

# This Is the Academy

**T**HE AMERICAN ACADEMY OF ACTUARIES is the voice of U.S. actuaries on public policy and professionalism issues. It represents the U.S. profession both domestically and internationally.

The Academy provides reliable, independent actuarial expertise on public policy issues to Congress, state legislatures, other policymakers, regulators, and the public. The Academy also develops and maintains standards of qualification to practice as an actuary.

In addition, the Actuarial Standards Board (ASB) and the Actuarial Board for Counseling and Discipline (ABCD) are entities established within and supported by the Academy. They operate independently in establishing standards and recommending discipline.

The Academy's work is governed by three primary groups: the Board of Directors, the Executive Committee, and the Council of U.S. Presidents.

Academy committees and task forces are appointed annually, the period running from the close of one annual meeting to the opening of the next. ▲



# American Academy of Actuaries Mission Statement

**The Academy's mission is to serve the public on behalf of the United States actuarial profession.**

**To accomplish this, the Academy:**

- Provides independent and objective actuarial information, analysis, and education for the formation of sound public policy;
- Proactively identifies and addresses issues on behalf of the public in matters where actuarial science provides a unique understanding;
- Increases the public's understanding and recognition of the value of the actuarial profession;
- Facilitates and coordinates issues of common interest among the U.S.-based actuarial associations;
- Provides for the establishment, maintenance, and enforcement of high professional standards of actuarial qualification, practice, and conduct; and
- Coordinates the representation of the US profession globally.

# American Academy of Actuaries Vision Statement

Actuaries are recognized as preeminent experts in risk and financial security. As the public voice for the United States actuarial profession, the Academy has been the focal point for the realization of this vision.

## Visions for the Core Functional Areas

- ▶ **Professionalism Vision**—The profession's publics acknowledge and respect the exceptionally high level of integrity and competence demonstrated by actuaries.
- ▶ **Public Policy Vision**—National, international, and other public policy makers look to the Academy for leadership, objective expertise, and practical advice on risk and financial security issues.
- ▶ **Communications Vision**—All key audiences recognize the value of the actuarial profession, the Academy's activities, and the MAAA designation. Employers see actuaries as experts in risk, and seek actuaries as members of their management teams.
- ▶ **Member Services Vision**—The Academy achieves high levels of member satisfaction.

# Academy Structure and Governance

**T**HE AMERICAN ACADEMY OF ACTUARIES is a national organization formed in 1965 to bring together, in a single entity, actuaries of all specializations within the United States. A major purpose of the Academy is to act as a public information organization for the profession. Academy committees regularly prepare testimony for Congress, provide information to congressional staff and senior federal policymakers, comment on proposed federal and state regulations, and work closely with the National Association of Insurance Commissioners and state officials on issues related to insurance and other forms of risk financing. The Academy establishes qualification standards for the actuarial profession in the United States and houses two operationally independent boards: The Actuarial Standards Board promulgates standards of practice for the profession, and the Actuarial Board for Counseling and Discipline helps to ensure that high standards of professional conduct are met.

## Board of Directors

William Bluhm, *President*

John Parks, *President-Elect*

Andrea Sweeny, *Secretary-Treasurer*

Robert Miccolis, *Vice President, Casualty*

Kathleen Riley, *Vice President, Professionalism*

Thomas Campbell, *Vice President, Life*

John Schubert, *Vice President, Health*

Thomas Terry, *Vice President, Pension*

James Rech, *Vice President, Risk Management and Financial Reporting*

Steven Lehmann, *Immediate Past President*

Peter Perkins, *Penultimate Past President*

Rowen Bell

Al Bingham

Larry Bruning

Cecil Bykerk

Christopher Carlson

Stephen Dobrow

Charles Emma

Thomas Herget

Ken Hohman

John Kollar

Karl Madrecki

Arthur Panighetti

Bruce Schobel

Ken Steiner

Sal Tripodi

James Verlautz

Lance Weiss

# 2008 Academy Board of Directors



**William Bluhm**  
*President*  
2010



**Johns Parks**  
*President-Elect*  
2011



**Andrea Sweeny**  
*Secretary-  
Treasurer*  
2008



**Robert Miccolis**  
*Vice President,  
Casualty*  
2008



**Kathleen Riley**  
*Vice President,  
Professionalism*  
2009



**Thomas Campbell**  
*Vice President, Life*  
2009



**John Schubert**  
*Vice President,  
Health*  
2008



**Thomas Terry**  
*Vice President,  
Pension*  
2009



**James Rech**  
*VP, Risk  
Management and  
Financial Reporting*  
2009



**Steve Lehmann**  
*Immediate  
Past President*  
2009



**Peter Perkins**  
*Penultimate Past  
President*  
2008

**2008 Academy Board of Directors (continued)**



**Rowen Bell**  
*Regular Director*  
2009



**Al Bingham**  
*Regular Director*  
2008



**Larry Bruning**  
*Regular Director*  
2010



**Cecil Bykerk**  
*Special Director,*  
*President-Elect, SOA*  
2009



**Christopher Carlson**  
*Special Director,*  
*President, CAS*  
2008



**Stephen Dobrow**  
*Special Director*  
*President-Elect, ASPPA*  
2009



**Charles Emma**  
*Regular Director*  
2009



**Thomas Herget**  
*Regular Director*  
2009



**Ken Hohman**  
*Special Director*  
*President, CCA*  
2008



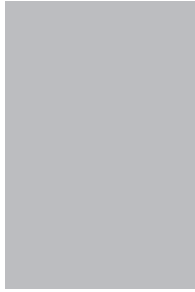
**John Kollar**  
*Special Director*  
*President-Elect, CAS*  
2009



**Karl Madrecki**  
*Regular Director*  
2008



**Arthur Panighetti**  
*Regular Director*  
2010



**Vacant**  
*Regular Director*  
 2010



**Bruce Schobel**  
*Special Director*  
*President, SOA*  
 2008



**Ken Steiner**  
*Regular Director*  
 2009



**Sal Tripodi**  
*Special Director*  
*President, ASPPA*  
 2008



**James Verlutz**  
*Regular Director*  
 2008



**Lance Weiss**  
*Special Director*  
*President-Elect,*  
*CCA*  
 2009

## Board of Directors

The Board of Directors has 29 members: the Academy's nine officers; the immediate past and past presidents; 10 regular elected directors; and eight special directors consisting of the presidents and presidents-elect of the American Society of Pension Professionals and Actuaries (ASPPA), the Casualty Actuarial Society (CAS), the Conference of Consulting Actuaries (CCA), and the Society of Actuaries (SOA).

The board establishes the Academy's goals and priorities. It elects Academy officers and approves the budgets for the Academy. It considers profession-wide policy issues relevant to the Academy's mission and the profession's goals. It reviews and, when appropriate, approves interim policy and administrative actions made by the Executive Committee. It also initiates bylaw changes.

*Years indicate the year that directors' terms expire.*

# Committees of the Board

## Executive Committee

Between meetings of the Board of Directors, this committee oversees the operations of the Academy and particularly its councils. This committee has the same powers as the board except for those listed in Article IV of the by-laws. The Executive Committee makes recommendations to the board regarding budget and other operational issues.

William Bluhm, *President*

John Parks, *President-Elect*

Andrea Sweeny, *Secretary-Treasurer*

Robert Miccolis, *Vice President, Casualty*

Kathleen Riley, *Vice President,  
Professionalism*

Thomas Campbell, *Vice President, Life*

John Schubert, *Vice President, Health*

Thomas Terry, *Vice President, Pension*

James Rech, *Vice President,*

*Risk Management and Financial  
Reporting*

Steven Lehmann, *Immediate Past President*

Kevin Cronin, *Staff Liaison*

## Audit Committee

The Audit Committee is charged with overseeing the annual audit of Academy funds, meeting with the Academy's outside auditor, and reporting on the audit to the president and Board of Directors. It will operate in form and under policies approved from time to time by the Board of Directors.

James Verlautz, *Chairperson*

Rowen Bell

Arthur Panighetti

Joanne Anderson, *Staff Liaison*

## Personnel and Compensation Committee

This committee provides broad-based policy oversight of the Academy's personnel function, including both direct and indirect compensation. This committee develops, monitors and maintains the Academy's policies concerning compensation and personnel with input from the President's Advisory Committee and executive staff. The Personnel and Compensation Committee has the responsibility to ensure that the Academy's personnel policies and programs comply with all applicable laws and regulations. The Personnel and Compensation Committee reports to the board at least annually.

Andrea Sweeny, *Chairperson*

Steven Lehmann

John Schubert

Thomas Terry

Kevin Cronin, *Staff Liaison*

Joanne Anderson, *Staff Liaison*

Gail Ingram, *Staff Liaison*

# Presidential Committees

## President's Advisory Committee

This committee oversees Academy management and prepares recommendations for the Executive Committee on policy issues.

William Bluhm, *Chairperson*  
Steven Lehmann  
John Parks  
Peter Perkins  
Kevin Cronin, *Staff Liaison*

Curtis Huntington  
Ken Kent  
Elise Liebers  
Cindy Miller  
Howard Phillips  
Geoff Sandler  
John Tierney  
Al Weller  
Mary Downs, *Staff Liaison*

## Council of U.S. Presidents

CUSP, established in January 2007, was tasked with facilitating collaboration and, where appropriate, coordinating cross-discipline, cross-organizational and international issues for the U.S. actuarial profession. It is composed of the Academy's president and president-elect, and the Academy's special directors (the presidents and presidents-elect of ASPPA, CAS, CCA, and SOA).

William Bluhm, *Chairperson*  
Cecil Bykerk, *President-Elect SOA*  
Christopher Carlson, *President, CAS*  
Stephen Dobrow, *President-Elect, ASPPA*  
Kenneth Hohman, *President, CCA*  
John Kollar, *President-Elect, CAS*  
John Parks, *President-Elect, American Academy of Actuaries*  
Bruce Schobel, *President, SOA*  
Sal Tripodi, *President, ASPPA*  
Lance Weiss, *President-Elect, CCA*  
Kevin Cronin, *Staff Liaison*

## CUSP Joint Task Force on a Common Discipline Process

The Joint Task Force on a Common Discipline Process was formed to explore the feasibility of using a joint committee to determine uniform discipline of a member following an ABCD or CIA recommendation for discipline. The joint committee is composed of representatives from each of the U.S. actuarial organizations to which the member belongs.

Walter Rugland, *Chairperson*  
Bill Falk  
Rich Fein  
Jeremy Gold

## Federal Agenda Task Force

The Federal Agenda Task Force is organized to coordinate the Academy's responses to issues coming before the Congress, whether they originate with Congress or the administration. In order to accomplish this, the task force shall: identify and track issues falling under this charge; exchange information with the practice councils about developments relating to these issues; coordinate efforts when an issue involves more than one practice council; identify and be familiar with Academy statements and publications that may be helpful in forming responses from the Academy; be prepared to provide a spokesperson on short notice on any of these issues, if necessary; take the lead in issues within the scope of this charge regarding personal security, including but not limited to Social Security, Medicare/Medicaid, employee benefits/retirement security (including individual accounts, funding and taxation), and federal reforms of insurance regulation.

Ron Gebhardtshauer, *Chairperson*  
Cori Uccello, *Vice Chairperson*  
Ralph Blanchard      David Sandberg  
Barbara Lautzenheiser      Geoffrey Sandler  
Robert Miccolis      John Schubert  
Mary D. Miller      Bruce Schobel  
James Rech      Chester Szczepanski  
Kathleen Riley      Thomas Terry  
Craig Hanna, *Staff Liaison*  
Steve Sullivan, *Staff Liaison*

## Nominating Committee

This committee nominates a slate of candidates for the Board of Directors for presentation at

the annual meeting and nominates a slate of candidates for Academy officers for presentation to the Board of Directors.

Peter Perkins, *Chairperson*  
Steven Lehmann, *Vice Chairperson*  
William Bluhm  
Cecil Bykerk  
Stephen Dobrow  
John Kollar  
John Parks  
Lance Weiss  
Kevin Cronin, *Staff Liaison*  
Mary Downs, *Staff Liaison*

### **Litigation Review Committee**

This committee provides broad-based oversight of briefs the Academy submits as amicus curiae to ensure that the subject matter is appropriate for Academy comment, that statements contained therein do not contradict Academy positions, and that the briefs have been prepared in accordance with Academy guidelines. It authorizes submission of the briefs to the appropriate courts.

William Bluhm, *Chairperson*  
Thomas Campbell  
Robert Miccolis  
James Rech  
Kathleen Riley  
John Schubert  
Thomas Terry  
Mary Downs, *Staff Liaison*

### **Public Interest Committee**

The purpose of this committee is to identify areas in which the Academy should be speaking out in the public interest. The committee is charged with: developing and recommending to the board for approval, the process and criteria the board should use to choose advocacy positions; managing the process of choosing and overseeing advocacy positions; developing processes and criteria to ensure that the public interest is appropriately addressed in every area of the Academy's functions.

Steven Lehmann, *Chairperson*  
Al Bingham  
Larry Bruning

Arthur Panighetti  
Bruce Schobel  
John Schubert  
Ken Steiner  
Staff Liaison, *Craig Hanna*

### **Governance Task Force**

The Governance Task Force was established to review and improve the governance structure of the Academy to fulfill the Academy's mission and strategic plan.

Peter Perkins, *Chairman*  
William Bluhm                      Robert Miccolis  
Cecil Bykerk                        James Rech  
Thomas Campbell                  Kathleen Riley  
Stephen Dobrow                    John Schubert  
John Kollar                          Thomas Terry  
John Parks                          Lance Weiss  
Mary Downs, *Staff Liaison*

### **Volunteer Resource Committee**

The purpose of the VRC is to facilitate the identification and committee (or other) placement of Academy members who are willing to serve the Academy in a volunteer capacity. In addition, the VRC will assist Academy leadership in developing programs for the recruitment, management, and development of volunteers.

The primary means of identifying willing volunteers, and their specific interest areas, are the volunteer form on the Academy website, a similar form in the packet of materials that is supplied to each new Academy member, and an annual survey of all members. Volunteer information gathered by VRC from these sources is compiled, analyzed, and forwarded for action by the relevant Vice President, Chairman, and Analyst for each committee

Robert Conger, *Chairperson*  
David Cohn                          Karl Madrecki  
Troy Filipek                        Tonya Manning  
Ken Hartwell                        Cande Olsen  
Thomas Hess                        James Reiskytl  
Burton Jay                          D. Joeff Williams  
Paul Kneuer  
Kathleen Callahan, *Staff Liaison*  
Michael Roberts, *Staff Liaison*

## President-Elect Committee

### Committee on Strategic Planning

This committee is responsible for monitoring the implementation of and suggesting revisions to the strategic plan. This involves working with the Academy staff, various committees, and the Board of Directors in administering an annual planning cycle. This committee is also responsible for identifying new strategic issues for consideration by the Board of Directors and for participating appropriately in professionwide long-term planning.

John Parks, *Chairperson*  
William Bluhm  
Tom Campbell  
Robert Miccolis  
James Rech  
Kathleen Riley  
John Schubert  
Andrea Sweeny  
Thomas Terry  
*Kevin Cronin, Staff Liaison*

## Secretary-Treasurer Committees

Andrea Sweeny, *Secretary-Treasurer*

### Budget and Finance Committee

This committee prepares financial projections and the annual budget, and recommends the dues structure to the Board of Directors. It also develops and maintains the investment policy for Academy funds, such policy to be implemented by the Secretary-Treasurer.

Andrea Sweeny, *Chairperson*  
Alan Ford  
Bruce Schobel  
*Joanne Anderson, Staff Liaison*

Andrea Sweeny, *Chairperson*  
Edwin Husted  
Robert Musen  
Julia Philips  
*Steven Sullivan, Staff Liaison*  
*Andrew Simonelli, Staff Liaison*

### Communications Review Committee

This Academy Committee is charged with reviewing all Academy communications programs. It provides broad oversight of all Academy external communications and publications intended for Academy members and other audiences. The committee assesses the timeliness and effectiveness of Academy communications. It reviews Academy-only communications efforts and communications programs conducted jointly with other organizations representing actuaries. Its focus is on policies governing the use of communication tools and the roles of staff and volunteers, rather than on the technical content of communications.

### Contingencies

The editorial advisory board provides policy guidance, technical advice, and oversight to staff editors in the production of *Contingencies*, the magazine of the actuarial profession.

Julia Philips, *Chairperson*  
Dwight Bartlett III  
Robert Brown  
Frederick Kilbourne  
Barbara Lautzenheiser  
Bruce Schobel  
Susan Witcraft  
*Linda Mallon, Editor*

## Actuarial Update

The editorial advisory board for the *Actuarial Update* provides policy guidance, technical review, and oversight for the monthly Academy newsletter, which focuses on major professional issues, public policy developments, and Academy activities.

William Carroll

Patrick Collins

Andrew Erman

Rade Musulin

Geoffrey Sandler

Donald J. Segal

*Tim Dougherty, Editor*

## Enrolled Actuaries Report

The editor of the Enrolled Actuaries Report provides policy guidance, technical review, and editorial content for the Enrolled Actuaries Report, the quarterly Academy newsletter that examines pension issues and Academy initiatives that are important to enrolled actuaries. The contributing editors of the Enrolled Actuaries Report provide editorial content for the newsletter.

Thomas Terry, *Editor*

### Contributing Editors

Andrew Eisner

Bruce Gaffney

Ron Gebhardtsbauer

James Kenney

Diane Storm

James Turpin

*Tim Dougherty, Managing Editor*

## Committee on Membership

This committee is responsible for ongoing relations with existing and prospective Academy members. It periodically reviews Academy membership and dues policies and recommends changes to the Board of Directors and Executive Committee. In fulfilling its charges, the committee is to ensure that member affiliations and new-member recruitment activities are included as a vital part of the Academy communications plan.

Daniel McCarthy, *Chairperson*

Gail Ross, *Vice Chairperson*

Regina Berens

Mark Dunbar

Todd Erkis

Beth Fitzgerald

Patrick Kinlaw

Jennifer Lazio

Howard Rosen

David Shea

*Rachel Rusch, Staff Liaison*

## Committee on Technology

The Technology Committee monitors and evaluates current and emerging technology to determine whether and how specific technologies can be used to communicate various Academy messages to members and nonmembers, and to increase the Academy's effectiveness. In addition, the committee uses information from the Academy archives and other sources to provide a complete database of actuarial and related resources for members to make the Academy a preeminent source of information on public policy affecting its constituencies. The committee also researches and recommends future technological innovations for the Academy and, as appropriate, coordinates with the Communications Review Committee as well as other North American actuarial organizations on matters related to technology.

Robert Musen, *Chairperson*

William Hall

John Parks

Matthew Wessel

*Chris Cassidy, Staff Liaison*

# International Committees

## North American Actuarial Council

The North American Actuarial Council (NAAC) provides a business and social forum to promote coordination, cooperation, and trust among the leadership of the organizations representing actuaries in Canada, Mexico, and the United States.

William Bluhm, *President, Academy*

John Parks, *President-Elect, Academy*

Kenneth Hohman, *President, CCA*

Lance Weiss, *President-Elect CCA*

Sal Tripodi, *President, ASPPA*

Stephen Dobrow, *President-Elect, ASPPA*

Bruce Schobel, *President, SOA*

Cecil Bykerk, *President-Elect, SOA*

Christopher Carlson, *President, CAS*

John Kollar, *President-Elect, CAS*

James Murta, *President, CIA*

Michael Hale, *President-Elect, CIA*

Jésus Zúñiga San Martín, *President, AMA*

Norma Rosas Rodriguez, *Vice President,  
AMA*

Jose Muriel Delsordo, *President, AMAC*

Francisco Morales Castro, *Vice President,  
AMAC*

Jose Luis Lobera, *President CONAC*

Pedro Covarrubias, *Vice President, CONAC*

Kevin Cronin, *Staff Liaison*

Mary Downs, *Staff Liaison*

## Joint Committee on IAA Coordination

Ron Gebhardtshauer, *Academy (Chair)*

William Bluhm, *Academy*

Dan McCarthy, *International Secretary*

Thomas Terry, *CCA*

Ralph Blanchard, *CAS*

Amy Bouska, *CAS*

Ed Robbins, *SOA*

Bruce Schobel, *SOA*

Curtis Huntington, *ASPPA and CCA*

Kevin Cronin, Tina Getachew, *Staff Liaisons*



# Public Policy

## Overview

**A**S THE PUBLIC POLICY ARM of the U.S. actuarial profession, the Academy provides independent, objective analysis to policymakers and regulators. Academy members use their actuarial expertise to contribute to the public debate on major issues ranging from Social Security solvency to terrorism insurance.

