.



Reporting Progress in Financial Reporting and Risk

BY TIMOTHY TONGSON

INDUSTRY CONSOLIDATION and globalization are driving change in the insurance industry. In particular, emerging international financial reporting requirements will present new challenges to the actuarial profession. At the same time, we must never lose sight of the domestic activities in which most of us operate.

The Academy's Risk Management and Financial Reporting Council deals with issues affecting multiple practice areas, and during my two years as vice president, the council has devoted a significant

amount of time to assessing emerging international regulatory initiatives and related domestic developments, as well as monitoring activities around the formation of federal insurance regulations. The council's activities in these areas have been ably managed with the support of Ralph Blanchard, vice chairperson of the council; Henry Siegel, chairperson of the Financial Reporting Committee; Jim Rech, chairperson of the Risk Management and Solvency Committee; and Tina Getachew, the Academy's risk management and financial reporting analyst. Their leadership, coupled with the involvement of many other Academy members on various

committees and work groups, allows me to report significant progress on a number of initiatives:

▶ The council reviewed and commented to the International Actuarial Association ([IAA](#)) and the International Association of Insurance Supervisors ([IAIS](#)) on numerous proposed documents, including the IAA's *Measurement of Liabilities for Insurance Contracts: Current Estimates and Risk Margins* and the IAIS' *Common Structure for the Assessment of Insurer Solvency*.

▶ Working with the Academy's Committee on Property and Liability Financial Reporting and the Academy's Health Practice Financial Reporting Committee,

It's Been an Interesting Two Years

BY DONALD SEGAL

IT'S HARD TO BELIEVE that almost two years have passed since I became the Academy's vice president for pension issues. It's been an interesting two years.

It seems like forever that Congress and various administrations were talking about pension reform. Through its various work groups and committees, the Academy's Pension Practice Council maintained a constant presence in that process, visiting Capitol Hill and commenting on various aspects of proposed legislation.

Well, in August 2006, it finally arrived. The Pension Protection Act of 2006—the most significant piece of pension legislation since ERISA—was enacted.

Of course, the new law isn't perfect, so we've continued to maintain a presence, visiting Capitol Hill and commenting on various aspects of the final legislation. We've seen a lot of change, we've done much, but there is more to do. Have we had an influence on actions taken by Congress and the regulatory agencies? It's hard to say. Some things we like; other things still aren't quite right, in our opinion. But it's never been dull. And there's more to come: The discussion over public plans is heating up, and I expect that my successor will be having a good time in that arena.

I would like to take this opportunity to thank all of the members of the various committees, subcommittees, task forces, and work groups of the Pension Practice Council who have worked so hard and contributed



so much during my tenure. What we have accomplished is due to that collective effort. I especially want to thank Ron Gebhardtshauer, Heather Jerbi, and Sam Genson. Without their help and support, we could not have accomplished as much as we have over the past two years.

I would also like to thank the people in the regulatory agencies with whom we constantly interact. I believe that we have created an atmosphere of mutual respect and, as a result, are working together to achieve guidance that is complete and that works.

There is much more to be done. We at the Academy have a responsibility to act in and advance the public interest. I look forward to continuing to contribute to this very important endeavor.

Donald Segal completes his term as the Academy's vice president for pension issues this month.

Management

the council coordinated the Academy's [response](#) to the Financial Accounting Standards Board's proposal on the bifurcation of insurance and reinsurance contracts for financial reporting.

► The council was actively involved in discussions with members of the Senate Banking Committee on the creation of an Office of the Actuary in optional federal charter legislation.

The council's work continues, and there are numerous opportunities for Academy members to be involved in the analysis of other emerging domestic and international actuarial issues, including:

► Commenting on the International Accounting Standards Board's discussion paper, *Preliminary Views on Insurance Contracts*

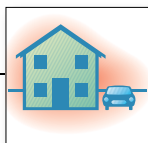
► Responding to the Securities and Exchange Com-

mission on the effects of its proposal to reconcile International Financial Reporting Standards (IFRS) and U.S. Generally Accepted Accounting Practices (GAAP) for insurance contracts liabilities.

I have enjoyed my term as vice president and leave with great confidence in the abilities of the Academy's staff and in my successor, Jim Rech, to continue this important work.

Timothy Tongson completes his term as the Academy's vice president for risk management and financial reporting issues this month.





Revised Asbestos Monograph

THE ACADEMY'S MASS TORTS SUBCOMMITTEE has published an [update](#) of its 2001 asbestos monograph, revised to reflect recent asbestos-related activity in government and in the courts.

In addition to a history of asbestos-related litigation, *Overview of Asbestos Claims Issues and Trends* discusses the evolution of



asbestos personal injury litigation, including recent proposals such as the establishment of a plaintiff trust fund. The updated monograph also offers an overview of asbestos-related legislation introduced in the 108th, 109th, and 110th Congresses, typical features of asbestos-related bankruptcies (along with a list of affected companies), and epidemiological studies.