The Academy's public policy efforts—papers and testifying before Congress and state legislatures to actuarial analysis of the impact of regulations and working with the NAIC—are supported by the Casualty Practice Council, Health Practice Council, Life Practice Council, Pension Practice Council, and Risk Management and Financial Reporting Council. The Academy's senior health fellow and senior pension fellow help represent the Academy on public policy issues.

In recent years, the Academy also has provided an actuarial perspective on key issues by sponsoring Capitol Hill briefings for congressional staff and policymakers. The Hill briefings have covered such varied topics as Social Security reform, asbestos liability, retirement security, and the Medicare prescription drug benefit. The Hill briefings reflect an increased emphasis on the public policy debate at the national level. Similarly, members have been called upon to testify on numerous occasions about pension funding and medical liability reform issues. At the same time, Academy volunteers continue to work extensively on state insurance issues with the NAIC, the National Conference of Insurance Legislators, rule-making bodies such as the Federal Accounting Standards Board and the Governmental Accounting Standards Board, and interested parties such as the American Institute of Certified Public Accountants and the AARP. International issues have also moved into the foreground in recent years.

To assist Academy members and staff involved in public policy activities, the Board of Directors adopted the "Guidelines for Making Public Statements" in 1982. The guidelines were updated most recently in 2007 to cover public statements made in an international context. The Academy's public statements include issue briefs, monographs, and comment letters, as well as other types of comment and analysis.

## Vision and Strategic Direction

### Public Policy Vision

The Academy is the primary source of impartial expertise and practical advice on public policy issues regarding financial security and management of risk.

### Strategic Directions

- 1** Educate public policymakers and the general public on aspects of issues relating to financial security and actuarial soundness to promote the public good.
- 2** Advocate for public policy outcomes that are actuarially sound.
- 3** Advocate on behalf of the actuarial profession in order to promote and protect the profession and to increase the influence of the Academy and the actuarial profession in the creation of public policy that affects the profession.
- 4** Advocate on behalf of the actuarial profession for sound public policy outcomes to increase the recognition, appreciation, and use of actuaries in new areas of practice.



# The Casualty Practice Council

## 2007 Highlights

- Published an update of its 2001 asbestos monograph, revised to reflect recent asbestos-related regulatory, legislative, and judicial developments.
- Submitted comments and actively participated in the National Conference of Insurance Legislators (NCOIL) drafting process for NCOIL's proposed model law implementing registration procedures for Professional Employer Organizations (PEOs) and governing the use of experience ratings for workers' compensation insurance in PEO relationships.
- Updated the risk transfer testing practice note to include a discussion on the term "reasonably self-evident."
- Developed a course for regulators and financial examiners on risk transfer testing.
- Initiated, along with the National Association of Insurance Commissioners (NAIC), the reissuance of the risk transfer survey.
- Provided the NAIC with updated underwriting risk factors in advance of the NAIC Fall 2007 National Meeting.
- Met and corresponded with Senate Banking Committee staffers and other Senate staffers to discuss terrorism risk insurance modeling.
- Commented in a letter to all members of the House of Representatives on legislation extending the federal terrorism insurance program; the letter followed informal conversations with congressional committee staff before the bill was introduced.
- Offered the CPC's annual day-long seminar for P/C actuaries who write statements of actuarial opinion on reserves.
- Published an overview of the P/C loss reserving process for use by audit committees and boards of directors of P/C insurance companies.



**Shawna Ackerman and Stuart Mathewson visit legislators and staffers on Capitol Hill in Washington.**

## Casualty Practice Council

Robert Miccolis, *Vice President*

### Committee on Property and Liability Financial Reporting

Marc Oberholtzer, *Chairperson*

### P/C Extreme Events Committee

Shawna Ackerman, *Co-chairperson*, Stuart Mathewson, *Co-chairperson*

#### Mass Torts Subcommittee

Jennifer Biggs, *Chairperson*

#### Flood Insurance Subcommittee

Stuart Mathewson, *Chairperson*

#### Natural Catastrophe Subcommittee

Shawna Ackerman, *Chairperson*

#### Terrorism Risk Insurance Subcommittee

William VonSeggern, *Chairperson*

### P/C Financial Soundness/Risk Management Committee

Deborah Rosenberg, *Chairperson*

### P/C Products, Pricing, and Market Committee

Anne Kelly, *Chairperson*

#### Automobile Insurance Subcommittee

Cara Blank, *Chairperson*

#### Medical Malpractice Subcommittee

Kevin Bingham, *Chairperson*

#### Property and All Other Lines Subcommittee

Jeff Kucera, *Chairperson*

#### Workers' Compensation Subcommittee

Timothy Wisecarver, *Chairperson*

### P/C Risk-Based Capital Committee

Alexander Krutov, *Chairperson*

### Casualty Loss Reserve Seminar Planning Committee

Chester Szczepanski, *Chairperson*

# Casualty Practice Council—2008

Robert Miccolis, *Vice President*

Shawna Ackerman

Michael Angelina

Amy Bouska

Christopher Carlson

Charles Cook

Alice Gannon

Robert Giambo

Roger Hayne

Anne Kelly

Paul Kneuer

John Kollar

Alex Krutov

Stuart Mathewson

Mary Frances Miller

Thomas Myers

Marc Oberholtzer

Deborah Rosenberg

Chester Szczepanski

Steve Visner

Pat Woods

*Lauren Pachman, Staff Liaison*

Robb Luck

Mary D. Miller

Jay Morrow

Dale Ogden

Kathleen Quinn

Neal Schmidt

Paul Struzzieri

Rae Taylor

Nancy Treitel

Scott Weinstein

*Lauren Pachman, Staff Liaison*

## P/C Extreme Events Committee

This committee has been charged with identifying possible extreme events (low frequency-high severity events that could generate extremely large property/casualty losses). Furthermore, the committee identifies issues relevant to the treatment of such risks including sizing, insurability, pricing, funding, reserving, capital management, and loss mitigation. Included in the committee's charge will be monitoring of federal and state catastrophe legislation and interaction with the NAIC on these issues.

Shawna Ackerman, *Co-Chairperson*

Stuart Mathewson, *Co-Chairperson*

Terry Alfuth

Ed Baum

George Burger

Cecil Bykerk

Dan Carr

Wanchin Chou

William Dove

Jerry Downing

Dennis Fasking

Sara Frankowiak

Steven Gathje

Victoria Gomez

Larry Haefner

Mark Homan

Shira Jacobson

Alexander Krutov

## Committee on Property and Liability Financial Reporting

This committee monitors activities regarding financial reporting related to property and liability risks, reviews proposals made by various organizations affecting the actuarial aspects of financial reporting and auditing issues related to property and liability risks, and evaluates property and liability insurance and self-insurance accounting issues.

Marc Oberholtzer, *Chairperson*

Robert Wainscott, *Vice Chairperson*

Michael Angelina

Kristi Carpine-Taber

Robert Eramo

Thomas Ghezzi

David Heppen

Joseph Herbers

Andrew Kudera

Bobb Lackey

David Lalonde  
Michael McCarter  
Jeff McCarty  
James Murphy  
Miriam Perkins  
Anthony Pipia  
Sean Ringstead  
Jack Seaquist  
Martin Simons  
Dan Spafford  
Jack Swisher  
Steven Symon  
Kevin Thompson  
*Lauren Pachman, Staff Liaison*

### **Mass Torts Subcommittee**

Jennifer Biggs, *Chairperson*  
Raji Bhagavatula  
Hsiu-Mei Chang  
Bryan Gillespie  
Steve Math  
Claus Metzner  
Steven Symon  
Steve Talley  
Rob Thomas  
Tom Toce  
Trevor Withers  
Rita Zona  
*Lauren Pachman, Staff Liaison*

### **Flood Insurance Subcommittee**

Stuart Mathewson, *Chairperson*  
William Dove  
Sara Frankowiak  
Alexander Krutov  
Miriam Perkins  
Dan Spafford  
*Lauren Pachman, Staff Liaison*

### **Natural Catastrophe Subcommittee**

Shawna Ackerman, *Chairperson*  
Joel Atkins  
Ed Baum  
Dan Carr  
Wanchin Chou  
Sara Frankowiak  
Victoria Gomez  
Larry Haefner

Mark Homan  
Larry Johnson  
Dave Lalonde  
Stuart Mathewson  
Jeff McCarty  
James Murphy  
Miriam Perkins  
Sean Ringsted  
Martin Simons  
*Lauren Pachman, Staff Liaison*

### **Terrorism Risk Insurance Subcommittee**

William VonSeggern, *Chairperson*  
Terry Alfuth  
George Burger  
Cecil Bykerk  
Steven Gathje  
Michael McCarter  
Rade Musulin  
Daniel Skwire  
Chester Szczepanski  
Kevin Thompson  
*Lauren Pachman, Staff Liaison*

### **P/C Financial Soundness/Risk Management Committee**

The committee proactively provides actuarial support, advice, and communications on topics that involve the soundness and risk management of property and liability insurance. This includes seeking out additional audiences and topics to address so that the committee can coordinate and respond to issues at the state, federal, and international levels. The committee actively interfaces with the NAIC and the Financial Reporting Council's Solvency and Risk Management Task Force. The committee also communicates and provides information to the membership of the Academy regarding these issues.

Deborah Rosenberg, *Chairperson*  
Shawna Ackerman  
Robert Aldoriso  
Kevin Bingham  
Charles Emma  
Sarah Fore  
Richard Gorvett  
Jeffrey Kadison

Mary D. Miller  
James Ross  
Joanne Spalla  
Scott Whitson  
*Lauren Pachman, Staff Liaison*

### **P/C Products, Pricing, and Market Committee**

This committee is involved with proactively seeking to provide actuarial support, advice, and communications on issues related to property and liability products. Their work focuses on product features and their design and may bring together issues that are financial and solvency-based. The committee communicates and provides information to the Academy membership. It also responds to regulatory requests about such product areas. The committee engages in the development of public policy at the state, federal, and international levels.

Anne E. Kelly, *Chairperson*  
Kevin Bingham  
Cara Blank  
Jeffrey Kucera  
Timothy Wisecarver  
*Lauren Pachman, Staff Liaison*

### **Automobile Insurance Subcommittee**

Cara Blank, *Chairperson*  
David Chernick  
Stacey Gotham  
Gary Grant  
Geoffrey Werner  
*Lauren Pachman, Staff Liaison*

### **Medical Malpractice Subcommittee**

Kevin M. Bingham, *Chairperson*  
Brian Alvers  
David Axene  
William Burns  
Linda Dembiec  
James Hurley  
Richard Kipp  
Richard Lord  
William Murphy  
Kenneth Quintilian  
Peter Rauner  
*Lauren Pachman, Staff Liaison*

### **Property and All Other Lines Subcommittee**

Jeffrey Kucera, *Chairperson*  
Mark S. Allaben  
Ed Baum  
John Rollins  
Alfred O. Weller  
Anton Zalesky  
*Lauren Pachman, Staff Liaison*

### **Workers' Compensation Subcommittee**

Timothy Wisecarver, *Chairperson*  
John Acquino  
Michele Bernal  
Charles Ciccì  
Brian Clancy  
Ann Conway  
Kevin Cormier  
Thomas DeFalco  
Andrew Doll  
Roberta Garland  
Robin Gillam  
David Heppen  
John Herzfeld  
Mark Jones  
Gary Josephson  
Jeffrey Kadison  
Stephen Koca  
Michael Lamb  
Dennis Lange  
Michael Larson  
Ramona Lee  
Barry Llewellyn  
Vahan Mahdasian  
Sarah McNair-Grove  
David Mohrman  
Mark Priven  
Kay Rahardjo  
Joshua Sawyer  
Rial Simons  
Julia C. Stenberg  
Nancy Treitel  
William Vasek  
Christopher Walker  
Alfred Weller  
Michael Williams  
*Lauren Pachman, Staff Liaison*

## **Property and Casualty Risk-Based Capital Committee**

This committee works primarily with the NAIC. At the request of the NAIC, the committee analyzes issues of concern to the NAIC's Property Risk-Based Capital Working Group and provides recommendations on ways to clarify and improve the risk-based capital formulas.

Alexander Krutov, *Chairperson*

Nicole Elliott

Margaret Germani

James Hurley

Gerald Kirschner

Christopher Nyce

Tony George Philips

Chester Szczepanski

Robert Wolf

*Lauren Pachman, Staff Liaison*

## **Casualty Loss Reserve Seminar Planning Committee**

This committee develops the program for the Casualty Loss Reserve Seminar, cosponsored by the Academy, the Casualty Actuarial Society, and the Conference of Consulting Actuaries.

Chester Szczepanski, *Chairperson*

Joseph Herbers, *Vice Chairperson*

Brian Brown

William Burns

Kenneth Carlton

Bethany Cass

J. J. Chung

David Foley

Wendy Germani

Alan Hines

James Kahn

Tatyana Kerbel

Richard Kohan

Ronald Kuehn

Ronald Kozlowski

George Levine

Joseph Lawrence Petrelli

John Dale Reynolds

Elisabeth Stadler

Robert Wolf

Vincent Yezzi

*Lauren Pachman, Staff Liaison*

# The Health Practice Council

## 2007 Highlights

➤ Continued to help congressional staff and other policymakers make sense of the solvency challenges facing Medicare, including publishing a monograph on Medicare reform options, commenting on the Medicare trustees' report, and sponsoring a Capitol Hill briefing.

➤ Made presentations to the NAIC on the principle-based approach and long-term care.

➤ Developed a discussion paper on premium deficiency reserves.

➤ Commented to the Centers for Medicare and Medicaid Services on lessons learned from Medicare Part D.

➤ Updated an issue brief on mental health parity.

➤ Commented to Congress and policymakers on proposed genetic nondiscrimination legislation.

➤ Sent letters to Texas state officials asserting the Academy's support for accrual accounting for other post-employment benefits, as well as the process that led to Governmental Accounting Standards Board (GASB) Statement 45.

➤ Testified at a House Small Business Committee hearing on expanding small-business health insurance coverage using the private medical reinsurance market.

➤ In conjunction with the Life, Casualty, and Risk Management and Financial Reporting councils, commented to the NAIC on its proposed life and health insurance principles for a principles-based reserving framework.

➤ Published a fact sheet on the adverse consequences of secondhand smoke that summarized main points from a 2005 Society of Actuaries (SOA) study and a 2006 surgeon general's report on the topic.



**Patrick Collins, second from left, testifies on health reinsurance before the House Small Business Committee.**

## Health Practice Council

John Schubert, *Vice President* Alfred Bingham, *Vice Chairperson*

*Professionalism Liaison: Geoffrey Sandler*

*ASB Liaison: Paul Fleischacker*

### Committee on Federal Health Issues

David Shea, Jr., *Chairperson* Patrick Collins, *Vice Chairperson*

*Medical Malpractice Liason: David Axene*

#### Federal LTC Task Force

Eric Stallard, *Chairperson* Bruce Stahl, *Vice Chairperson*

#### Individual Medical Market Task Force

Michael Abroe, *Chairperson*

#### Small-Group Market Task Force

Karen Bender, *Chairperson*

#### Consumer-Driven Health Plans Work Group

David Tuomala, *Chairperson*

#### Emerging Data Subgroup

David Tuomala, *Chairperson*

#### Disease Management Work Group

Ian Duncan, *Chairperson* Greger Vigen, *Vice Chairperson*

#### Health Care Quality Work Group

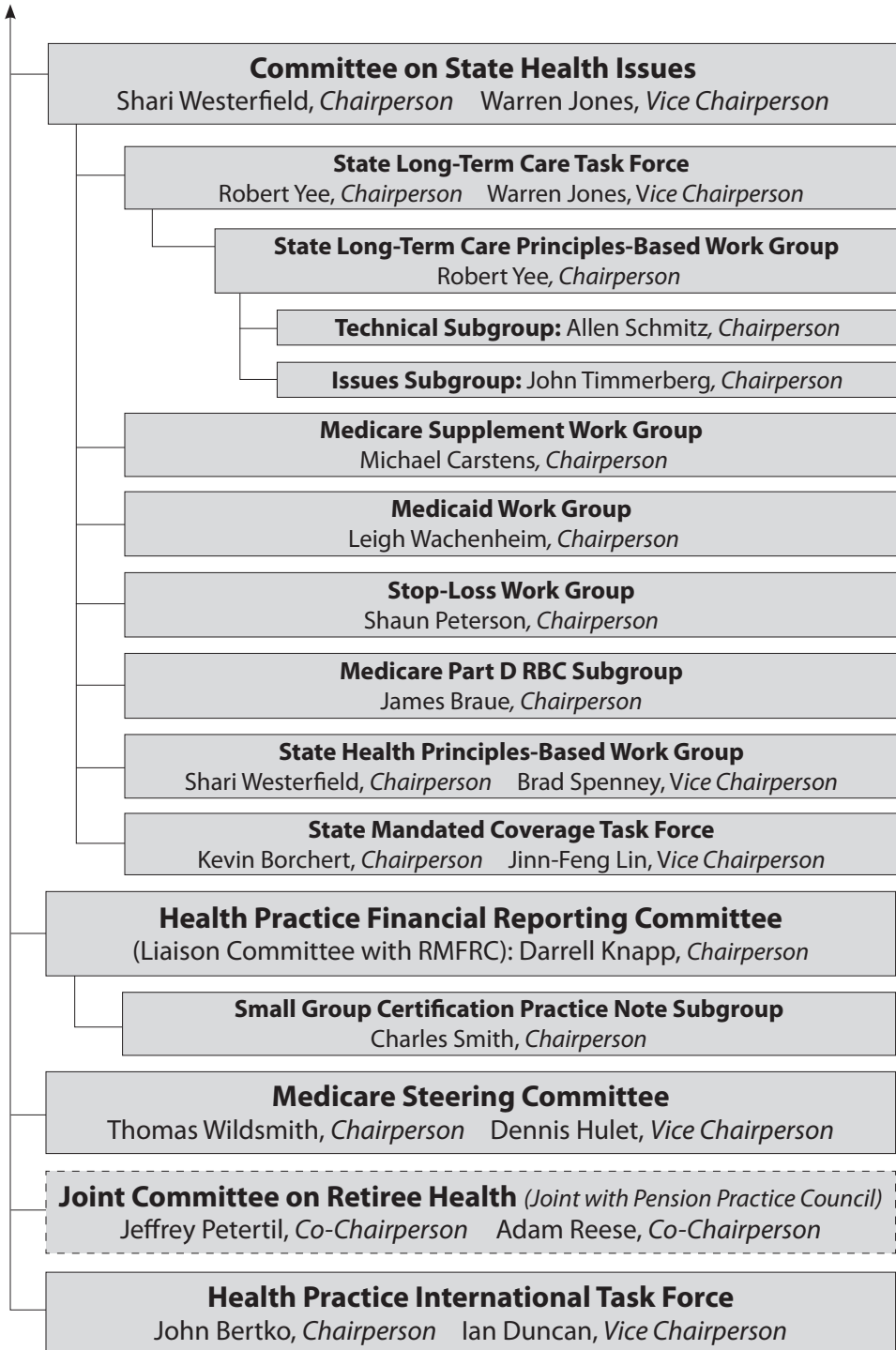
Michael Thompson, *Chairperson*

#### HPC Extreme Events Work Group

Vacant

#### Uninsured Work Group

Cathy Murphy-Barron, *Chairperson* Stacey Lampkin, *Vice Chairperson*



# Health Practice Council—2008

John Schubert, *Vice President*  
Alfred Bingham, *Vice Chairperson*  
Rowen Bell  
Patrick Collins  
Ian Duncan  
Paul Fleischacker  
Jennifer Gillespie  
Warren Jones  
Darrell Knapp  
Karl Madrecki  
Catherine Murphy-Barron  
Jeffrey Petertil  
Geoffrey Sandler  
David Shea  
P. J. Eric Stallard  
Cori Uccello  
Shari Westerfield  
Thomas Wildsmith  
*Heather Jerbi, Staff Liaison*  
*Geralyn Trujillo, Staff Liaison*

## Senior Health Fellow Cori Uccello

The Academy established the senior health fellow program in 1998 to strengthen the public policy role of health actuaries. In coordination with the Health Practice Council, the senior health fellow provides independent actuarial expertise to health policymakers at both the federal and state levels. The fellow develops and maintains close working relationships with members and staff of congressional committees, executive branch officials, and state insurance regulators. The senior health fellow also acts as the Academy's chief spokesperson on health policy issues to the news media and other external audiences.



## Committee on Federal Health Issues

This committee furthers the actuarial profession's involvement in policy issues related to the design, cost and financing of the nation's health care. The committee monitors federal legislative and regulatory activities and prepares congressional testimony, position papers, and other public statements on key health issues. It also meets formally and informally with senior federal health policymakers and their staffs.

David Shea, *Chairperson*  
Patrick Collins, *Vice Chairperson*  
David Axene  
Karen Bender  
Alfred Bingham  
Donato Gasparro  
Beth Lieberman  
Karl Madrecki  
Mark Mcguire  
Donna Novak  
Robert Parke  
Geoffrey Sandler  
John Schubert  
Michael Thompson  
Thomas Tomczyk  
Roderick Turner  
Cori Uccello  
Thomas Wildsmith  
*Heather Jerbi, Staff Liaison*

## Federal Long-Term Care Task Force

This task force addresses actuarial issues affecting long-term care plans. It monitors and comments on developments in this area at the federal level and works with policymakers to assist in developing public policies in connection with long-term care insurance policies.

P. J. Eric Stallard, *Chairperson*  
Bruce Stahl, *Vice Chairperson*  
Michael Abroe  
Malcolm Cheung  
Robert Darnell

James Glickman  
Timothy Gustafson  
Juan Kelly  
Walter Liptak  
Alwyn Powell  
Gordon Trapnell  
Cori Uccello  
Robert Yee  
*Heather Jerbi, Staff Liaison*

### **Individual Medical Market Task Force**

The Individual Medical Market Task Force furthers the actuarial profession's involvement in policy issues related to the individual medical market. The work group monitors federal legislation and regulatory activities and is charged with developing background papers intended to inform and educate senior federal policy makers on the workings of the individual medical market.

Michael Abroe, *Chairperson*  
Thomas Ahmann  
Ronald Bachman  
David Bahn  
Karen Bender  
Michael Burks  
Kenneth Clark  
Richard Hauboldt  
Mark Litow  
Timothy Luedtke  
James Oatman  
Victor Paguia  
Bernard Rabinowitz  
Martha Spenny  
Steele Stewart  
Thomas Stoiber  
Roderick Turner  
*Heather Jerbi, Staff Liaison*

### **Small-Group Market Task Force**

The Small-Group Market Task Force furthers the actuarial profession's involvement in policy issues related to the small group health insurance market. The work group monitors federal legislation and regulatory activities and is charged with developing papers intended to inform and educate senior federal policy makers on issues related to the small group market.

Karen Bender, *Chairperson*  
Ronald Bachman  
David Bahn  
James Drennan  
John Fleming  
Leonard Koloms  
Jeffrey Miller  
Richard Niemiec  
David Shea  
Martha Spenny  
Mark Wernicke  
*Heather Jerbi, Staff Liaison*

### **Consumer-Driven Health Plans Work Group**

David Tuomala, *Chairperson*  
Ronald Bachman  
Karen Bender  
Frederick Busch  
Johnathan Chernick  
Jay Coldwell  
Patrick Collins  
Robert Cosway  
John Early  
Brad Edmister  
Troy Filipek  
John Fleming  
Brian Fuller  
Brent Lee Greenwood  
Penny Hahn  
J. Christopher Hall  
Cara Jareb  
Michael Jones  
Vincent Kane  
Valerie Lendt  
Ryan Levin  
Peter Lopatka  
Mac McCarthy  
William McNamara

James Murphy  
Jeffrey Nohl  
Donna Novak  
David Ogden  
Sunit Patel  
Jeffrey Petertil  
Daniel Plante  
Bernard Rabinowitz  
Brent Seiler  
Eric Sock  
Robert Stahnke  
Michael Sturm  
James Taratunio  
Tammy Tomczyk  
Mark Wernicke  
Kurt Wrobel  
*Heather Jerbi, Staff Liaison*

#### **Emerging Data Subgroup**

David Tuomala, *Chairperson*  
Ronald Bachman  
Karen Bender  
Frederick Busch  
Johnathan Chernick  
Robert Cosway  
Brian Fuller  
Brent Greenwood  
Penny Hahn  
Vincent Kane  
Mac McCarthy  
James Murphy  
Sunit Patel  
Daniel Plante  
Brent Seiler  
Robert Stahnke  
Tammy Tomczyk  
Kurt Wrobel  
*Heather Jerbi, Staff Liaison*

#### **Disease Management Work Group**

Ian Duncan, *Chairperson*  
Greger Vigen, *Vice Chairperson*  
Michael Blakeney  
Kevin Dolsky  
Kevin Dotson  
Charles Fuhrer  
Scott Guillemette  
Donna Kalin  
Art Lewis  
Douglas Levit  
Sandra Loyal  
Wendi McNeilly  
Catherine Murphy-Barron  
Nancy Nelson  
Rebecca Owen  
Timothy Robinson  
Marcia Sander  
Charles Smith  
Steele Stewart  
Richard Tash  
Michael Thompson  
Howard Underwood  
Steven Wang  
*Geralyn Trujillo, Staff Liaison*

#### **Health Care Quality Work Group**

Michael Thompson, *Chairperson*  
David Axene  
Robert Cirkiel  
Joel Hoffman  
Timothy Luedtke  
Curtis Robbins  
Geoffrey Sandler  
John Sardelis  
Steven Wang  
*Heather Jerbi, Staff Liaison*

#### **HPC Extreme Events Work Group**

Vacant, *Chairperson*  
Lina Cheung  
Thomas Corcoran  
Alan Ford  
Scott Guillemette  
Robert Hastings  
John Lloyd  
Howell Pugh

Geoffrey Sandler  
John Stark  
Lisa Tourville  
Shari Westerfield  
Anthony Wittmann  
Ruth Ann Woodley  
*Heather Jerbi, Staff Liaison*

### **Uninsured Work Group**

Catherine Murphy-Barron, *Chairperson*  
Stacey Lampkin, *Vice Chairperson*  
Ronald Bachman  
David Bahn  
Daniel Bailey  
Gayle Brekke  
Jon Camire  
Patrick Collins  
Michael Dekker  
John Dunn  
Andrew Gennarelli  
Patrick Getzen  
Keith Grassel  
Peter Hendee  
Joann Hess  
John Klemm  
Marc Lambright  
Arthur Lewis  
Karl Madrecki  
Tom Mellis  
Stephen Meskin  
Donna Novak  
Susan Pierce  
Michelle Raleigh  
Curtis Robbins  
Carolyn Sadler  
Thomas Snook  
Steele Stewart  
Giak Diang Tan Tan  
Cori Uccello  
*Heather Jerbi, Staff Liaison*

### **Committee on State Health Issues**

This committee furthers the actuarial profession's involvement in policy issues related to state regulation of health insurance, as well as other health actuarial issues at the state level. The committee works primarily through inter-state associations, such as the National Association of Insurance Commissioners (NAIC), and also provides assistance directly to the states when appropriate. Composed of work group and task force chairmen and vice-chairmen, special liaisons, and key interested parties, the committee serves as the central conduit of information between the states and the actuarial profession. Coordinating with the Federal Health Committee, the committee ensures appropriate Academy involvement in health-related issues at all levels of government.

Shari Westerfield, *Chairperson*  
Warren Jones, *Vice Chairperson*  
Rowen Bell  
Kevin Borchert  
James Braue  
Michael Carstens  
Darrell Knapp  
Shaun Peterson  
Allen Schmitz  
Bradley Spenny  
John Timmerberg  
Leigh Wachenheim  
Robert Yee  
*Geralyn Trujillo, Staff Liaison*

### **State Long-Term Care Task Force**

This task force is charged with monitoring all actuarial issues affecting long-term care insurance. An active participant and commenter, the task force participates in the development of the long-term care arena at the state level. Working with regulators and other policymakers, the task force focuses upon the continuing evolution of the long-term care market. In fulfilling its charge, the task force maintains liaisons with the NAIC and other appropriate entities.

Robert Yee, *Chairperson*  
Warren Jones, *Vice Chairperson*

Michael Boerner  
 William Carroll  
 Robert Darnell  
 James Glickman  
 Anthony Green  
 Andrew Haider  
 Mark Litow  
 Ronald Lucas  
 Edward Mohoric  
 Daniel Nitz  
 Allen Schmitz  
 Bruce Stahl  
 P.J. Stallard  
 Richard Tan  
 John Timmerberg  
*Gerelyn Trujillo, Staff Liaison*

**State Long-Term Care Principles-Based Work Group**

This work group is charged, and proactively seeks, to provide commentary on the implications of a principles-based approach on long-term care insurance. Having created two subgroups, an Issues Subgroup and a Technical (Modeling) Subgroup, the work group fulfills its charge by monitoring the work done at the NAIC and responding as appropriate.

Robert Yee, *Chairperson*  
 Allen Schmitz, *Chairperson, Technical Subgroup*  
 John Timmerberg, *Chairperson, Issues Subgroup*  
 Anthony Attard  
 Dan Cathcart  
 Margaret Chance  
 Lina Cheung  
 Robert Hanes  
 John Heins  
 Tom Hinrichs  
 Warren Jones  
 Laurel Kastrup  
 Brian Kiel  
 Paul Morrison  
 Dan Nitz  
 Amy Pahl  
 Janet Perrie  
 Allen Raws III  
 Shereen Sayre

Steven Schoonveld  
 Bradley Spenney  
 Bruce Stahl  
 P. J. Stallard  
 Jim Stockall  
 Jim Stolfus  
 Alan Sturm  
 Richard Tan  
 Jeremy Williams  
 D. Joeff Williams  
*Gerelyn Trujillo, Staff Liaison*

**Medicare Supplement Work Group**

Michael Carstens, *Chairperson*  
 John Cathcart  
 Kenneth Clark  
 Andrew Erman  
 Michael Frank  
 Peter Hendee  
 David Kerr  
 Valerie Lendt  
*Gerelyn Trujillo, Staff Liaison*

**Medicaid Work Group**

Leigh Wachenheim, *Chairperson*  
 Michael Nordstrom, *Vice Chairperson*  
 Ben Brandon  
 Thomas Carlson  
 April Choi  
 Robert Damler  
 William Finch  
 Todd Galloway  
 Lorenz Glaza  
 Timothy Harris  
 Joann Hess  
 Don Killian  
 Jinn-Feng Lin  
 John Meerschaert  
 Kelly Munger  
 David Ogden  
 Brian Raymon  
 F. Kevin Russell  
 Steven Sherman  
 Martin Staehlin  
 Max Tang  
 John Vataha  
 Gregory Winkler  
*Gerelyn Trujillo, Staff Liaison*

### **Stop-Loss Work Group**

Shaun Peterson, *Chairperson*  
Devin Dixon  
James Kaiser  
John Mange  
Ian McAlister  
Michael Rieth  
Eric Smithback  
Ruth Ann Woodley  
*Gerilyn Trujillo, Staff Liaison*

### **Medicare Part D RBC Subgroup**

James Braue, *Chairperson*  
Frank Amrine  
Rowen Bell  
Clint Copeland  
Troy Filipek  
Michael Frank  
James MacDougall  
Karl Madrecki  
Dan Pribe  
Leigh Wachenheim  
*Gerilyn Trujillo, Staff Liaison*

### **Health Principles-Based Work Group**

This work group is charged with the responsibility of monitoring, responding to, and serving as the conduit of information regarding the principles-based movement at the NAIC. Focusing primarily on governance issues and the impact of a principles-based methodology on the health insurance market as a whole, this work group serves as the primary spokesman for the Academy's health actuaries to the regulators and policymakers at the NAIC.

Shari Westerfield, *Chairperson*  
Bradley Spenny, *Vice-Chairperson*  
Frank Amrine  
Rowen Bell  
Van Jones  
Thomas Keller  
Edward Mullen  
David Smith  
D. Joeff Williams  
Robert Yee  
Norman Zwitter  
*Gerilyn Trujillo, Staff Liaison*

### **State Mandated Coverage Task Force**

As states and the federal government work on proposals to achieve universal coverage, options include mandates on individuals to purchase coverage and mandates on employers to either offer, fund or provide coverage. This task force monitors, reviews, and provides appropriate actuarial guidance for policymakers as they consider these options.

Kevin Borchert, *Chairperson*  
Jinn-Feng Lin, *Vice Chairperson*  
David Bahn  
Daniel Bailey  
Karen Bender  
Kenneth Clark  
Steven Dziedzic  
Andrew Gennarelli  
Keith Grassel  
Robert Hastings  
Joann Hess  
Robert Kelly  
Mark Litow  
Donna Novak  
Jim Oatman  
Bernard Rabinowitz  
Zenaida Samaniego  
*Gerilyn Trujillo, Staff Liaison*

## Health Practice Financial Reporting Committee

This committee monitors financial reporting activities related to all areas of the health actuarial practice, reviews proposals made by various organizations affecting the accounting and auditing issues related to health practice, and generally is responsible for analysis and recommendations on health practice accounting issues. The committee has primary responsibility in the creation and updating of all health practice notes. Acting as the primary point of collaboration with the Risk Management and Financial Reporting Council, the committee works in conjunction with the Health Practice International Task Force in monitoring international issues with U.S. health care implications.

Darrell Knapp, *Chairperson*

Frank Amrine

Rowen Bell

James Braue

Rodney Brunk

Kermitt Cox

Don Henson

Paula Holt

Peter Howard

Laurel Kastrup

Jinn-Feng Lin

Donna Novak

Jeffrey Petertil

Bernard Rabinowitz

Sharon Rivais

R. Noreen Verdoliva

Shari Westerfield

Russell Willard

D. Joeff Williams

*Geralyn Trujillo, Staff Liaison*

## Small-Group Certification Practice Note Subgroup

Charles Smith, *Chairperson*

Julie Berquist

Tom Butzen

Steven Custis

Earl Hoffman

Olga Jacobs

James Murphy

James O'Connor

Brian S. O'Shields

Bernard Rabinowitz

Russell Willard

*Geralyn Trujillo, Staff Liaison*

## Medicare Steering Committee

This committee provides an oversight role for task forces and work groups established to address Medicare reform initiatives on behalf of the Health Practice Council.

Thomas Wildsmith, *Chairperson*

Dennis Hulet, *Vice Chairperson*

David Axene

John Bertko

Janet Carstens

Michael Carstens

April Choi

Randall Edwards

Alan Ford

P. Anthony Hammond

Dennis Hulet

Curtis Huntington

Joel Kabala

Beth Lieberman

Mark Litow

James Murphy

Donna Novak

Anna Rappaport

John Sardelis

John Schubert

Paul Schultz

Michael Thompson

Thomas Tomczyk

Gordon Trapnell

Cori Uccello

George Wagoner

John Wandishin

*Heather Jerbi, Staff Liaison*

## **Joint HP/PPC Committee on Retiree Health**

This committee addresses the actuarial profession's involvement in public policy issues related to health care benefits for retirees. The committee monitors federal activities and prepares public statements in the retiree health area. The committee also serves as a resource for Academy committees involved with Medicare, financial reporting, and retirement benefit issues. It may coordinate issues involving retiree health benefits with other actuarial organizations.

Jeffrey Petertil, *Co-Chairperson*

Adam Reese, *Co-Chairperson*

Joseph Beeler

Alfred Bingham

Marilyn Oliver

Mark Olson

James Rizzo

Thomas Ruehle

John Schubert

John Stokesbury

Cori Uccello

George Wagoner

Mark White

Dale Yamamoto

Heather Jerbi, *Staff Liaison*

## **Health Practice International Task Force**

The task force assists in maintaining awareness and communication between the US-based health care actuary and the international actuarial community. Its primary responsibilities include: providing current and relevant information to Academy members; sharing actuarial expertise across borders; and collaborating in key international actuarial activities.

John Bertko, *Chairperson*

Ian Duncan, *Vice Chairperson*

Zhi Hu

Laurel Kastrup

Rebecca Owen

Dan Pribe

John Schubert

Jon Shreve

Roy Strewchuk

Wei Sun

Max Tang

Cori Uccello

Steven Wang

Geralyn Trujillo, *Staff Liaison*



# The Life Practice Council

## 2007 Highlights

**D**URING THE PAST 12 MONTHS, the Life Practice Council made significant progress in the Academy's principles-based initiative by moving forward on a variety of fronts.

➤ Members of the Life Financial Soundness/Risk Management Committee are working on a recommendation for a new approach to the Standard Valuation Law and for the NAIC Risk-based Capital instructions with statutory reserving and solvency methods that are principles based;

➤ The Life Reserves Work Group continues its work developing a recommendation for a principles-based approach to determining reserves for all life products, which is being incorporated into the NAIC Valuation Manual;

➤ Members of the Valuation Law and Manual Team are working on a new NAIC Valuation Manual to support life and annuity reserve proposals;

➤ The Variable Annuity Reserve Work Group has developed a proposed reserve methodology for variable annuity products that uses the C-3 Phase 2 approach;

➤ The Life Capital Work Group and the Annuity Capital Work Group are working on proposals for principle-based Risk-based Capital requirements;

➤ The Annuity Reserves Work Group is developing principles-based reserve requirements for all non-variable annuity products;

➤ The Life Experience Subcommittee is working with the Joint SOA/Academy Preferred Mortality Project Oversight Group on the development of a new valuation table process to support a principles-based framework;

➤ The Life Governance Team has completed a recommended actuarial guideline for the independent review requirements of principles-based reserves and commented on the NAIC exposure of a proposed Corporate Governance Act;

➤ The Economic Scenario Work Group

formulated economic scenarios that can be used when determining principles-based reserves and RBC, and is working on a tool to properly select those scenarios.

And that's just in the area of principles-based reserves and RBC. The Life Practice Council's work groups have also advanced other Academy initiatives:

➤ The Non-Forfeiture Improvement Work Group provided reports to the NAIC on potential proposals to revise the standard Nonforfeiture Law;

➤ The Invested Asset Work Group submitted a report on developing a long-term RBC solution for Hybrid Securities;

➤ The Group Life Waiver of Premium Valuation Table Work Group proposed an update to the NAIC on statutory reserves for group life premium waiver benefits.

Over the course of the last year, the Life Practice Council also:

➤ Submitted reports and presented testimony to the NAIC on the issue of actuarial appropriateness of travel underwriting;

➤ Held the annual Life and Health Qualification Seminar;

➤ Provided actuarial practice notes on applying FAS 133 to variable annuities with guaranteed benefits, C3 Phase 2 RBC and AICPA SOP 05-1, and an update to the Practice Note on Regulation XXX.

To keep actuaries and regulators up to speed on this dizzying array of activities, the Life Practice Council continued to hold regular webcasts and several related seminars on principles-based developments. We also updated the special page on the Academy website devoted to the principles-based projects.

The Life Practice Council reached all of these accomplishments through record levels of member involvement—over 100 volunteers put in thousands of volunteer hours.