Because asbestos was widely used in thousands of products for decades, it is difficult to predict the number of claims that will ultimately arise out of asbestos exposure or how much those claims will cost. According to the updated monograph, recent evidence indicates that more than 100 million people in the United States may have been occupationally

exposed to asbestos during the 20th century.

In a significant recent development, physicians' depositions taken in silica multi-district litigation hearings in Corpus Christi, Texas, last year cast doubt on the accuracy of silicosis diagnoses of 10,000 claimants. The depositions revealed that some doctors had diagnosed claimants with both asbestosis and silicosis even though it is very unlikely someone would contract both diseases. At the same time, more than 50 percent of the claimants who had been diagnosed with silicosis were found to have previously filed asbestos claims with the Manville Trust. These discoveries prompted heightened scrutiny of newly filed asbestos-related cases and spurred the establishment of inactive dockets, in which the claims of those without impairment are shelved until the plaintiffs demonstrate that they meet applicable medical requirements for case activation.

The increased scrutiny of asbestos-related cases and the introduction of inactive dockets have led to a decrease in the number of mass settlements in the past two years. However, it isn't clear that current reduced claim activity will continue, and the pace of future asbestos-related litigation over the next few years remains to be seen.

The Mass Torts Subcommittee is chaired by Jenni Biggs. Other members include Raji Bhagavathula, Hsiu-Mei Chang, Bryan Gillespie, Thomas Johnston, Steven Math, Claus Metzner, Steven Symon, Stephen Talley, and Trevar Withers.

—LAUREN PACHMAN

Academy Meets with NCOIL on Workers' Comp

TIM WISECARVER, chairperson of the Academy's Workers' Compensation Subcommittee, recently met with members of the National Conference of Insurance Legislators (NCOIL) to discuss a draft model law on the relationship between workers' compensation bureaus and professional employer organizations (PEOs).

NCOIL's Workers' Compensation Committee has been working on the model law for most of 2007. The Academy was among a number of interested parties that [commented](#) on the proposed law when it was exposed for comment last

spring. After a series of conference calls aimed at reconciling the suggestions of all who commented, NCOIL substantially revised the model law. It invited representatives of the interested parties, including the Academy, to discuss any concerns about the latest revision with committee members at NCOIL's July national meeting in Seattle.

In Seattle, Wisecarver detailed the Academy's reaction to the newest draft, suggesting clarifying language and adding detail to the model act's definition of professional employer services. Wisecarver also pointed out that PEOs can-

not use master policies to issue individual client experience modifications and warned against permitting client experience ratings to omit portions of a client's history.

Finally, the Academy requested that disclosure under the model act of any employee's medical information be made in accordance with applicable privacy laws, including but not limited to the Health Insurance Portability and Accountability Act.

The Academy submitted these [comments](#) in writing to NCOIL in August.

—LAUREN PACHMAN



Comment on Disease Management Practice Note

FOR THOSE WHO HAVE BEEN WAITING for a peek at the Academy's proposed disease management practice note, the wait is over. On Aug. 7, an exposure draft of the new [practice note](#) was posted on the Academy's website.

The culmination of more than a year's effort by the Health Practice Council's Disease Management Work Group, the practice note is an outgrowth of the group's earlier work on a 2005 [issue brief](#), *Disease Management Programs: What's the Cost?* It seemed a logical next step to create a practice note to help actuaries and other interested parties who work in this still-evolving area. Disease management programs provide information and intervention for individuals with chronic health conditions (such as diabetes or asthma) in which self-care is an important element in preventing serious long-term complications.

Focusing on providing a framework for the evaluation of a disease management program's impact on cost and utilization of medical services, the practice note looks at trends, data sources, and operational issues. Covering the current and future state of the industry, as well as measurement methodologies and evaluation considerations, the practice note is meant to assist those working in this non-traditional avenue of actuarial work. Three appendices provide additional insight into factors to be considered when demonstrating equivalence, data issues to be reviewed when constructing a data set, and relevant actuarial standards of practice.

Ian Duncan is chairperson of the Disease Management Work Group, and Robert Parke is the former chairperson. Other members of the work group who helped to draft the practice note

are Michael Blakeney, Andy Bren, Kevin Dolsky, Charles Fuhrer, Scott Guillemette, Donna Kalin, Arthur Lewis, Sandra Loyal, Wendi McNeilly, Catherine Murphy-Barron, David Nelson, Nancy Nelson, Donna Novak, Tim Robinson, Marcia Sander, Chuck Smith, Steele Stewart, Richard Tash, Michael Thompson, Howard Underwood, Greger Vigen, Margaret Wear, and Steve Wright.