## Life Practice Council

Thomas Campbell, *Vice President*

Dave Neve, *Vice Chairperson*; Cande Olsen, *Vice Chairperson*

### Life Financial Reporting Committee

Patricia Matson, *Chairperson*; Leonard Reback, *Vice Chairperson*

### Life Products Committee

Cande Olsen, *Chairperson*; John McBain, *Vice Chairperson*

#### Nonforfeiture Improvement Work Group

John McBain, *Chairperson*

#### Illustrations Work Group

Linda Rodway, *Chairperson*

### Life Financial Soundness/Risk Management Committee

Donna Claire, *Chairperson*

#### Tax Work Group

Arthur Panighetti, *Chairperson*

#### PBA Website Work Group

Shawn Loftus, *Chairperson*

#### Life Governance Team

Helen Galt, *Chairperson*

#### Valuation Law and Manual Team

Michael Boerner, *Chairperson*

#### Accounting Practices Work Group

William Hines, *Chairperson*

#### Consistency: Principles, Summary, Definitions, and Report Format Work Group

Bob DiRico, *Chairperson*

#### Life Reinsurance Work Group

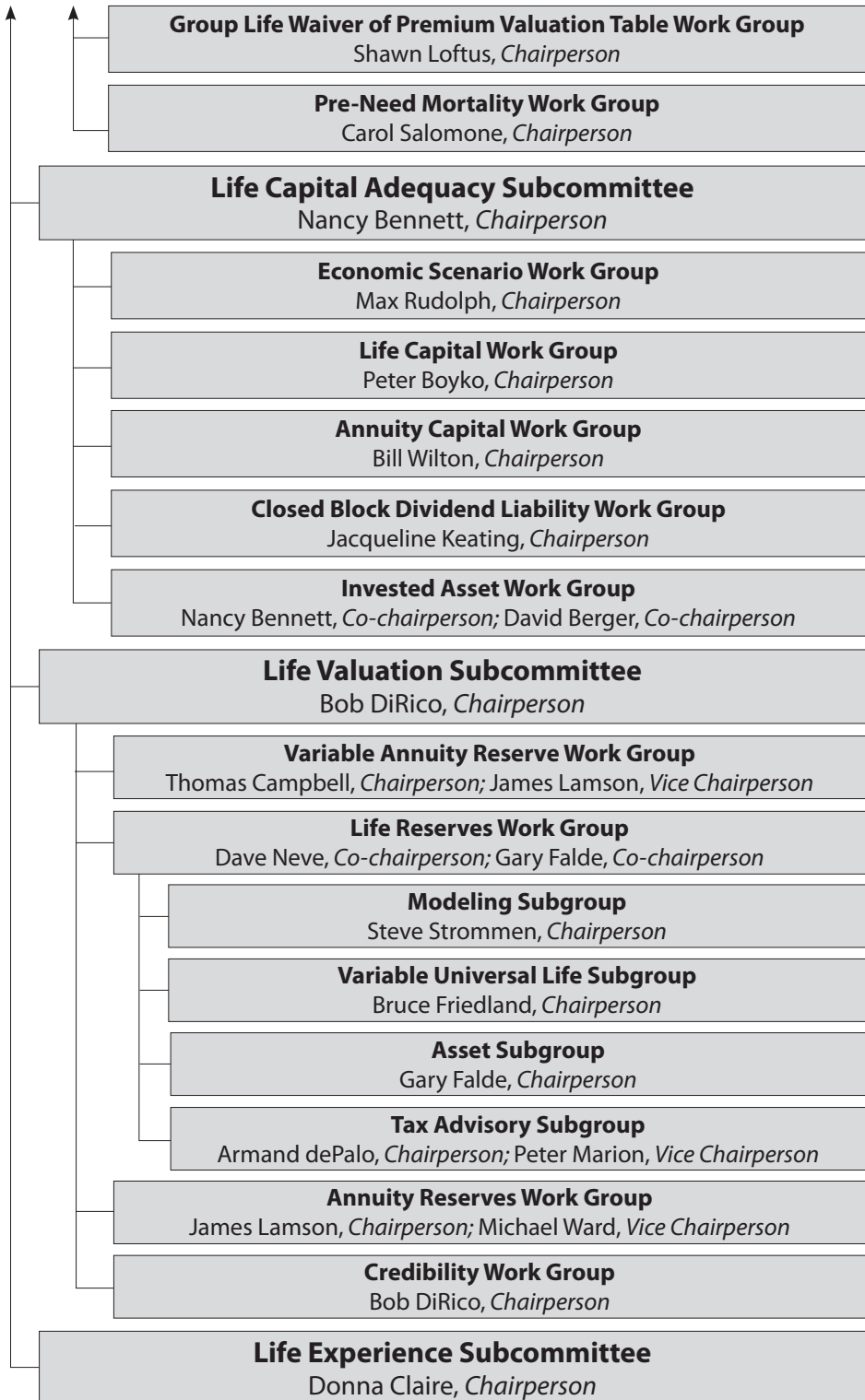
Sheldon Summers, *Chairperson*

#### Modelling Efficiency Work Group

Anthony Dardis, *Chairperson*

#### Life Principles-based Approach Practice Note Work Group

Todd Erkis, *Chairperson*



## Life Practice Council—2008

The Life Practice Council oversees the Academy's public policy work on life insurance issues. The council manages the work for its committees, subcommittees, and work groups, which are listed here. As the Academy's vice president for life insurance issues, Tom Campbell heads the council and serves on the Academy Executive Committee and Board of Directors.

Thomas Campbell, *Vice President*

Dave Neve, *Vice-Chairperson*

Cande Olsen, *Vice-Chairperson*

Philip Barlow

Nancy Bennett

Mike Boerner

Peter Boyko

Larry Bruning

Cecil Bykerk

Donna Claire

Bob DiRico

Gary Falde

Frank Irish

Jim Lamson

Barbara Lautzenheiser

Shawn Loftus

John MacBain

Patricia Matson

Bob Meilander

Art Panighetti

Len Reback

Carol Salomone

Dave Sandberg

Sheldon Summers

Michael Ward

Bob Wilcox

Bill Wilton

Natalie Jones, *Staff Liaison*

### Life Financial Reporting Committee

The Life Financial Reporting Committee proactively provides actuarial advice, advocacy, and communication on life insurance topics that involve financial reporting matters, with an emphasis on GAAP and international issues.

It also coordinates its activities, as appropriate, with the Life Valuation Subcommittee and the Financial Reporting Council.

Patricia Matson, *Chairperson*

Leonard Reback, *Vice Chairperson*

Rod Bubke

Errol Cramer

Robert Frasca

James Garvin

Larry Gulleen

Noel Harewood

William Hines

Edward Jarrett

Novian Junus

Steven Malerich

John Morris

James Norman

Brian Richards

Larry Rubin

Carol Salomone

Ronald Sleiman

Jack Walton

Darin Zimmerman

*Staff Liaison, Tina Getachew*

### Life Products Committee

The Life Products Committee proactively provides actuarial support, advice, and communications on life and annuity products. The committee focuses on product features and their design, and may act as a coordinator with other committees on financial and solvency issues. The committee communicates with and provides information to Academy members when there are actuarial developments of interest. The committee also responds to regulatory requests on product issues and proactively seeks areas where the Academy ought to be provided regulatory input. The committee engages in the development of public policy at the state, federal, and international levels.

Cande Olsen, *Chairperson*

John MacBain, *Vice Chairperson*

Noel Abkemeier

Douglas Bennett  
Eric Carlson  
Paul Carmody  
Arnold Dicke  
David Hippen  
Martin Kline  
Barbara Lautzenheiser  
Thomas Rhodes  
Linda Rodway  
Larry Rubin  
Andy Ware  
David Weinsier  
*Natalie Jones, Staff Liaison*

### **Nonforfeiture Improvement Work Group**

The Nonforfeiture Improvement Work Group is studying the feasibility of a new nonforfeiture law for life insurance and annuities to replace the existing standards. The scope of the group's work includes a historical review of existing life and annuity nonforfeiture requirements, an analysis of their applicability to products in the current and potential life and annuity marketplace, and the development of a set of recommendations for a revised approach to nonforfeiture, to be presented to the NAIC's Life and Health Actuarial Task Force.

John MacBain, *Chairperson*  
Noel Abkemeier  
Mary Bahna-Nolan  
Douglas Bennett  
Tom Berry  
Vernon Brogla  
Eric Carlson  
Donna Claire  
Armand DePalo  
Francis de Regnacourt  
Barbara Gold  
David Hippen  
Dan Keating  
Barbara Lautzenheiser  
Brian Lessing  
Cande Olsen  
Sandy Potasky  
Gary Scofield  
Mike Streck

Wayne Stuenkel  
Eugene Strum  
Sheldon Summers  
Andy Ware  
*Natalie Jones, Staff Liaison*

### **Illustrations Work Group**

The Illustrations Work Group maintains the Academy's existing Illustration Practice Note to assure that it reflects changes that have occurred since the original practice note was published. This includes updates to Actuarial Standard of Practice 24, changes in generally accepted practices, and new product designs and/or features.

Linda Rodway, *Chairperson*  
Mary Bahna-Nolan  
Delmer Borah  
Eric Carlson  
Julin Chang  
Martin Kline  
Ryan Morris  
Cande Olsen  
Marian Zeldin  
*Natalie Jones, Staff Liaison*

### **Life Financial Soundness/Risk Management Committee**

The Life Financial Soundness/Risk Management Committee proactively provides actuarial support, advice, and communication on the soundness and risk management of life insurance and annuities. This includes seeking out additional audiences and topics the committee should address so it can coordinate and respond to issues at a state, federal, and international level. The committee also communicates and provides information to the membership of the Academy regarding these issues. More recently, the committee coordinates Life Practice Council efforts to develop principles-based reserve and risk-based capital requirements.

Donna Claire, *Chairperson*  
Philip Barlow  
Nancy Bennett  
Mike Boerner  
Peter Boyko

Larry Bruning  
 Cecil Bykerk  
 Katie Campbell  
 Tom Campbell  
 Bob DiRico  
 John Engelhardt  
 Todd Erkis  
 Gary Falde  
 Helen Galt  
 Larry Gorski  
 Carl Harris  
 Jim Lamson  
 Barbara Lautzenheiser  
 Shawn Loftus  
 Bob Meilander  
 Steve Neill  
 Dave Neve  
 Arthur Panighetti  
 Max Rudolph  
 Dave Sandberg  
 Albert Sekac  
 Brad Spenny  
 Sheldon Summers  
 Bill Wilton  
*Natalie Jones, Staff Liaison*

### **Tax Work Group**

The Tax Work Group educates the Life Practice Council and its Committees and Work Groups on federal income tax issues. The Work Group clarifies the potential tax implications of proposals and identifies and communicates constraints, options, and alternatives.

Arthur Panighetti, *Chairperson*  
 John Bruins  
 Donna Claire  
 Armand dePalo  
 Barbara Gold  
 Barbara Lautzenheiser  
 Kory Olsen  
 Brian Prast  
 Jim Reisktyl  
 Ed Robbins  
 Bruce Schobel  
 Mike Streck  
*Natalie Jones, Staff Liaison*

### **PBA Website Work Group**

The PBA Website Work Group oversees the content and conceptual design of the Academy's Principles-based Approach (PBA) website ([www.actuary.org/risk.asp](http://www.actuary.org/risk.asp)).

Shawn Loftus, *Chairperson*  
 Natalie Jones, *Staff Liaison*

### **Life Governance Team**

The Life Governance Team focuses on corporate governance proposals related to the implementation of principles-based approaches (PBA) for determining reserves and risk-based capital. The Team works with other committees and work groups within the Life Practice Council and also interfaces with other practice councils within the Academy.

Helen Galt, *Chairperson*  
 Peter Bondy  
 Thomas Campbell  
 Vincent Granieri  
 Michael Harwood  
 Kalman Ketzlach  
 Perry Kupferman  
 Barbara Lautzenheiser  
 William Schwegler  
 Sheldon Summers  
*Natalie Jones, Staff Liaison*

### **Valuation Law and Manual Team**

The Valuation Law and Manual Team focuses on the development and on-going support of a Valuation Manual. The Team also responds to requests from regulators and the NAIC regarding the Valuation Manual and the enabling changes in the Standard Valuation Law. The team is composed of four subgroups, which address specific aspects of principles-based reserves (PBR).

Mike Boerner, *Chairperson*  
 Roger Annin  
 Stewart Ashkenazy  
 Mark Birdsall  
 Larry Bruning  
 Thomas Campbell  
 Donna Claire  
 Rich Daillak

Alice Fontaine  
Larry Gorski  
Dale Hall  
Christopher Hause  
Norm Hill  
Aaron Hodges  
Pam Hutchins  
Frank Irish  
Corinne Jacobson  
Leslie Jones  
Dan Keating  
Kerry Krantz  
Shawn Loftus  
Youri Matiounine  
Dwayne McGraw  
Russell Menze  
John Miller  
Eddie Mire  
Tom Nace  
Dave Neve  
Josée Piché  
Jonathan Pollio  
Tracey Polsgrove  
Tom Rhodes  
Dave Sandberg  
Bill Sayre  
David Scheinerman  
Bill Schwegler  
Al Sekac  
Karen Slawinsky  
Jo Beth Stephenson  
Sheldon Summers  
Jim Thompson  
Mike Villa  
Pete Weber  
David Whittemore  
*Natalie Jones, Staff Liaison*

### **Subgroup 1**

Subgroup 1 develops sections of the Valuation Manual addressing the PBR reporting and annual review requirements.

Dave Neve, *Chairperson*  
Kerry Krantz  
Mike Boerner  
Stephen Neill  
Deborah Whitmore

Alice Fontaine  
Kristin Schaefer  
Mike Villa  
Corinne Jacobson  
Tom Nace  
Albert Sekac  
Russell Menze  
Dan Keating  
David Whittemore

### **Subgroup 2**

Subgroup 2 coordinates with the NAIC Accounting Practices and Procedures Manual to incorporate PBR requirements within the Valuation Manual.

Mike Boerner, *Chairperson*  
Stewart Ashkenazy  
Phil Barlow  
Mark Birdsall  
Katie Campbell  
Donna Claire  
Alice Fontaine  
Jim Hawke  
Norm Hill  
Aaron Hodges  
Pam Hutchins  
Dan Keating  
Shawn Loftus  
Youri Matiounine  
John Miller  
Eddie Mire  
Dave Neve  
Karen Slawinsky  
Jo Beth Stephenson  
Sheldon Summers  
Mike Villa

### **Subgroup 3**

Subgroup 3 is responsible for the development of experience reporting requirements under PBR.

Russ Menze, *Chairperson*  
Mark Birdsall  
Mike Boerner  
Rich Daillak  
Steven Ekblad  
Alice Fontaine

Frank Irish  
Bruce Iverson  
Jack Luff  
Tom Rhodes  
Mike Villa  
David Whittemore

#### **Subgroup 4**

Subgroup 4 focuses on recommendations relating to PBR requirements and practical applications of those requirements to products with varying risks and companies with varying levels of resources. This subgroup comprises members who are experienced with small- and medium-sized companies

Pam Hutchins, *Chairperson*  
Stewart Ashkenazy  
Mark Birdsall  
Mike Boerner  
Arnold Dicke  
Alice Fontaine  
Dale Hall  
Norm Hill  
John Miller  
Eddie Mire  
Jonathan Pollio  
Bill Sayre  
Bill Schwegler  
David Smith  
Jim Thompson  
Mike Villa

#### **Accounting Practices Work Group**

The Accounting Practices Work Group is developing recommendations for changes to the NAIC Annual and Quarterly Statement Blanks and associated instructions, as well as Annual and Quarterly Statement disclosures that may be required to support Principles-based Approaches. This work is being undertaken in collaboration with Subgroup 1 of the Valuation Law and Manual Team.

William Hines, *Chairperson*  
Donna Claire  
James Miles  
*Natalie Jones, Staff Liaison*

#### **Consistency: Principles, Summary, Definitions and Report Format Work Group**

The Consistency Work Group is comprised of the chairs of the various principles-based reserve and risk-based capital Work Groups, and other individuals working on the Principles-Based Approaches (PBA) within the Academy (including members of other Academy practice councils). The Work Group reviews differences in provisions, such as principles, methodologies, and definitions that may exist between the various principles-based approaches to determine whether revisions are needed to make the provisions more consistent.

Bob DiRico, *Chairperson*  
Thomas Campbell  
Mike Davlin  
Bill Weller  
Donna Claire  
Jim Lamson  
Bob Meilander  
Phillip Barlow  
John Morris  
Dave Neve  
Dave Sandberg  
Bill Wilton  
*Natalie Jones, Staff Liaison*

#### **Life Reinsurance Work Group**

The Life Reinsurance Work Group is reviewing the treatment of reinsurance in the determination of principles-based reserves and risk-based capital.

Sheldon Summers, *Chairperson*  
Jeff Altman  
Clifford Angstman  
Mary Bahna-Nolan  
Mike Boerner  
Thomas Campbell  
Larry Carson  
Donna Claire  
Richard Dailak  
Michael Davlin  
Alan Dicke  
Arnold Dicke  
Bob Diefenbacher

Pat Gallagher  
Mary Ellen Luning  
Leonard Mangini  
Dean Nelson  
Wayne Stuenkel  
Diane Wallace  
*Natalie Jones, Staff Liaison*

### **Modeling Efficiency Work Group**

The Modeling Efficiency Work Group is examining ways in which the calculations required by principle-based approaches can be made more manageable. In performing its work, the Work Group is considering aspects of efficiency for scenario design, mathematical and/or model design, model data design, hardware design, and software design.

Anthony Dardis, *Chairperson*  
Michael Beeson  
Stephen Blaske  
Nathan Campbell  
Steven Craighead  
Michael Davlin  
Trevor Howes  
Rob Ipsen  
Lisa Lefkowitz  
Brian Lenius  
Mark Tenney

### **Life Principles-based Approach Practice Note Work Group**

The Life Principles-based Approach Practice Note Work Group is developing practice notes to support actuaries in the implementation of principles-based reserves and risk-based capital.

Todd Erkis, *Chairperson*  
Neville Charles  
Arnold Dicke  
Alice Fontaine  
Kristy Kuhn  
Ken Lem  
Shawn Loftus  
Esther Milnes  
Dave Neve  
Karen Rudolph  
Alan Sturm  
*Natalie Jones, Staff Liaison*

### **Group Life Waiver of Premium Valuation Table Work Group**

The Group Life Waiver of Premium Valuation Table Work Group is developing a proposed statutory reserve requirement for Group Life Premium Waiver benefits, using the Society of Actuary's 2005 Group Term Life Waiver Reserve Table.

Shawn Loftus, *Chairperson*  
John Bettano  
Charlie DeWeese  
John Engelhardt  
Scott Fitzpatrick  
Scott Haglund  
Elizabeth Horvath  
Jack Luff  
Ted Lyle  
Jacob McCoy  
Steven Ostlund  
Susan Sames  
Randall Stevenson  
Jim Stockall  
Patrick Wallner  
Feng Zhao  
*Natalie Jones, Staff Liaison*

### **Pre-Need Mortality Work Group**

The Pre-Need Mortality Work Group is developing proposed mortality tables to use to determine statutory reserves for pre-need, guaranteed issue and simplified underwriting life insurance.

Carol Salomone, *Chairperson*  
Mark Birdsall  
Mark France  
Joseph Hogan  
Leon Langlitz  
Greg Mitchell  
Art Panighetti  
Michael Pfalzer  
Michael Villa  
Tomasz Serbinowski  
*Natalie Jones, Staff Liaison*

## Life Capital Adequacy Subcommittee

This subcommittee analyzes issues related to life and annuity capital adequacy and recommends methods to improve life risk-based capital requirements. This subcommittee works with the Academy's Life and Annuity Reserve Work Groups to coordinate the development of integrated, non-formulaic methodologies for reserve and capital standards. It also provides technical recommendations on the risks associated with investments, including hybrid securities. In addition, this subcommittee provides the technical basis for economic scenario generators used in the calculation of principles-based reserves and capital. This subcommittee is a liaison to the Financial Reporting Council's Joint Risk-Based Capital Task Force and the Solvency Task Force.

Nancy Bennett, *Chairperson*

David Berger

Peter Boyko

Martin Claire

Luke Girard

Ann Kallus

Robert Meilander

Craig Morrow

Hubert Mueller

Keith Osinski

Max Rudolph

Keith Vande Vrede

George Wahle

Bill Wilton

Natalie Jones, *Staff Liaison*

## Economic Scenario Work Group

The Economic Scenario Work Group is developing proposed scenario generators for use in principles-based reserve and risk-based capital calculations. The Work Group also develops calibration standards to be applied to generators designed by companies or other users of generators for these calculations.

Max Rudolph, *Chairperson*

Faye Albert

Anatoliy Belaygorod

Mike Davlin

Luke Girard

Geoffrey Hancock

David Kester

Jeff Little

Jon Mossman

Sam Nandi

Bill Pauling

Link Richardson

Mark Tenney

Natalie Jones, *Staff Liaison*

## Life Capital Work Group

The Life Capital Work Group is reviewing and evaluating the interest-rate and market risk (C3) component of the current formula-based risk-based capital (RBC) framework, in the context of developing a principles-based RBC approach for life insurance products. The Work Group works with both the Academy's Life Reserve Work Group and Life Capital Adequacy Subcommittee to recommend changes to the Risk-Based Capital formula, as necessary, for consideration by the NAIC's Capital Adequacy Task Force.

Peter Boyko, *Chairperson*

Nancy Bennett

Martin Claire

Arnold Dicke

Allen Elstein

Barbara Lautzenheiser

Shawn Loftus

Craig Morrow

Dave Neve

Kenneth Vande Vrede

David Smith

Natalie Jones, *Staff Liaison*

## Annuity Capital Work Group

The Annuity Capital Work Group is reviewing and evaluating the interest-rate and market risk (C3) component of the current formula-based risk-based capital (RBC) framework, in the context of developing a principles-based RBC approach for annuity products. The Work Group works with both the Academy's Annuity Reserve Work Group and Life Capital Adequacy Subcommittee to recommend changes to

the risk-based capital formula, as necessary, for consideration by the NAIC's Capital Adequacy Task Force.

Bill Wilton, *Chairperson*

Jason Alleyne

Peter Boyko

Richard Combs

Jim Lamson

Bob Meilander

Andrew Minten

Hubert Mueller

Keith Osinski

Andrew Rallis

Paula Schwinn

Larry Seller

*Natalie Jones, Staff Liaison*

### **Closed-Block Dividend Liability Work Group**

The Closed-Block Dividend Liability Work Group reviews the risk-based capital treatment of dividend liabilities for closed blocks of businesses.

Jacqueline Keating, *Chairperson*

Phillip Grigg

Larry Gulleen

Ann Kallus

Robert Lombardi

Robert Lynch

Robert Meilander

Gregory Snider

*Natalie Jones, Staff Liaison*

### **Invested Asset Work Group**

The Invested Asset Work Group reviews the capital requirements for the invested assets held by insurers, such as the default costs and prepayment factors included in the C1 factor. The work group is responsible for reviewing the capital requirements for new asset types, such as hybrid securities.

Nancy Bennett, *Co-chairperson*

David Berger, *Co-chairperson*

Philip Barlow

Bryan Boudreau

Scott Christensen

Arnold Greenspoon

Chris McMann

Craig Morrow

Keith Osinski

Rich Owens

Scott Robinson

Jose Siberon

*Natalie Jones, Staff Liaison*

### **Life Valuation Subcommittee**

The Life Valuation Subcommittee (with support from the Life Financial Soundness/Risk Management Committee) proactively seeks to provide actuarial support, advice, and communication on life insurance topics that involve the valuation of life insurance and annuity products. The subcommittee addresses issues that involve the valuation of, and support for the valuation of, statutory and tax reserves for these products. The subcommittee also provides support to the Life Financial Reporting Committee on GAAP reserve issues.

Bob DiRico, *Chairperson*

Peter Bondy

Donna Claire

David Hippen

Brian Holland

Jim Lamson

Barbara Lautzenheiser

John Morris

Dave Neve

Sheldon Summers

Mike Ward

*Natalie Jones, Staff Liaison*

### **Variable Annuity Reserve Work Group**

The Variable Annuity Reserve Work Group is working with the NAIC to develop a proposal for a principles-based reserve requirement for variable annuity products.

Tom Campbell, *Chairperson*

Jim Lamson, *Vice Chairperson*

Richard Combs

Andrew Eastman

Tim Gaule

Larry Gorski

John O'Sullivan

Jim Reiskytl

Van Villaruz

*Natalie Jones, Staff Liaison*

### **Life Reserves Work Group**

The Life Reserves Work Group is responsible for developing a principles-based reserve framework for life products that will serve as the minimum statutory reserve standard for all life products subject to a principles-based valuation.

Dave Neve, *Chairperson*

Gary Falde, *Vice Chairperson*

Mary Bahna-Nolan

Aryeh Bak

Jeff Beckley

Peter Boyko

Armand de Palo

Arnold Dicke

Bob DiRico

Doug Doll

Todd Erkis

Dieter Gaubatz

Dale Hall

Jane Hamrick

Tom Kalmach

Barbara Lautzenheiser

Esther Milnes

Greg Roemelt

Alan Routhenstein

Karen Rudolph

Barry Shemin

Steve Strommen

Wayne Stuenkel

Mike Villa

*Natalie Jones, Staff Liaison*

### **Modeling Subgroup**

The LRWG modeling subgroup carries out modeling research to illustrate the results of applying proposed methodologies in specific situations that relate to the proposed reserve requirements for life products that are subject to a principles-based valuation.

Steve Strommen, *Chairperson*

Bruce Bohlman

Roger Brown

Gordon Creber

Leda Debarba

John Froehle

Karen Rudolph

Mac Smith

Frans te Groen

Bill Turner

### **Variable Universal Life Subgroup**

The LRWG variable universal life subgroup makes recommendations on the adaptation of the principles-based methodology to reflect the unique characteristics of VUL products and carries out modeling research to illustrate the results of applying the proposed methodology to VUL.

Bruce Friedland, *Chairperson*

Sue Deakins

John di Meo

Gary Falde

Anthony Ferraro

Frans te Groen

Wen Liu

### **Asset Subgroup**

The LRWG asset subgroup makes recommendations on the asset modeling and investment return-related aspects of the principles-based methodology, including requirements related to treatment of derivatives.

Gary Falde, *Chairperson*

Mike Davlin

Doug Doll

Bruce Friedland

Craig Morrow

Steve Neill

Dave Neve

Alan Routhenstein

### **Tax Advisory Subgroup**

The purpose of the Tax Advisory Subgroup (TASG) is to provide education, review, advice, guidance and suggestions to the Life Reserve Work Group (LRWG) with respect to both company and policyholder Federal insurance tax issues, if any, created by proposed changes to the basis of Statutory Valuation Life Reserves. The TASG is responsible for reviewing recommendations to and from the LRWG to bring an understanding of the implications under federal taxation during the development of, and prior to the Academy issuing, a final report.

Armand dePalo, *Co-Chairperson*  
Peter Marion, *Co-Chairperson*  
John Adney  
James Atkins  
Aryeh Bak  
John Bruins  
Lillian Chen  
Barbara Gold  
Barbara Lautzenheiser  
Kory Olsen  
Arthur Panighetti  
Brian Prast  
Jim Reiskytl  
Ed Robbins  
John Schmidt  
Bruce Schobel  
*Natalie Jones, Staff Liaison*

### **Annuity Reserves Work Group**

The Annuity Reserves Work Group is working with the NAIC to develop a proposal for a principles-based reserve requirement for non-variable annuity products.

Jim Lamson, *Chairperson*  
Michael Ward, *Vice Chairperson*  
Stephanie Adelhardt  
Andrew Besendorf  
Mike Boerner  
Larry Bruning  
Rod Bubke  
Thomas Campbell  
Tom Chamberlain  
Ching Chen  
Donna Claire  
Matthew Clark  
Richard Combs  
Mike Davlin  
Leda DeBarba  
Michael Dossett  
Michael DuBois  
John Froehle  
Randy Gantt  
Caixia Ge  
Jeff Gimbel  
Larry Gorski  
Sarah Hamid  
Sean Hayward

Scott Houghton  
William Kling  
Geetha Kunchakarra  
Lisa Lefkowitz  
Craig Likkel  
John Luebke  
Eric Lynn  
Judi Naanep  
Tom Nuckols  
Chris Oppliger  
Larry Seller  
John O'Sullivan  
Chad Padgett  
Richard Payne  
Chris Peck  
Peter Pham  
Brian Prast  
Meredith Ratajczak  
Bill Sayre  
Scott Sheppard  
Irwin Silber  
Martin Snow  
Beverly Steinhoff  
Mike Streck  
Lisa Thomas  
Jim Thompson  
Cheryl Tibbits  
David Tovson  
Nazir Valani  
David Weinsier  
Marc Whinston  
Bill Wilton  
*Natalie Jones, Staff Liaison*

### **Credibility Work Group**

As part of the Practice Note Steering Committee, the Credibility Work Group is developing a practice note that seeks to describe current actuarial practice that uses credibility theory or a related approach. The practice note will further seek to educate the actuary on ways to solve business problems that have historically been thought of as issues of credibility, such as the ability of a company to rely on its own experience in developing a particular modeling assumption. This group is composed of actuaries from the academic community, the regulatory

realm, governmental positions, and private industry. The Work Group is also coordinating with the Life Capital Adequacy Subcommittee and its work groups on the application of these topics to risk-based capital calculations and expects to complete the Practice Note in 2008.

Bob DiRico, *Chairperson*

Donald Behan

Robert Buzecan

Mike Davlin

Steven Ekblad

Thomas Herzog

Stuart Klugman

Susan Miner

Tomasz Serbinowski

Ali Zaker-Shahrak

Randall Stevenson

Joth Tupper

Van Villaruz

Trevor Zeimet

*Natalie Jones, Staff Liaison*

## **Life Experience Subcommittee**

The Life Experience Subcommittee is responsible for interfacing with the work groups of the Society of Actuaries, such as the Preferred Mortality Project Oversight Group, regarding experience studies.

Donna Claire, *Chairperson*

*Natalie Jones, Staff Liaison*

# The Pension Practice Council

## 2007 Highlights

➤ Published a new issue brief that examines the factors that contribute to disparities in Social Security benefit levels between men and women and the specific impact of various reform proposals on the retirement security of older women.

➤ In conjunction with the SOA, produced a guide to help pension actuaries understand how financial economics influences their practice.

➤ Published a monograph on Social Security reform options and publicized it, and the revamped Social Security Game located on the Academy's website, at a briefing for reporters.

➤ Reiterated Academy concerns to the Department of Energy (DOE) about the possible reinstatement of a proposed policy denying reimbursements to DOE contractors for the costs of their new employees' defined benefit pension plans. The DOE subsequently announced it would not reinstate the controversial policy.

➤ Published a new issue brief that evaluates Social Security with an eye toward whether its defined benefit structure is preferable to a defined contribution structure for providing basic benefits.

➤ Commented on a Cost Accounting Standards Board discussion paper on harmonizing certain existing cost accounting standards with provisions of the Pension Protection Act of 2006 (PPA).

➤ Sent comments to the IRS about its guidance on changes in combined pension plan deduction limits as a result of the PPA, arguing that portions of the notice appear to be inconsistent with the language and intent of the new law.

➤ Asked the Treasury Department to reconsider its method for applying an anti-backloading rule (the four-thirds rule) to cash balance plans.

➤ Engaged in a number of meetings with congressional staff, policymakers, and advocacy groups working on social insurance issues.

➤ Met frequently with congressional staffers working on technical corrections to the PPA.



**Senior Pension Fellow Ron Gebhardtbauer at a Social Security press briefing.**

## Pension Practice Council

Thomas S. Terry, *Vice President*; Ethan Kra, *Vice Chairperson*

### Pension Accounting Committee

William Sohn, *Chairperson*; Stephen Alpert, *Vice Chairperson*

### Social Insurance Committee

Kenneth Buffin, *Chairperson*

### Pension Committee

James Verlautz, *Chairperson*; Chester Andrzejewski, *Vice Chairperson*

#### Multiemployer Plans Subcommittee

Eli Greenblum, *Chairperson*

#### Public Plans Subcommittee

Paul Angelo, *Chairperson*

### Retirement Security Principles Task Force

Bruce Schobel, *Chairperson*

### Stock Options Task Force

Thomas Terry, *Chairperson*

### Joint Academy/SOA Pension Finance Task Force

Michael Peskin, *Chairperson*  
Gordon Enderle, *Co-Vice Chairperson*; Jeremy Gold, *Co-Vice Chairperson*

### Joint Program Committee for the Enrolled Actuaries Meeting

David Godofsky, *Chairperson*; Brian C. Donohue, *Vice Chairperson*

### Joint Committee on Retiree Health

Jeffrey Petertil, *Co-Chairperson*; Adam Reese, *Co-Chairperson*

# Pension Practice Council—2008

The Pension Practice Council oversees the Academy's public policy work on pension and Social Security issues. The council manages the work of its committees, task forces, and work groups, which are listed here.

Thomas S. Terry, *Vice President*

Ethan Kra, *Vice Chairperson*

Stephen Alpert

Paul Angelo

Chester Andrzejewski

Donald Barnes

Kenneth Buffin

Edward Burrows

Ron Gebhardtsbauer

Jeremy Gold

Eli Greenblum

Emily Kessler

John Parks

Michael W. Peskin

Adam Reese

Bruce Schobel

Donald J. Segal

Lawrence Sher

William Sohn

Kenneth Steiner

James Verlutz

*Samuel Genson, Staff Liaison*

## Senior Pension Fellow Ron Gebhardtsbauer

The Academy established its senior pension fellow program in 1995 to build the credibility of pension actuaries on Capitol Hill and to promote constructive debate on national retirement income policy. Through regular interaction with federal regulators and legislators and Academy volunteers, the senior pension fellow influences Washington legislators and, by extension, other governments and regulators to rely on the Academy as the objective resource for the knowledge and skills of the actuarial profession.



The senior pension fellow works with the Pension Practice Council and serves as the profession's primary policy liaison on pension issues. He establishes and develops close relationships with the congressional tax-writing and pension staff and regulators within the executive branch.

## Pension Accounting Committee

This committee monitors activities and reviews proposals regarding financial reporting related to pension plans. The committee is generally responsible for analysis and recommendations on pension accounting issues.

William Sohn, *Chairperson*

Stephen Alpert, *Vice Chairperson*

Curtis Cartolano

Arthur Conat

Jerrold Dubner

Kenneth Friedman

Ron Gebhardtsbauer

Emily Kessler

Kathleen Manning

Tonya Manning

Wendy McFee

Thomas Miano

Bruce Monte, Jr.

Dennis Polisner

James Rizzo

John Steele

John Stokesbury

Arthur Tepfer

*Samuel Genson, Staff Liaison*

## Social Insurance Committee

This committee provides and promotes actuarial reviews and analyses of U.S. social insurance systems. The committee prepares comments on pending legislation regarding federal social insurance programs and government reports on these programs.

Kenneth Buffin, *Chairperson*

Edward Burrows

Michael Callahan

Eli Donkar

Ron Gebhardtsbauer

Stephen Goss

Eric Klieber

Dimitry Mindlin

Zenaida Samaniego

Bruce Schobel

Dick Schreitmueller

Sven Sinclair

P.J. Stallard

Kenneth Steiner

Alice Wade

Joan Weiss

Louis Weisz

*Samuel Genson, Staff Liaison*

## Pension Committee

This committee addresses actuarial issues affecting public and private pension plans, excluding financial reporting. The committee monitors federal tax, PBGC, and other ERISA-related developments. It consults with Congress and relevant regulatory agencies on the effect of regulation on employer pensions and retirement security, and comments on pending legislation and regulations.

James Verlautz, *Chairperson*

Chester Andrzejewski, *Vice Chairperson*

Paul Angelo

Donald Barnes

Edward Burrows

Gordon Enderle

Ron Gebhardtsbauer

Allen Gorrelick

Dennis Graf

Eli Greenblum

Emily Kessler

Ethan Kra

Lisa Larsen

Christine Mahoney

Gerard Mingione

John Moore

Robert North

Brian O’Konski

Nadine Orloff

John Parks

Michael Pollack

Donald J. Segal

Lawrence Sher

William Sohn

Judy Stromback

Lawrence Wilson

Sarah Wright

Carolyn Zimmerman

*Samuel Genson, Staff Liaison*

## Multiemployer Plans Subcommittee

Eli Greenblum, *Chairperson*

Robert Bolton

James Dexter

Ron Gebhardtsbauer

Stanley Goldfarb

Douglas Holden

Kenneth Kent

James McKeogh

Brian O’Konski

Howard Rog

James Shake, Jr.

Samuel Stanley

Peter Verne

*Samuel Genson, Staff Liaison*

## Public Plans Subcommittee

Paul Angelo, *Chairperson*

Brad Armstrong

John Bartel

Leonard Cargill, Jr.

Thomas Cavanaugh

Michael de Leon

William Fornia

Ron Gebhardtsbauer

Lawrence Johansen

Kenneth Kent

Robert May

Robert McCrory  
Stephen McElhaney  
Robert C. North, Jr.  
Althea Schwartz  
Graham Schmidt  
Karen Steffen  
Ira Summer  
Lawrence Wilson  
Richard Young  
*Samuel Genson, Staff Liaison*

### **Retirement Security Principles Task Force**

Bruce Schobel, *Chairperson*  
Edward Burrows  
Mike Callahan  
John Gist  
Emily Kessler  
John Parks  
Anna Rappaport  
Richard Schreitmueller  
Eric Sondergeld  
John Turner  
Thomas Wildsmith  
John Wilkin  
*Samuel Genson, Staff Liaison*

### **Stock Options Task Force**

Thomas Terry, *Chairperson*  
Terry Adamson  
Glenn Bowen  
Ted Buyniski  
Charles Cahill  
Wing Wing Chan  
Don Delves  
Carrie Duarte  
Mark Evans  
Ron Gebhardtsbauer  
Albert Johnson  
Emily Kessler  
John Luff  
John McArthur  
James McPhillips  
John Miller  
John Parks  
Alan Perry  
Stacy Powell

Nicholas Reitter  
Larry Rubin  
Marcia Sander  
Sean Scrol  
Donald J. Segal  
Lawrence Sher  
John Stokesbury  
Scott Turner  
James Verlautz  
Aaron Weindling  
Stephen Zwicker  
*Samuel Genson, Staff Liaison*

### **Joint AAA/SOA Pension Finance Task Force**

Michael W. Peskin, *Chairperson*  
Gordon Enderle, *Co-Vice Chairperson*  
Jeremy Gold, *Co-Vice Chairperson*  
Paul Angelo  
Zvi Bodie  
Edward Burrows  
Daniel Cassidy  
Eric Friedman  
Ron Gebhardtsbauer  
Malcolm Hamilton  
Richard Herchenroether  
R. Evan Inglis  
Ari Jacobs  
Kenneth Kent  
Emily Kessler  
Eric Klieber  
Ethan Kra  
Gordon Latter  
Douglas Love  
Rene Martel  
Joseph N. McDonald  
Gerard Mingione  
Robert C. North, Jr.  
Jeffrey Petertil  
Mark Ruloff  
William Sohn  
Andrew Wozniak  
*Samuel Genson, Staff Liaison*

## Joint Program Committee for the Enrolled Actuaries Meeting

This committee develops a program for the Enrolled Actuaries Meeting, jointly sponsored by the Academy and the Conference of Consulting Actuaries.

David Godofsky, *Chairperson*  
Brian C. Donohue, *Vice Chairperson*  
Paul Angelo  
Lorraine Dorsa  
Mark Ferrin  
Bruce Gaffney  
David Jarrett  
Dean Kepraios  
John Lowell  
Tonya Manning  
Nadine Orloff  
Robert Schramm  
Donald J. Segal  
Ben Upchurch  
Amy Viener  
*Samuel Genson, Staff Liaison*

## Joint Committee on Retiree Health

This committee addresses the actuarial profession's involvement in public policy issues related to health care benefits for retirees. The committee monitors federal activities and prepares public statements in the retiree health area. The committee also serves as a resource for Academy committees involved with Medicare, financial reporting, and retirement benefit issues. It may coordinate issues involving retiree health benefits with other actuarial organizations.

Jeffrey Petertil, *Co-Chairperson*  
Adam Reese, *Co-Chairperson*  
Joseph Beeler  
Alfred Bingham  
Peter Ford  
Marilyn Oliver  
Mark Olson  
Neela Ranade  
James Rizzo  
Thomas Ruehle  
John Schubert  
John Stokesbury  
Cori Uccello  
George Wagoner  
Mark White  
Dale Yamamoto  
Heather Jerbi, *Staff Liaison*  
*Samuel Genson, Staff Liaison*

# The Council on Professionalism

## 2007 Highlights

**I**N THE PAST YEAR, the Council on Professionalism and its committees have worked to maintain the integrity, competence, and standards of the actuarial profession in a number of ways. Most notably, the Committee on Qualifications finalized, and the Academy Board of Directors approved, the final Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States (Including Continuing Education Requirements). These standards are effective Jan. 1, 2008 and the council has spent much time and effort in promoting and educating actuaries on the subject matter. The council sponsored (co-sponsored by the Conference of Consulting Actuaries) three webcasts without charge in the second half of 2007, in September, October, and December. The September webcast was attended by a record-breaking 1,000 participants and each of the other webcasts filled to capacity rapidly. Panelists for these webcasts included the chair of the COQ and vice president of professionalism, Kathy Riley, who has worked tirelessly on advancing these Qualification Standards.

These revised Qualification Standards expanded the scope of the qualifications to most credentialed actuaries issuing Statements of Actuarial Opinion in the United States. These revised Qualification Standards also increased

the continuing education requirements from 24 credits in a rolling two-year period to 30 annually. These revised Qualification Standards will bring the actuarial profession to new heights of integrity and competence.

Again in 2007, the Academy joined with the Conference of Consulting Actuaries to offer a series of audiocasts on various professionalism topics, including an April 11th audiocast on executive compensation disclosure; a May 9th audiocast on the actuarial discipline/ethics debate; a July 11th audiocast on actuarial communications; a Sept. 12th audiocast on selected Code of Conduct precepts; and a Nov. 14th audiocast on Code of Conduct issues and case studies.

The Life and Health Qualifications Seminar Task Force held the Academy's 8th annual Life and Health Qualification Seminar in November 2007 with over 100 registrants. This seminar is designed to provide actuaries with the basic education materials necessary to meet the specific Qualification Standards for issuing annual statement reserve opinions for life and health insurers as required by relevant regulations.

This year, with the assistance of the Committee on Actuarial Public Service, the Academy awarded the prestigious Robert J. Myers Public Service Award to Frank Dino.

**Council on Professionalism:**  
Kathleen Riley, *Vice President*

**Committee on Actuarial Public Service**  
Eli Donkar, *Chairperson*

**Committee on Professional Responsibility**  
Tom Bakos, *Chairperson*

**Joint Committee on the Code of Professional Conduct**  
Kenneth Kent, *Chairperson*

**Life and Health Qualifications Seminar Task Force**  
Esther Milnes, *Chairperson*

**Committee on Qualifications**

# Council on Professionalism—2008

Kathleen Riley, *Vice President*

Joseph Applebaum

Tom Bakos

Donna Claire

Charles Cook

Eli Donkar

John Gleba

Curtis Huntington

Burton Jay

Steve Kellison

Kenneth Kent

Dan McCarthy

Esther Milnes

Neil Parmenter

Geoffrey Sandler

Tamara Shelton

Kenneth Steiner

Michael Toothman

*Mary Downs, Staff Liaison*

*Sheila Kalkunte, Staff Liaison*

*Katherine Pardee, Of Counsel*

## Committee on Actuarial Public Service

This committee promotes the contributions of actuaries working in the public sector, develops statements and policies on issues affecting public sector actuaries, and encourages actuarial employment and other participation in public service areas.