The work group invites all actuaries and interested parties to review and comment on the draft. The exposure period closes Sept. 23, after which a final version of the practice note will be posted. Comments can be sent to me electronically at StateHealthAnalyst@actuary.org or by conventional mail to American Academy of Actuaries, Attention: GERALYN TRUJILLO, 1100 Seventeenth Street NW, 7th Floor, Washington, D.C., 20036.

—GERALYN TRUJILLO

Effective P/C Loss Reserve Opinions Seminar

Oct. 17 and 18
Hilton Chicago O'Hare Airport

Presented annually by the Academy's Committee on Property and Liability Financial Reporting, the seminar is designed for actuaries who expect to prepare and/or sign NAIC Statements of Actuarial Opinion on property/casualty loss reserves in 2007.

- The seminar focuses on regulatory and professionalism concepts, rather than on more fundamental techniques studied by actuarial students.
- A small class size ensures that participants will take concrete skills back to their employers.
- Seminar instructors include top professionals who serve as company, consulting, and regulatory actuaries.

For more information and to register, go to www.actuary.org, or contact Kasha Shelton, the Academy's administrative/legislative manager (Shelton@actuary.org; 202-223-8196).

Stack the Odds in Favor of Students

Join the Actuarial Foundation at the Society of Actuaries' annual meeting in Washington for a night of gaming and festivities in support of the foundation's work enhancing student achievement in math.

Monday, Oct. 15, 8 p.m.
Cotillion Ballroom
Marriott Wardman Park Hotel

Registration is required, as space is limited. A donation of \$25 is appreciated but not required. All donations support the programs and initiatives of the Actuarial Foundation.

To register, go to www.actuarialfoundation.org/charity_event.htm.





Actuarial Update

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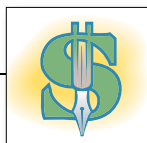
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Statements of fact and opinion in this publication, including editorials and letters to the editor, are made on the responsibility of the authors alone and do not necessarily imply or represent the position of the American Academy of Actuaries, the editors, or the members of the Academy.

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[RISK MANAGEMENT AND FINANCIAL REPORTING NEWS]

Academy and SEC: Meeting of the Minds

ON JULY 16, members of the Academy's Risk Management and Financial Reporting Council met with staff from the Securities and Exchange Commission's (SEC) Office of the Chief Accountant, including Deputy Chief Accountant James Kroeker, to discuss insurance accounting and pension issues.

Henry Siegel, chairperson of the Academy's Financial Reporting Committee, began the meeting with a discussion of convergence between U.S. Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS), the International Accounting Standards Board's discussion paper, *Preliminary Views on Insurance Contracts*, and fair value measurement under Financial Accounting Standards (FAS) 157 and 159.

Bob Conger, a member of the Academy's International Issues Committee, discussed property/casualty claim reserve disclosures and provided input

from the perspective of a casualty actuary throughout the meeting. Bill Sohn, chairperson of the Academy's Committee on Pension Accounting, made a presentation on Phase 2 of the Financial Accounting Standards Board's project on accounting for pensions and the relationship of the project to international convergence. Sohn also discussed the appropriate accounting treatment of unfunded defined contribution plans.

The meeting was a continuation of previous meetings held annually between the Academy and the SEC. The SEC staff regularly intervened with questions and input, creating a steady dialogue between both parties and providing different perspectives throughout the discussion. Issues requiring follow-up were identified and will be on the continuing agenda for the Academy's Financial Reporting Committee.

—TINA GETACHEW

RISK MANAGEMENT AND FINANCIAL REPORTING BRIEFS

- **Darrell Knapp**, executive director of Ernst & Young in Kansas City, Mo., has joined the Academy's International Financial Reporting Standards Task Force.

Life and Health Qualifications Seminar

Nov. 5-8, 2007

Key Bridge Marriott
Arlington, Va.



AMERICAN ACADEMY of ACTUARIES

WHO SHOULD ATTEND? FSAs (effective 2000 or later) may not meet all of the life- and health-specific Qualification Standard requirements to be able to issue Prescribed Statements of Actuarial Opinion. The Life and Health Seminar can solve that problem. For more experienced actuaries, it may also serve as a basic education refresher or a component of continuing education.

The seminar will be taught by recognized industry experts, including:

- **Donna Claire**, president of Claire Thinking Inc.
- **William Cutlip**, president of William C. Cutlip Consulting
- **Darrell Knapp**, executive director of Ernst & Young LLP
- **Esther Milnes**, former vice president and chief actuary, individual life, of Prudential Financial
- **Craig Morrow**, actuary with the Hartford Life Insurance Cos.
- **Sheldon Summers**, chief actuary for the California Department of Insurance
- **William Thompson**, principal and consulting actuary for Milliman
- **D. Joeff Williams**, consultant with Actuarial Management Resources

For more information and to register online, go to
www.actuary.org/seminar/index.asp, or contact Rita Winkel,
the Academy's legal assistant (202-223-8196; winkel@actuary.org).