Eli Donkar, *Chairperson*

David Gustafson

Elizabeth Hale

Joel Sitrin

Neta Warren

Joan Weiss

Richard Young

*Mary Downs, Staff Liaison*

*Sheila Kalkunte, Staff Liaison*

## Committee on Professional Responsibility

This committee promotes knowledge of standards of conduct, qualification, and practice within the profession, and suggests ways and means for enforcement, compliance, and monitoring of the effectiveness of those standards.

Tom Bakos, *Chairperson*

Cara Blank

William Cutlip

Jeffrey Kucera

John Moore

Karen Nowiejski

Robert Orean

Anna Rappaport

Russell Sutter

J. Kevin Watts

Marc Whinston

*Sheila Kalkunte, Staff Liaison*

*Katherine Pardee, Of Counsel*

## Joint Committee on the Code of Professional Conduct

This committee monitors the Code of Professional Conduct of the U.S.-based actuarial organizations and recommends necessary amendments to the code to all of the U.S.-based organizations.

Kenneth Kent, *Chairperson*

Paul Braithwaite

Morris Chambers

Ruth Frew

Sam Gutterman

Luis Huerta

*Mary Downs, Staff Liaison*

*Sheila Kalkunte, Staff Liaison*

## **Life and Health Qualifications Seminar Task Force**

Esther Milnes, *Chairperson*

Craig Morrow, *Vice Chairperson*

Donna Claire

Darrell Knapp

Bernard Rabinowitz

F. Kevin Russell

D. Joelf Williams

Mary Downs, *Staff Liaison*

Rita Winkel, *Staff Liaison*

Katherine Pardee, *Of Counsel*

## **Committee on Qualifications**

This committee investigates issues arising with respect to the minimum requirements necessary to qualify members to perform publicly required actuarial functions. It recommends to the Board of Directors minimum qualification standards, including continuing education requirements for such members, and counsels members on questions relating to individual qualifications. It also develops guidelines for the administration of the Academy Qualification Standards, including continuing education requirements.

Vacant, *Chairperson*

Nolan Asch

Donna Claire

Mary Frances Miller

Karen Nowiejski

Keith Passwater

Frank Stone

Sheila Kalkunte, *Staff Liaison*

Katherine Pardee, *Of Counsel*

# The Risk Management and Financial Reporting Council

## 2007 Highlights

➤ Collaborated with the Actuarial Standards Board in response to a Financial Accounting Standards Board (FASB) invitation to comment on whether there is a need for valuation guidance specifically for financial reporting and how such a need might be filled.

➤ Participated in a FASB roundtable discussion on the need for valuation guidance for financial reporting.

➤ Commented to the International Association of Insurance Supervisors (IAIS) on its final exposure draft of a paper on a common structure for assessing insurer solvency.

➤ Commented to the International Actuarial Association (IAA) on its exposure draft, Measurement of Liabilities for Insurance Contracts: Current Estimates and Risk Margins.

➤ Met with the American Institute of Certified Public Accountant Insurance Experts Panel to discuss business combinations, Financial Accounting Standards 157 and 159,

risk transfer in casualty reinsurance, valuation guidance, the IAA risk margin paper, restrictions on actuarial reports, and the International Accounting Standards Board (IASB) insurance contracts discussion paper.

➤ Met with staff from the Securities and Exchange Commission's (SEC) Office of the Chief Accountant to discuss convergence between U.S. Generally Accepted Accounting Principles (GAAP) and international financial reporting standards, property/casualty claim reserve disclosures, and pension accounting issues.

➤ Commented to the IAIS on its paper on capital requirements and enterprise risk management for capital and solvency purposes.

➤ Commented to the IAIS on its paper about insurers' use of internal models.

➤ Commented to the SEC on its proposal to reconcile GAAP and international financial reporting standards.

## **Risk Management and Financial Reporting Council**

James Rech, *Vice President*  
Ralph Blanchard, *Vice Chairperson*

### **Financial Reporting Committee**

Henry Siegel, *Chairperson*  
Richard Goldfarb, *Vice Chairperson*

#### **IFRS Task Force**

Henry Siegel, *Chairperson*

#### **Risk Margin Task Force**

Kris Defrain, *Chairperson*

### **Risk Management and Solvency Committee**

David Sandberg, *Chairperson*

#### **ERM Task Force**

Max Rudolph, *Chairperson*

### **Risk Classification Work Group**

Arnold Dicke, *Chairperson*

# The Risk Management and Financial Reporting Council—2008

The Risk Management and Financial Reporting Council oversees the Academy's work on domestic and international financial reporting and risk management issues. It also coordinates Academy work affecting multiple areas of actuarial practice and serves as a liaison to public policymakers, the financial community, and insurance industry representatives on these issues.

James Rech, *Vice President*  
Ralph Blanchard, *Vice Chairperson*  
Rowen Bell  
Thomas Campbell  
Burton Jay  
Darrell Knapp  
Patricia Matson  
Robert Miccolis  
James Reiskytl  
Max Rudolph  
Francis Sabatini  
David Sandberg  
Henry Siegel  
Patricia Teufel  
Timothy Tongson  
James Verlautz  
*Tina Getachew, Staff Liaison*

## Financial Reporting Committee

This committee coordinates and develops Academy work on domestic and international financial reporting issues that affect multiple areas of actuarial practice. The committee also monitors related work within the other practice councils to ensure consistency and avoid conflicts across practice areas.

Henry Siegel, *Chairperson*  
Richard Goldfarb, *Vice Chairperson*  
Rowen Bell  
Ralph Blanchard  
Jeffrey Courchene  
Kermitt Cox  
Victoria Grossack

Tom Herget  
William Hines  
Burt Jay  
Gareth Kennedy  
Darrell Knapp  
Matthew Lantz  
Kenneth LaSorella  
Jinn-feng Lin  
Patricia Matson  
Kevin McAllister  
Jay Morrow  
Chris Nyce  
Marc Oberholtzer  
W. H. Odell  
Godfrey Perrott  
Marc Slutzky  
William Sohn  
Stephen Strommen  
James Verlautz  
Darin Zimmerman  
*Tina Getachew, Staff Liaison*

## IFRS Task Force

Henry Siegel, *Chairperson*  
George Argesanu  
James Backus  
Rowen Bell  
Ralph Blanchard  
Kevin Cormier  
Kermitt Cox  
Michael Dubin  
Mark Freedman  
Victoria Grossack  
Thomas Herget  
William Hines  
Burton Jay  
Gareth Kennedy  
Kalman Ketzlach  
Darrell Knapp  
John Kryczka  
Jay Morrow  
Chris Nyce

W.H. Odell  
Leonard Reback  
Stephen Strommen  
Andrea Sweeny  
Nicholas Weltmann  
Russell Willard  
*Tina Getachew, Staff Liaison*

### **Risk Margin Task Force**

Kris Defrain, *Chairperson*  
William Dove  
Edward Ford  
Richard Goldfarb  
Ken Griffin  
Scott Haglund  
Joseph Herbers  
Thomas Herget  
William Horbatt  
Valentina Isakina  
Darrell Knapp  
Robb Luck  
Steven Malerich  
Richard May  
Jay Morrow  
Ikwhan Oh  
Bernie Rabinowitz  
Larry Rubin  
Henry Siegel  
Stephen Strommen  
Andrea Sweeny  
Doug Van Dam  
Miles Williams  
*Tina Getachew, Staff Liaison*

### **Risk Management and Solvency Committee**

This committee coordinates and develops Academy work on domestic and international solvency and risk management issues that affect multiple areas of actuarial practice. The committee also monitors related work within the other practice councils to ensure consistency and avoid conflicts across practice areas.

David Sandberg, *Chairperson*  
Ralph Blanchard  
Maryellen Coggins  
Charles Emma

Matthew Lantz  
Elise Liebers  
Harold Luber  
Michael McCarter  
James Rech  
James Reiskyt  
Francis Sabatini  
*Tina Getachew, Staff Liaison*

### **ERM Task Force**

Max Rudolph, *Chairperson*  
Doug Brooks  
Eduardo Esteve  
Barry Franklin  
Ron Harasym  
David Ingram  
Donald Mango  
Beverly Margolian  
James Rech  
Francis Sabatini  
David Sandberg  
Sim Segal  
Shaun Wang  
*Tina Getachew, Staff Liaison*

### **Risk Classification Work Group**

Arnold Dicke, *Chairperson*  
Cecil Bykerk  
David Christianson  
Christopher Diamantoukos  
Sam Gutterman  
Burton Jay  
Barbara Lautzenheiser  
Mark Litow  
Warren Luckner  
Charles McClenahan  
Donna Novak  
W. H. Odell  
Joseph Tan

# Academy Policies

## Membership Requirements

The requirements for admission to membership in the Academy are set forth in Article I of the Bylaws and in these procedures.

## Education Requirements

The Academy Board of Directors, in accordance with Article I, Section 2(B) of the Bylaws, prescribes the following educational requirements for prospective members. An applicant who has attained the indicated status in one of the organizations listed below shall be deemed to have met the education requirements for admission to membership:

- A** Associateship in the Casualty Actuarial Society;
- B** Associateship in the Society of Actuaries;
- C** M.S.P.A. or F.S.P.A. in the American Society of Pension Professionals and Actuaries;
- D** Membership in the Conference of Consulting Actuaries;
- E** Enrolled Actuary status under Title III, Section C of the Employee Retirement Income Security Act of 1974;
- F** Fellowship in the Canadian Institute of Actuaries;
- G** Fellowship in the Faculty of Actuaries in Scotland;
- H** Fellowship in the Institute of Actuaries in Great Britain;
- I** Membership in the Colegio Nacional de Actuarios in Mexico;
- J** Fellowship in the Institute of Actuaries of Australia.

An applicant who has attained actuarial educational credentials other than those enumerated above may submit those credentials to the Academy for review and approval by the Membership Committee and the Executive Committee.

## Good Moral Character and Professional Integrity

- A** Applicants to the Academy must be of good moral character and have professional integrity. Evidence of the lack of good moral character or professional integrity shall be grounds for rejection of an application to membership in the Academy.
- B** In those cases where good moral character and professional integrity cannot be assumed, the Membership Committee and Executive Committee are empowered to call for evidence of such good moral character and professional integrity.

## Experience Requirement

An applicant must, at the date of application, have had at least three years of full-time equivalent experience in responsible actuarial work. "Responsible actuarial work" is defined as work that has required knowledge and skill in solving practical actuarial problems in any of the fields identified in the Academy Bylaws. The following guidelines apply to experience:

- A** At least one of the three years of responsible actuarial experience must fall within the five years preceding the date of application.
- B** Teaching experience in actuarial courses may be considered for the three-year requirement. Non-actuarial-specific courses, such as probability and statistics, do not count as actuarial courses for this purpose.
- C** Summer, part-time, and other intermittent experience may be considered for the three years of full-time equivalent experience.
- D** Experience obtained outside the United States may be considered for the three-year requirement.

An applicant who has practiced in any other field that is actuarially related may submit in-

formation about his or her field to the Academy for review and approval by the Membership Committee and the Executive Committee.

## Additional Requirements for Nonresidents and New Residents

### **A** Nonresidents

- 1 Nonresidents must certify their familiarity with U.S. laws and practices in their “actuarial practice area” as that term is used in the Qualification Standards for Prescribed Statements of Actuarial Opinion promulgated by the Academy through its Committee on Qualifications.
- 2 In those cases where familiarity with actuarial practices and principles in the United States cannot be assumed, the Membership Committee and Executive Committee are empowered to call for evidence of such familiarity.
- 3 Nonresidents must state their need for membership in the Academy.

### **B** New Residents

Residents of the United States for fewer than three years must satisfy the requirements to which nonresidents are subject.

## Certification

Applicants must certify their willingness to comply with the Code of Professional Conduct of the American Academy of Actuaries, the Actuarial Standards of Practice promulgated by the Actuarial Standards Board, and the Qualification Standards for Prescribed Statements of Actuarial Opinion promulgated by the Academy through its Committee on Qualifications. Failure or refusal to provide such a certification is grounds for denial of a membership application.

## Application Process

- A** An application should be submitted on an application form that has been developed and approved by the Membership Committee. An approved application form may be obtained from the Washington office, the Schaumburg office, or the Academy website ([www.actuary.org](http://www.actuary.org)).
- B** Applications should be typewritten or handwritten legibly.
- C** An application fee of \$75 must accompany the application. This is a charge for processing the application and will not be applied toward the payment of dues for applicants who are accepted. Application fees paid by applicants who are not accepted will not be refunded.
- D** Applications should be addressed to: Assistant Director of Membership, American Academy of Actuaries, 1100 17th St., N.W., 7th Floor, Washington, D.C. 20036, (202) 872-1948 (fax).

## Appeal of Rejection of Application

- A** Applications are reviewed by the Membership Committee of the Academy and approved by the Executive Committee pursuant to recommendation from the Membership Committee. An applicant shall be advised of any rejection of an application, and said rejection shall be accompanied by a statement of the reason(s) for the rejection.
- B** An applicant may appeal any rejection of an application for membership for any reason to the Board of Directors.
  - 1 An appeal of the rejection of an application should be submitted in writing and should specifically state the reason(s) why the determination of the Executive Committee not to grant the application should not be followed. Any evidence that the applicant wishes to submit in support of the appeal should be submitted concurrent with the appeal. Ap-

peals should be postmarked by no later than 60 days after the date of the letter notifying the applicant of the rejection of the membership application.

- 2 The Board of Directors will consider the appeal at its next regularly scheduled meeting.
- 3 A decision of the board with respect to an appeal will be furnished to the applicant in writing with a statement of the board's reason(s) for accepting or rejecting the application.
- 4 Any decision of the Board of Directors with respect to an appeal of the rejection of an application will be final and not subject to further appeal.
- 5 If a rejected applicant's circumstances change such that the board's reason(s) for rejecting the application are no longer pertinent, the applicant may submit a new application for membership.

## Inquiries

Inquiries with respect to the application process or the status of pending applications should be addressed to: Assistant Director of Membership, American Academy of Actuaries, 1100 17th Street, N.W., 7th Floor, Washington, D.C. 20036.

## Prescribed Examinations

The Academy Board of Directors, in accordance with Article I, Section 2B of the Bylaws, prescribes examinations as follows:

A candidate who has attained by examination the indicated status listed below shall be deemed to have met the education requirements for admission to membership:

- A** Associateship in the Casualty Actuarial Society and the Society of Actuaries.
- B** M.S.P.A. or F.S.P.A. in the American Society of Pension Professionals and Actuaries.
- C** Membership in the Conference of Consulting Actuaries.
- D** Fellowship in the Canadian Institute of Actuaries, the Faculty of Actuaries in Scot-

land, the Institute of Actuaries of Australia, and the Institute of Actuaries in Great Britain.

**E** Enrolled Actuary status under Subtitle C of Title III of the Employee Retirement Income Security Act of 1974.

**F** Membership in the Colegio Nacional de Actuarios.

In those cases where familiarity with actuarial practices and principles in the United States cannot be assumed, the Executive Committee is empowered to call for evidence of such familiarity.

## 2008 Dues

Dues as approved by the Board of Directors are \$555 per year for members, payable on January 1. Admission in the first third of the year will require full payment of dues for that year, admission in the second third of the year will require payment of two-thirds of the annual amount, and admission in the last third of the year will require payment of one-third of the annual amount.

Article VII, Section 1 of the Bylaws of the Academy provides that, subject to certain provisions with respect to disability and retirement, each member shall pay such dues for each calendar year as may be established by the Board of Directors of the Academy.

## Dues Waiver Policy Effective With 2008 Dues

Article VII, Section 1 of the Academy's Bylaws authorizes certain classes of members who are eligible for full dues waivers, and further authorizes the Board of Directors to establish a class of members who are eligible for full or partial dues waivers provided such class members "earn no significant income for the calendar year from actuarial activities." With the advice of the Membership Committee, the Board has determined that members who meet the criteria set forth below are eligible for a partial or full dues waiver, subject to the administrative rules set forth herein.

## Partial Waiver

Members eligible for a partial dues waiver will pay an amount that will be set by the Executive Committee each year, which is typically in the range of 10% to 20% of the full dues amount for the year. A member qualifies for a partial dues waiver if he or she meets any of the following criteria:

- A** The member is on temporary leave from the work force for any reason, including unemployment or partial disability, and certifies that he or she anticipates earning “no significant income” (as defined below) from actuarial activities in the forthcoming calendar year. (A member in this category must certify annually that he or she meets the stated criteria, by re-applying each year for a partial dues waiver.)
- B** The member is under age 70 and is retired from active employment, and anticipates earning “no significant income” in the forthcoming calendar year. (A member in this category who is under age 55 must certify annually that he or she meets the stated criteria, by re-applying each year for a partial dues waiver. A member in this category who is age 55 or older must so certify only in the first year in which he or she is in this category and need not re-apply in subsequent years; however, if such a member ceases to be in this category prior to age 70, he or she must notify the Academy office and will no longer be eligible for such waiver.)

The term “no significant income” shall mean earning no more than 80% of the U.S. per capita income as most recently published by the U.S. government, rounded to the nearest \$1,000. The term “income” for purposes of this policy shall mean and refer to earned income, including the definition of earned income as may appear in various sections of Title 26 of the U.S. Code, as in effect at the time of making such determination, and is not intended to include income from investment activities unrelated to employment or from Social Security, pensions, or comparable sources.

## Full Waiver

A member qualifies for a full dues waiver if:

- A** The member is totally disabled and anticipates remaining so for the forthcoming calendar year. (A member in this category who is under age 55 and who has become totally disabled after 2006 must certify annually that he or she meets the stated criteria, by re-applying each year for a full dues waiver. A member in this category who is age 55 or older, or who became totally disabled prior to 2007, must so certify only in the first year in which he or she is in this category and need not re-apply in subsequent years; however, if such a member ceases to be in this category prior to age 70, he or she must notify the Academy office and will no longer be eligible for such full waiver.)
- B** The member is age 70 or older.
- C** The member is serving on active duty in the U.S. military, Peace Corps, or similar volunteer service. (A member in this category must certify annually that he or she meets the stated criteria, by re-applying each year for a full dues waiver.)

Other special circumstances warranting a partial or full waiver of dues will be considered by the Academy’s Membership Committee.

**NOTE:** Members granted full or partial dues waivers will receive a set of publications and other materials that will be determined from time to time by the Membership Committee, but that will in any event include annual meeting notices, voting material for Bylaws amendments, and material from the Actuarial Standards Board. Currently, members granted partial or full waivers also receive the *Actuarial Update* monthly newsletter, *Contingencies* magazine, and the *Academy Yearbook*. Some additional publications will be made available for an additional charge.

To request a full or partial dues waiver form please contact Rachel Rusch at rusch@actuary.org or 202-785-7871.

When the circumstances that allow for a full or partial dues waiver no longer apply, the

member is expected to pay the full dues for the calendar year for which the waiver applies.

To submit a dues waiver form, please access our website at [www.actuary.org](http://www.actuary.org) or contact:

Assistant Director of Membership  
American Academy of Actuaries  
1100 17th Street, N.W.  
7th Floor  
Washington, D.C. 20036  
(202) 223-8196

## Use of Academy Titles and Designations

Precept 12 of the Code of Professional Conduct of the American Academy of Actuaries provides that “[a]n Actuary shall make use of membership titles and designations of a Recognized Actuarial Organization only in a manner that conforms to the practices authorized by that organization.” Annotation 12-1 of the Code defines “title” as “any title conferred by a Recognized Actuarial Organization related to a specific position within that organization,” and “designation” as “a specific reference to membership status within such organization.” The Academy’s Board of Directors has authorized only the following practices for use of membership titles and designations:

### I. Membership Designations

A member of the Academy may sign or otherwise identify himself or herself orally or in writing by using any of the following designations:

- A** Member of the American Academy of Actuaries
- B** Member, American Academy of Actuaries
- C** Member, A.A.A.
- D** M.A.A.A.

An individual who is not a member of the Academy, or who has ceased to be a member of the Academy through resignation, suspension, expulsion, nonpayment of dues, or for any other reason, may not use any Academy designation unless and until that individual becomes or resumes being an Academy member.

## II. Titles

- A** Except as provided in Sections II (B) and (C) below, a member may include in written communications only references to titles held within the Academy when engaged in Academy business or speaking on the Academy’s behalf. A member may never speak or act on behalf of the Academy without authorization to do so from the Board of Directors, Executive Committee, or other appropriate authority.
- B** Academy members who have been duly elected or appointed to the following roles may identify themselves as follows when engaged in Academy business or speaking on behalf of the Academy:
  - 1** [Officer: (specify office)], American Academy of Actuaries
  - 2** Member of the Board of Directors, American Academy of Actuaries
  - 3** [Chairperson/Vice Chairperson/ Member], [(topic) Practice Council/ Council on Professionalism], American Academy of Actuaries
  - 4** [Chairperson/Vice Chairperson/ Member], [Committee/Task Force/ Work Group] on [topic], American Academy of Actuaries
  - 5** [Staff member: (specify title)], American Academy of Actuaries
- C** A member who holds or has held one or more of the titles identified in Section II(B) above may refer to Academy offices or titles held in the following settings, but only if it is clear that the member is not purporting to speak or act on the Academy’s behalf:
  - 1** Biographical material, such as résumés or material included in a book or article written by or about the member;
  - 2** Testimony in a court of law or before a legislative or regulatory body;
  - 3** An announcement or publication of a member’s change of employment or promotion.

## Board and Committee Meetings

The Board of Directors has adopted the following policy with respect to attendance at, and participation in, Academy meetings.

**A** The Academy's meetings (including conference calls) are open to its members, and to guests invited by the committee or task force chair, with the exceptions of the Nominating Committee, the Budget and Finance Committee, Personnel and Compensation Committee, and the Committee on Discipline, whose meetings are closed. However, portions of the Executive Committee and Board of Directors meetings may be closed for executive sessions, as well as portions of committee and task force meetings when necessary to consider confidential information where such consideration is essential to accomplish tasks assigned to the committees or task forces by the Board of Directors, the Executive Committee, or the appropriate Vice President. Committee or task force meetings may be closed to members only for the purpose of considering confidential information with the prior consent of the appropriate Vice President or the President, and subject to any terms, conditions, or restrictions that the Vice President or President may impose. The decision to permit a committee or task force to close its meetings shall be reported to the Board of Directors at its next regularly scheduled meeting.

**B** Academy staff attends meetings and conference calls as appropriate.

**C** Members attending Academy meetings (including conference calls) should inform the committee chairperson of their presence (in person or on a conference call), and are free to observe the conduct of those meetings. They may participate in discussions only with the consent of the chairperson.

**D** The Academy reserves the right to re-schedule, cancel or postpone meetings and conference calls at the request of committee members. Reasonable efforts will be made to update meeting and conference call schedules on a timely basis.

## Committee Appointment Guidelines

### Preamble

In accordance with the Bylaws of the American Academy of Actuaries, the President appoints committees authorized by the Board of Directors. To aid the President in making such appointments, the Board adopted the following guidelines with this preamble at its meeting on Oct. 31, 1980. These guidelines reflect the Board's intention to involve as many members as possible in committee activities without sacrificing continuity. However, the effectiveness of committee work is paramount, and as a consequence, strict adherence to the guidelines is not expected, particularly with respect to committees that interface regularly with other professions and/or government.

Committees for which specific appointment rules are established by the Board (e.g., Nominating Committee, Actuarial Standards Board) are exempt from the guidelines. Appointments to joint committees and liaison appointments are subject to the guidelines applicable to standing committees, although certain of the liaison appointments must be Board members pursuant to Academy policy and agreements with other organizations.

### Guidelines

**A** All members of the Academy are eligible to serve on committees.

**B** An officer of the Academy should not serve on any committee except in an ex officio capacity.

**C** A person should be chairperson of a standing committee for no more than three years and should retire from the committee after serving as chairperson.

- D** A person should remain on a standing committee for no more than three years unless such person becomes chairperson by the end of that period.
- E** In general, a person should not serve concurrently on more than one standing committee.
- F** In general, a person appointed to a task force or a special committee is expected to serve until the task force or special committee is discharged.

## Bylaws

A Corporation Organized Under the Illinois General not for Profit Corporation Act (Adopted April 29, 1966, and Last Amended in 1999)

### Article I—Membership

**SECTION 1. Members.** Individuals having membership in the Academy shall be called “members.”

Members shall be entitled to attend meetings of the Academy, vote, hold office, serve as elected Directors, make nominations, serve on committees, and generally exercise the rights of full membership. They are authorized to designate themselves as “members” of the American Academy of Actuaries and to append to their names the initials M.A.A.A.

**SECTION 2. Admission to Membership.** Any person may apply for membership and shall become a member by meeting the requirements contained in this section.

- A Application.** Each candidate for admission must submit a written application that shall include such additional information as the Executive Committee may request.
- B Education.** Each candidate shall have passed or have received credit for the examinations, and/or achieved membership in a non-U.S.-based actuarial organization, as prescribed from time to time by the Board of Directors, hereinafter called the “Board.”

- C Experience.** Each candidate must, at the date of application, have had at least three years of experience in responsible actuarial work. “Responsible actuarial work” is defined as work that has required knowledge and skill in solving practical actuarial problems in any of the following fields: life and health insurance involving individual policies, group insurance, social insurance, pensions, or property and liability insurance.

- D Resident Aliens and Nonresidents.** A candidate who is a resident alien or a nonresident of the United States must meet such other requirements as are prescribed by the Board.

- E Approval.** Each application shall be acted upon by the Executive Committee. A candidate’s application is approved if accepted by a majority of the whole Executive Committee. If refused for any reason, including a rejection on the basis of evidence of lack of character or professional integrity, the applicant may request review by the Board, pursuant to such procedures as may be adopted by the Board.

### Article II—Meetings of the Members

There shall be an annual meeting of the members each fall at such time and place as the Board shall designate.

Special meetings may be called by the Board. Upon request of not less than 5 percent of the members, the President shall call a meeting of the members. At all meetings 50 members shall constitute a quorum. Notice of a meeting, specifying the place, date, and hour of the meeting, shall be given not less than 40 nor more than 50 days before each meeting.

### Article III—Board of Directors

**SECTION 1. Composition.** The Board shall consist of 29 Directors, comprising the nine Officers, the two immediate Past Presidents, and 18 elected Directors.

## **SECTION 2. Election and Term of Office.**

**A Special Directors.** The Board shall designate a number of seats on the Board, not to exceed eight, to be filled by a class of special Directors consisting of representatives of other U.S. actuarial organizations whose presence on the Board is deemed helpful to the Academy. Special Directors shall be elected by majority vote of the whole Board and shall serve for a period of two years. If a vacancy occurs among the special Directors, the vacancy may be filled for the remainder of the unexpired term by majority vote of the whole Board. The term of office of a special Director shall begin at the close of the annual meeting of the Academy in the calendar year of the election and shall continue until the close of the annual meeting at the end of the term for which the special Director was elected.

**B Regular Directors.** Elected Directors who are not special Directors shall be regular Directors. Each year the members shall elect a number of regular Directors to bring the total number of elected Directors to 18. Candidates receiving the greatest number of votes shall be elected. Such regular Directors shall serve for a period of three years. A retiring regular Director, other than one who was elected to fill a vacancy whose term as a regular Director expires, shall not be eligible for re-election as a regular Director at that time. A Past President whose ex officio membership on the Board as Past President expires shall not be eligible for election as a regular Director at that time. If a vacancy occurs among the regular Directors, including a vacancy created by the election of a regular Director to an office or to the position of special Director, the vacancy may be filled for the remainder of the unexpired term by majority vote of the whole Board. The term of office of a regular Director shall begin at the close of the annual meeting of the Academy in the calendar year of the election and shall continue until the close of the annual meeting

at the end of the term for which the regular Director was elected.

**SECTION 3. Meetings.** There shall be an annual meeting of the Board within 60 days prior to the annual meeting of the Academy. Special meetings of the Board shall be called whenever the President or at least five members of the Board so request.

Meetings of the Board may be held either within or outside the state of Illinois. Notice of the meetings of the Board shall be given not less than 10 days nor more than 30 days before the meeting, except in the event of a meeting of the Board following the annual meeting of the Academy, in which event newly elected Directors shall be given notice of such meeting of the Board as promptly as possible. Such notice to newly elected Directors may be given personally, by telephone, by mail, or by facsimile transmission.

Any action required to be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members of the Board.

**SECTION 4. Quorum.** At meetings of the Board, a majority of the members of the Board shall constitute a quorum.

**SECTION 5. Duties and Powers.** The Board shall have, in addition to the powers and authority expressly conferred upon it by these Bylaws, the right, power, and authority to exercise all such powers and to do all such acts and things as may be appropriate to carry out the purposes of the Academy. Without prejudice to the general powers so conferred, the Board shall have the following specific powers:

- A** To act in accordance with the provisions of the Articles of Incorporation of the Academy and the laws of the state of Illinois.
- B** To establish the location of the offices of the Academy.
- C** To invest and administer the funds of the Academy.
- D** To arrange an annual audit of the accounts of the Secretary-Treasurer.

**E** To prescribe examinations and other requirements for admission, as provided in Article I, Section 2, of the Bylaws.

**F** To elect the Officers of the Academy.

**G** To authorize such committees as it may deem necessary for the conduct of the affairs of the Academy.

## Article IV—Executive Committee

During any interim between meetings of the Board, the business of the Academy shall be conducted by an Executive Committee comprising the Officers and the immediate Past President. The Executive Committee shall have such powers as may be provided by these Bylaws or as may be delegated to it by the Board, except the specific powers enumerated (b), (d), (e), (f), and (g) in Section 5 of Article III.

## Article V—Officers

**SECTION 1. Officers.** The Officers of the Academy, all of whom shall be members, shall consist of a President, a President-Elect, six Vice Presidents, and a Secretary-Treasurer.

**SECTION 2. Election and Term of Office.** At each annual meeting of the Board, the Directors present, by a vote of a majority of the whole Board, shall elect, separately and in the order named, a President-Elect, three or more Vice Presidents, and a Secretary-Treasurer.

At the annual meeting of the Board, if either (a) the President-Elect has succeeded the President and has served in that capacity for six months or more by reason of the office of President becoming vacant or (b) the office of the President-Elect is vacant, except in the case where the President-Elect has succeeded to the office of the President and has served in that capacity for less than six months, the Directors, by a vote of a majority of the whole Board, shall, prior to the election of the President-Elect, elect a President to serve from the close of the first subsequent annual meeting of the Academy until the close of the second subsequent annual meeting of the Academy.

Except as hereinafter provided, the President-Elect, having been so elected at an annual

meeting of the Board, shall commence the term as President-Elect at the close of the first subsequent annual meeting of the Academy and shall automatically succeed the President at the close of the second subsequent annual meeting of the Academy, and shall serve as the President until the close of the third subsequent annual meeting of the Academy. In the event the office of President becomes vacant, the President-Elect shall automatically succeed to fill the vacancy for the unexpired term. A President-Elect who so succeeds the President and serves in that capacity for less than six months prior to the close of the first subsequent annual meeting of the Academy following succession to the Presidency shall further serve as President until the close of the second subsequent annual meeting of the Academy.

The term of Vice President shall be two years. The term of each Vice President elected at each annual meeting of the Board shall be from the close of the first subsequent annual meeting of the Academy until the close of the third subsequent annual meeting of the Academy. In the event of a vacancy in the office of Vice President, the Board may elect a replacement for the remainder of the vacancy of that office. Said replacement may thereafter be eligible for re-election as a Vice President at the meeting at which the term expires.

A retiring Vice President is not otherwise eligible for re-election as a Vice President at the meeting at which the term expires.

Except as provided above, a retiring President shall thereafter be permanently ineligible for election for another term as President or President-Elect.

A retiring Vice President shall not be eligible for re-election as a Vice President at the meeting at which the term expires.

Each Officer shall hold office for the term elected and until a successor shall have been elected.

In the event of vacancy in the office of both the President and President-Elect, the Board shall by majority vote of the whole Board elect a member to fill the vacancy for the unexpired term of the President.

In the event a vacancy occurs among the Vice Presidents, or in the office of Secretary-Treasurer, the Board shall by majority vote of the whole Board elect a member to fill the vacancy for the unexpired term.

## Article VI—Duties of Officers

**SECTION 1. President.** The President shall preside at the meetings of the Board and of the Academy, shall appoint committees authorized by the Board, and may sign contracts or other instruments that the Board has authorized to be executed.

**SECTION 2. President-Elect.** The President-Elect shall have such duties as may be assigned by the President or by the Board. In the absence of the President, or in the event of the President's inability or refusal to act, the President-Elect shall perform the duties of the President's office.

**SECTION 3. Vice Presidents.** Each of the Vice Presidents shall have such duties as may be assigned by the President or by the Board.

**SECTION 4. Secretary-Treasurer.** The Secretary-Treasurer shall record and file minutes of all meetings of the Board, give all notices, be custodian of the corporate records of the Academy, and in general shall perform all customary duties incident to the office of Secretary-Treasurer. If the President is absent or unavailable, the Secretary-Treasurer may sign, with any other person authorized by the Board, contracts or other instruments that the Board has authorized to be executed.

The Secretary-Treasurer shall also keep a register of the members, have charge of the preparation and publication of any yearbook that may be published, have general supervision of any arrangements for holding examinations, have charge and custody of all funds and securities, collect dues, pay bills, prepare financial statements, and in general perform all customary duties incident to the office of Secretary-Treasurer. The Secretary-Treasurer shall give a bond for the faithful discharge of all such duties, the cost of which shall be paid by the Academy.

## Article VII—Finances and Contracts

**SECTION 1. Dues.** Except as hereinafter provided, each member shall pay such dues for each calendar year as may be established by the Board. Such dues shall be payable as of January 1 of the calendar year. At the time when dues are payable, any member who has become totally disabled or who, having attained an age to be selected by the Board, and having retired from active work or who has attained age 70, so notifies the Secretary-Treasurer in writing shall be granted exemption from the payment of dues by the Executive Committee. In addition, any member who (a) is expected to earn no significant income for the calendar year from actuarial activities, and (b) is within a class of members eligible for dues waiver as determined by the Board shall be granted exemption from the payment of dues by the Executive Committee.

It shall be the duty of the Secretary-Treasurer to cause to be notified by mail any member whose dues may be six months in arrears and to accompany such notice by a copy of this Section. If dues remain unpaid, such person shall, on the date that falls three months after the date of mailing such notice, cease to be a member of the Academy for all purposes other than with respect to any penalty or other action determined under disciplinary procedures as provided in Article IX, relating to conduct prior to such date. Reinstatement as a member shall be subject to such conditions as the Board may prescribe.

**SECTION 2. Publications.** The Board shall determine the extent of distribution of publications of the Academy and the fees or prices to be charged any classes of recipients.

**SECTION 3. Contracts.** The Board may authorize any Officer or agent to enter into any contract or execute and deliver any instrument in the name of or on behalf of the Academy.

**SECTION 4. Checks.** All checks, drafts, or other orders for a payment of money, notes, or

other evidences of indebtedness shall be signed by such Officer or agent of the Academy as shall from time to time be determined by the Board.

**SECTION 5. Deposits.** All funds of the Academy not otherwise employed or invested shall be deposited to the credit of the Academy in such banks, trust companies, or other depositories as the Board may select.

## Article VIII—Resignation of Members

Any member may at any time file a resignation in writing with the Secretary-Treasurer, and, unless it is rejected by the Executive Committee, it shall become effective as of the date it was filed. The Executive Committee may reject a resignation only if a complaint or charge is pending against the member or if a complaint or charge is filed within 60 days after the date that the member's attempted resignation is filed. A member whose resignation is rejected by the Executive Committee may appeal in writing to the Board. The Board may affirm or set aside an Executive Committee decision to reject a member's resignation by a majority vote of the members of the whole Board.

Notwithstanding the foregoing, the Board may in its discretion permit the resignation of a member against whom a complaint or charge is pending. The Board, on written application of any member who has resigned, may reinstate such member subject to such conditions as it may prescribe.

## Article IX—Public Discipline

### SECTION 1. Complaints and Referrals.

**A** Complaints concerning alleged violations of the Academy's Code of Professional Conduct, and all questions that may arise as to the conduct of a member, in the member's relationship to the Academy or its members, or in the member's professional practice, or affecting the interests of the actuarial profession, constitute matters for serious consideration.

**B** Such complaints and questions shall be referred to the national organization re-

sponsible for professionwide counseling and discipline in the nation where the action occurred: the Actuarial Board for Counseling and Discipline (ABCD) in the United States and in any other country where the Academy has not executed a cross-border discipline agreement with a foreign national actuarial organization, and the appropriate foreign national actuarial organization with which the Academy has executed a cross-border discipline agreement (for example, the Canadian Institute of Actuaries in Canada). The Academy will publish annually in its *Yearbook* a list of foreign national actuarial organizations with which it has executed a cross-border discipline agreement.

### SECTION 2. Consideration of Public Disciplinary Action.

**A** The President shall appoint a six-person Disciplinary Committee from among the current or former members of the Board who, at the time of their appointment, have served on the Board within the past five years to consider and act upon a recommendation from the ABCD or the appropriate foreign national actuarial organization for public discipline of an Academy member.

**B** Public disciplinary action includes a public reprimand, suspension of Academy membership, or expulsion from the Academy.

**C** The member who is the subject of a public disciplinary recommendation from the ABCD or the appropriate foreign national actuarial organization shall have the right to appear personally and by counsel (at the member's expense) before the Disciplinary Committee to explain why that recommendation should not be followed. The role of the member's counsel shall be limited to advising the member and articulating appropriate legal objections; the role of the Disciplinary Committee's counsel shall be similarly limited.

**D** The member involved shall be notified not

less than 45 days in advance as to the time, date, and place where the Disciplinary Committee will consider the matter. The notification may be made by certified mail or in such other manner as the Disciplinary Committee Chairperson may direct. The time limit may be waived by mutual agreement of the parties.

- E** An action of the Disciplinary Committee to publicly reprimand, suspend, or expel a member requires an affirmative vote of two-thirds of the whole membership of the Disciplinary Committee.
- F** An action by the Disciplinary Committee to publicly reprimand, suspend the membership of, or expel a member is effective 45 days after the date of the action, if the member does not appeal the action to the Appeal Panel as provided in Section 3 below, and, in the event of such an appeal, the action is effective on the date when the appeal is decided by the Appeal Panel.

### **SECTION 3. Appeals.**

A member against whom an order of public reprimand, suspension, or expulsion has been rendered shall, upon application to the President within 45 days after the action of the Disciplinary Committee, be entitled to appeal under the following conditions:

- A** The President shall appoint a six-person Appeal Panel from among the members of the Board of Directors (except as provided in Subsection 2 below) to consider and act upon the member's appeal. The Appeal Panel shall consist of:
  - 1** A chairperson who is the President, the President-Elect, the immediate Past President, or the Secretary-Treasurer;
  - 2** The chairperson of the Disciplinary Committee (even if that person is no longer a member of the Board of Directors); and
  - 3** Four members of the Board of Directors who did not participate on the Disciplinary Committee. Officers identified in Section 3(A)(1) who do not chair the

Appeal Panel may participate as members of the Appeal Panel.

- B** The notice of appeal shall be in writing and shall stipulate that the appealing member consents to the mailing to the members of the Appeal Panel of a transcript and all applicable evidence in a form approved by the Disciplinary Committee.
- C** All rights and privileges of membership shall be retained during the pendency of the appeal.
- D** The member may appear personally and by counsel (at the member's expense) before the Appeal Panel to explain why the action of the Disciplinary Committee should be reduced or set aside. The role of the member's counsel shall be limited to advising the member and articulating appropriate legal objections; the role of the Appeal Panel's counsel shall be similarly limited.
- E** The decision of the Disciplinary Committee may be affirmed, reduced, or set aside by a majority of the Appeal Panel.
- F** The member involved shall be notified not less than 45 days in advance as to the time, date, and place where the Appeal Panel will consider the matter. The notification may be made by certified mail or in such other manner as the chairperson of the Appeal Panel may direct. The time limit may be waived by mutual agreement of the parties.

### **SECTION 4. Reinstatement.**

An individual who has been expelled or suspended from the Academy may be reinstated only through an action of the Board of Directors.

### **SECTION 5. Confidentiality of Proceedings.**

Except as otherwise provided in these Bylaws or by waiver of the person under investigation, all proceedings under this Article shall be confidential and kept secret. If the person discloses any aspect of these confidential proceedings, the Academy may research the source and

manner of the disclosure, and reserves the right to respond to such disclosure by providing factual information about the proceedings.

#### **SECTION 6. Notifications.**

- A** The Academy shall notify Academy members in all instances in which a member is subject to public discipline. At the same time notification is given to the members, the Academy shall also give notice of the public discipline to all other actuarial organizations of which the individual is a member and to other organizations, including government entities, that, in the opinion of the Disciplinary Committee or the Appeal Panel, should also receive notice of the action. The Academy may also give notice of public discipline to such newspapers or journals as it may select.
- B** If the case arises from a written complaint, notice of the disposition of the case shall be furnished to the complainant.
- C** In the case of an action to publicly reprimand, suspend, or expel a member, the notification should take place within a reasonable period of time after the action has taken effect as described in Section 2(F) above.
- D** In the event of subsequent reinstatement of an expelled or suspended member, the Academy shall give notice of such action to all members and also to entities previously advised by the Academy of the expulsion or suspension.

#### **SECTION 7. Procedures.**

The Board of Directors may establish procedures for implementation of this Article that are not inconsistent with this Article.

### **Article X—Actuarial Board for Counseling and Discipline**

#### **SECTION 1. Establishment and Purposes.**

- A** There shall be established within the Academy an entity to be known as the Actuarial Board for Counseling and Discipline (ABCD). Upon delegation of appropriate authority from a participating actuarial

organization and acceptance of that delegation by the ABCD, the ABCD will be authorized:

- 1** To consider all complaints concerning alleged violations or information suggesting possible violations of the applicable Code(s) of Professional Conduct and all questions that may arise as to the conduct of a member of a participating actuarial organization in the member's relationship to the organization or its members, in the member's professional practice, or affecting the interests of the actuarial profession.
  - 2** To counsel actuaries concerning their professional activities related to the applicable Code(s) of Professional Conduct in situations where the ABCD deems counseling appropriate.
  - 3** To recommend a disciplinary action with respect to an actuary to any participating organization of which that actuary is a member.
  - 4** To mediate issues between members of participating actuarial organizations, or between such members and the public, for the purpose of informally resolving issues concerning the professional conduct of such members.
  - 5** To respond to requests for guidance regarding professionalism from members of the participating organizations.
- B** The ABCD is authorized to establish Rules of Procedure and operating guidelines not inconsistent with the requirements of this Article. Such Rules of Procedure shall provide that the subject of an inquiry will be given the following:
    - 1** Notice of the inquiry along with the factual basis for the inquiry and an opportunity to comment on the matter before the ABCD determines whether an investigation should be initiated.
    - 2** Notice of the ABCD's decision to refer the inquiry to Investigators, their names, and an opportunity to object for cause in writing to any of them.

- 3 The opportunity to comment on an Investigative Report before the ABCD uses the Report to vote on disposition of the inquiry.
- 4 Reasonable notice of a hearing to be conducted regarding the actuary's work and/or conduct, including the issues for inquiry and the date, time, and place of the hearing.
- 5 Within a reasonable period of time prior to a hearing, the names of any witnesses whose testimony the ABCD expects to consider and copies of case-specific documents not previously provided to the subject of the inquiry that the ABCD expects to consider.
- 6 Notice and a reasonable opportunity to respond to additional relevant, material case-specific documents and witnesses that the ABCD first learns of during a hearing, if the ABCD intends to consider such. The notice shall include a copy of such documents and the names and last known addresses of witnesses.
- 7 The right to assistance of counsel during a hearing, including the right to seek and receive advice from counsel and to have counsel articulate appropriate legal objections.
- 8 Prompt notification of the results of an ABCD hearing after they have been determined and formulated. The ABCD shall expose, for comment, proposed revisions of its Rules of Procedure to the profession or to membership organizations for publication to their members.

**SECTION 2. Members and Appointments.**

- A** The ABCD shall consist of nine persons appointed from the membership of the participating organizations. Appointments will usually be made for three-year terms, but appointments for shorter terms may be made to assure that the terms of one-third of the members will expire each year. A member may serve no more than two consecutive terms.

- B** Members of the ABCD shall be broadly representative of all areas of actuarial practice. They shall be appointed by, and serve at the pleasure of, a Selection Committee composed of the Presidents and Presidents-Elect of the participating organizations. The President of the Academy shall serve as Chairperson of the Selection Committee.

- C** If a vacancy arises among the members of the ABCD, the Selection Committee shall designate a replacement to fill out the remainder of the term. The replacement will complete that term, and may be reappointed for one additional consecutive three-year term. When a full-term or replacement member has attended a hearing as an ABCD member, such member may serve beyond his or her term of appointment solely for the purpose of participating in the ABCD's disposition of that matter.

- D** Where three or more members of the ABCD have an actual or apparent conflict of interest with regard to a particular matter, with the result that a quorum of the ABCD cannot practicably be convened to consider the matter, the Selection Committee may, in response to a request from the ABCD, appoint enough special members to the ABCD to form a quorum to consider that matter. The special members shall consider only the matter(s) for which appointed, and the term of each such special member shall end at the conclusion of the ABCD's consideration of such matter(s).

- SECTION 3. Officers.** The Officers of the ABCD shall consist of the Chairperson and two Vice Chairpersons, who shall be appointed annually from among the members of the ABCD by the Selection Committee.

- SECTION 4. Meetings and Conduct of Business.** The ABCD shall meet at least once each year. Meetings may be called by the Chairperson or at the request of at least three members. Six members of the ABCD shall constitute

a quorum. Meetings may be conducted in person or via telephone. In the event that neither the Chairperson nor a Vice Chairperson is able to participate at a duly called meeting where a quorum is present, the members may, by a majority of those participating, select a Chairperson Pro Tem for that meeting.

#### **SECTION 5. Procedures.**

**A** For any matter described in Section 1.A.1 that comes to the attention of the ABCD, the Chairperson and the two Vice Chairpersons may by majority vote agree to: (1) dismiss the matter, (2) authorize a mediator to attempt to resolve the matter, or (3) authorize a review of the matter.

**B** An actuary whose activities are the subject of ABCD inquiry is referred to as a “subject actuary.”

**C** To review a matter, the Chairperson shall appoint a primary Investigator and may appoint additional Investigators. ABCD members shall not be Investigators.

**1** The Investigator(s) shall investigate activities which may involve violations of the applicable Code(s) of Professional Conduct. The Investigator(s) shall then prepare an Investigative Report for the ABCD, which contains the results of the investigation.

**2** The Investigator(s) shall follow applicable Rules of Procedure and operating guidelines established by the ABCD, which shall not be inconsistent with the provisions of this Article.

**D** The Chairperson may designate individuals with special expertise in various specialty areas to serve as Advisers to the ABCD. Investigator(s) and the ABCD may consult confidentially with such Advisers who have information or experience relevant to a matter under consideration.

**E** Following receipt of the Investigative Report, the ABCD shall determine by majority vote whether to (1) dismiss the matter; (2) counsel the actuary; or (3) schedule, in accordance with the Rules of Procedure

described in Section 1.B of this Article, a fact-finding hearing before the ABCD.

**F** In any hearing before the ABCD:

**1** The subject actuary shall have the right to appear personally, to examine the evidence to be considered by the ABCD, to question witnesses appearing at the hearing, and to present witnesses and evidence.

**2** The subject actuary may be accompanied by counsel, at no expense to the ABCD. The counsel’s role in such instance shall be defined by the Rules of Procedure adopted by the ABCD, subject to the requirements of Section 1.B.7 of this Article. The role of counsel for the ABCD shall be similarly defined.

**3** The ABCD shall decide all questions of evidence at the hearing.

**4** A written transcript shall be made of the proceedings and a copy made available to the subject actuary.

**G** Following the conclusion of the hearing and based on the evidence (including testimony), only those ABCD members participating in the hearing shall, by affirmative vote of five or more members, determine to (1) dismiss the matter; (2) counsel the actuary; or (3) recommend discipline to the subject actuary’s membership organization(s), including the form of such discipline: private reprimand (if permitted by the membership organization’s bylaws or rules), public reprimand, suspension, or expulsion. If the ABCD believes it would be beneficial, it may also counsel an actuary for whom discipline is recommended.

If the ABCD recommends discipline, the ABCD shall prepare a written report addressed to each participating organization of which the subject actuary is a member. The report shall identify the precepts of the applicable Code(s) of Professional Conduct that the ABCD believes to have been violated, state the nature of the violations, and make a recommendation

as to the form of discipline. The report shall be accompanied by a transcript of the hearing and copies of all documents considered at the hearing. A copy of the report and accompanying material shall be provided to the subject actuary.

**SECTION 6. Counseling.** The ABCD shall counsel a subject actuary when the ABCD determines counseling to be more appropriate than dismissal of a matter. The ABCD may also counsel a subject actuary for whom it recommends discipline. Counseling shall not be considered a disciplinary action.

**SECTION 7. Staff.** The ABCD will utilize the staff of the Academy for necessary legal, logistical, and technical support and may retain outside counsel for assistance, as needed.

**SECTION 8. Finances.**

**A** The finances of the ABCD will be accounted for separately within the Academy system of accounts. The ABCD will submit a budget request to the Secretary-Treasurer, listing all planned income sources and potential expenses, in such form and in such detail as is mutually determined by the Secretary-Treasurer and the ABCD. The Board of the Academy will consider this request when adopting its annual budget and will make provision within such budget for the operating expenses of the ABCD.

**B** The ABCD will have discretion with regard to the expenditure of all funds allocated to it, subject only to such accounting and audit requirements as may be mutually determined by the Secretary-Treasurer and the ABCD.

**SECTION 9. Confidentiality.** Except as otherwise provided in these Bylaws, all proceedings under this Article shall be kept confidential by the ABCD, its staff, investigators, and advisers. This requirement as to confidentiality shall not preclude the ABCD from:

**A** Advising complainants and subject actuaries about the progress and outcome of matters under consideration;

**B** Reviewing previously closed files as they may relate, in any manner, to the consideration of a new matter before it;

**C** Accepting a bona fide waiver of confidentiality from a subject actuary and disclosing information pursuant to that waiver that would otherwise be kept confidential under this section, subject to such terms and conditions as the ABCD deems necessary to protect the confidentiality rights of other parties and the integrity of the ABCD process.

**SECTION 10. Communications.** The ABCD shall issue an annual report that will include a description of its activities for the prior fiscal year, including commentary on the types of cases pending, resolved, and dismissed. The ABCD may also disseminate educational materials to assist actuaries in understanding the application of the Code(s) of Professional Conduct in various situations that may arise. These reports and educational materials shall not reveal any confidential information. The ABCD shall also report quarterly to the President of each participating organization concerning inquiries, issues, and counseling activities related to members of that organization.

## Article XI—Actuarial Standards Board

**SECTION 1. Establishment and Purposes.**

There shall be established within the Academy an entity to be known as the Actuarial Standards Board (ASB), whose purposes shall be to:

**A** (i) Expose, (ii) promulgate or adopt, and (iii) publish actuarial Standards of Practice, within its sole discretion and pursuant to such procedures as it deems appropriate, in all areas of actuarial practice, subject to the specific requirements of this article.

**B** Provide continuous review of existing Standards of Practice and determine whether they are in need of amendment, alteration, expansion, or elimination.

**C** Direct and manage the development of actuarial Standards of Practice by its operating committees in all areas of actuarial practice.

**SECTION 2. Members and Appointments.**

**A** The ASB shall consist of nine members, each of whom shall be appointed for three-year terms. No individual may serve more than two consecutive terms on the ASB. Terms of membership shall be staggered, so that one-third of the members are appointed annually.

**B** Members of the ASB shall be broadly representative of all areas of actuarial practice. They shall be appointed by and serve at the pleasure of a Selection Committee composed of the Presidents and the Presidents-Elect of the organizations that participate in the ABCD, or their successor organizations. The President of the Academy shall serve as Chairperson of the Selection Committee. The Selection Committee shall annually appoint the Chairperson of the ASB. An individual appointed Chairperson may not serve more than two consecutive terms as Chairperson. If a vacancy arises among the members of the ASB, the Selection Committee shall designate a replacement. The replacement will complete that term, and may be reappointed for one additional consecutive three-year term.

**SECTION 3. Meetings.** The ASB shall meet at least four times annually. Additional meetings of the ASB shall be called whenever the Chairperson or at least four members of the ASB so request. At meetings of the ASB, two-thirds of the members of the ASB shall constitute a quorum. At least six affirmative votes are required for the ASB to expose, promulgate, or adopt actuarial Standards of Practice.

**SECTION 4. Officers.**

**A** Officers of the ASB shall consist of a Chairperson and two Vice Chairpersons. The Vice Chairpersons shall be appointed annually from among the members of the ASB by the Chairperson with the consent of the ASB.

**1** One Vice Chairperson shall be the presiding officer in the absence of the Chairperson and shall have such other duties as may be assigned by the Chairperson.

**2** The other Vice Chairperson shall monitor the disposition and be responsible for the authorization of expenditure of all funds associated with the ASB.

**B** The Chairperson of the ASB shall preside at meetings of the ASB and shall designate operating committee Chairpersons with the consent of the ASB. Members of the operating committees shall be appointed by each operating committee Chairperson with the consent of the ASB.

**SECTION 5. Committees.** The ASB shall establish operating committees to prepare and draft Standards of Practice for consideration by the ASB. The number and membership of such committees shall be determined by the ASB. The ASB may establish additional committees, subcommittees, or task forces as it deems appropriate to carry out administrative or advisory functions in support of its operations.

**SECTION 6. Finance.**

**A** Financial activities pertaining to the ASB will be accounted for separately within the Academy system of accounts. The ASB will submit a budget request to the Secretary-Treasurer, listing all planned income sources and potential expenses, in such form and in such detail as are mutually determined by the Secretary-Treasurer and the ASB. The Academy Board will consider this request when adopting the Academy annual budget and will make provision within such budget for ASB operating expenses.

**B** The ASB will have discretion with regard to the expenditure of all funds allocated to it, subject only to such accounting and audit requirements as are mutually determined by the Secretary-Treasurer and the ASB.

**SECTION 7. Staff.** The ASB will utilize the staff of the Academy for all support, within the budgetary constraints of the ASB, and the

Academy will make available to the ASB such staff support as may be requested. Costs for such staff support, including overhead expenses ascertained pursuant to a formula mutually determined by the Secretary-Treasurer and the ASB, will be included in the ASB budget.

**SECTION 8. Communications with the Actuarial Profession.** The ASB shall issue an annual report that will include a description of its activities for the prior fiscal year, including commentary on its standards activities, administrative matters, and finances. The ASB shall cooperate with duly constituted actuarial authorities charged with enforcing standards of professional practice, and respond to inquiries regarding actions of the ASB, including the interpretation of standards promulgated or adopted by the ASB.

### **Article XII—Notice**

The requirement that notice be given to members or other persons shall be satisfied when a letter has been deposited in a U.S. Postal Service mailbox addressed to the last known address of such person.

### **Article XIII—Indemnification**

Each person who at any time shall serve or shall have served as an Officer, member of the Board, committee member, or member of any disciplinary board of the Academy (and any such person's heirs, executors, administrators, and personal representatives) shall be indemnified by the Academy against all costs and expenses (including but not limited to legal fees, amounts of judgments paid, and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit, or proceeding, whether civil, criminal, administrative, or other, in which one or more of them may be involved by virtue of such person being or having been an Officer, member of the Board, committee member, or member of any disciplinary board of the Academy, or in connection with any appeal therein; provided, however, that in the event of a settlement the indemnification herein provided shall apply only when the Board approves such settlement;

and provided further that such indemnity shall not be operative with respect to any matter as to which such person shall have been finally adjudged liable in such claim, action, suit, or proceeding on account of willful misconduct.

The rights accruing to any person under this Article shall be without prejudice to any rights or benefits given by the Board inconsistent therewith in special cases and shall not exclude any other rights or benefits to which the individual may be lawfully entitled.

### **Article XIV—Use of Financial Resources: Dissolution**

The funds of the Academy shall be devoted exclusively to the purposes stated in paragraph 5 of the Articles of Incorporation. No part of the net earnings of the Academy shall ever inure in whole or in part to the benefit of any member or individual. If the Academy is dissolved, all of its remaining assets shall be transferred to one or more organizations organized and operated exclusively for purposes similar to those of the Academy.

### **Article XV—Amendments**

Administrative, editorial, and technical amendments to the Bylaws that do not involve questions of policy or affect the substantive rights of the Academy's members may be made by a vote of two-thirds of the Directors present at a duly convened meeting of the Board. Otherwise, amendments to the Bylaws may be proposed either by a vote of two-thirds of the Directors present at a duly convened meeting of the Board or by written request of not less than 3 percent of the members. The Board shall specify a reasonable period of time within which the proposed amendment shall be transmitted by the Secretary-Treasurer to the members by mail, and the time for votes to be mailed by the members to the Secretary-Treasurer. Such proposed amendment shall be accompanied by an appropriate discussion of the issues, and it shall become effective 10 days following the end of the voting period upon the affirmative vote of two-thirds of the members voting.

# North American Actuarial Council Working Agreement

**T**HIS WORKING AGREEMENT sets forth the cooperative goals of the American Academy of Actuaries (Academy), the American Society of Pension Professionals and Actuaries (ASPPA), the Asociación Mexicana de Actuarios (AMA), the Asociación Mexicana de Actuarios Consultores (AMAC), the Canadian Institute of Actuaries (CIA), the Casualty Actuarial Society (CAS), the Colegio Nacional de Actuarios (CONAC), the Conference of Consulting Actuaries (Conference), and the Society of Actuaries (SOA), collectively referred to as the Participating Organizations.

In order to: foster cooperation among the Participating Organizations consistent with their individual missions as described below; eliminate unnecessary duplication of effort and activity among the Participating Organizations (thereby maximizing the efficient use of the Participating Organizations' resources); encourage mutual recognition and cross-border discipline; and enhance the image, growth and reputation of the actuarial profession in North America, the Participating Organizations agree to participate in the North American Actuarial Council ("NAAC") as described in this Working Agreement.

The Participating Organizations agree to broadly publicize this Agreement (e.g., publish it in their Yearbooks and on their web sites).

## I. Missions of the Participating Organizations

Each of the Participating Organizations operates to further its self-identified mission. The missions of the Participating Organizations may be broadly summarized as follows:

➤ **Academy:** Nationally and internationally, to represent the entire U.S. actuarial profession in the formulation of public policy and support U.S. actuaries in fulfilling their related responsibilities; to encourage the professionalism

of U.S. actuaries by fostering the establishment, communication, maintenance and enforcement of high professional standards; and to represent and advance the U.S. actuarial profession and increase the public's recognition of the U.S. actuarial profession's value.

➤ **ASPPA:** To educate all retirement plan professionals and to preserve and enhance the employer-based retirement system as an essential part of a national retirement income policy in the United States.

➤ **AMA:** To support the Mexican actuarial profession in maintaining high standards of professional integrity and technical expertise and, thereby, promote the dignity of the profession and enhance the public's recognition of the profession's value.

➤ **AMAC:** To advance the quality of actuarial consulting practice in Mexico by providing continuing education and business support services to Mexican actuaries in consulting practice.

➤ **CIA:** As the national organization of the Canadian actuarial profession, to serve the public through the provision by the profession of actuarial services and advice of the highest quality by: representing the Canadian actuarial profession in the formulation of public policy; promoting the advancement of actuarial science and sponsoring programs for the education and qualification of CIA members and prospective members; ensuring that actuarial services provided by its members meet accepted professional standards; and assisting actuaries in Canada in the discharge of their professional responsibilities.

➤ **CAS:** To advance the body of knowledge of actuarial science applied to property, casualty, and similar risk exposures by: providing basic and continuing education; conducting research; establishing and maintaining high standards of conduct and competence for its

members; communicating with the public affected by insurance; and increasing the awareness of actuarial science.

➤ **CONAC:** To serve as the professional membership organization for all the actuaries licensed to practice in Mexico, regardless of their specialty area; to advise the Mexican government concerning public policy matters with actuarial implications; and to foster actuarial education and research in Mexico.

➤ **Conference:** to advance the quality of actuarial consulting practice, support the needs of consulting actuaries, and represent their interests.

➤ **SOA:** The Society of Actuaries is an educational, research, and professional organization dedicated to serving the public and Society members. Its mission is to advance actuarial knowledge and to enhance the ability of actuaries to provide expert advice and relevant solutions for financial, business, and societal problems involving uncertain future events. The vision of the Society of Actuaries is for actuaries to be recognized as the leading professionals in the modeling and management of financial risk and contingent events. The Society also works to anticipate future member needs through environmental scanning, strategic planning, and dynamic strategy management.

Each of the Participating Organizations takes whatever measures it deems necessary, appropriate, or desirable to attract, recruit and serve its individual members. This agreement is not intended, nor should it be construed, to restrict in any way the independent business decisions of the Participating Organizations but, rather, to document the Participating Organizations' desire to cooperate in the service of the North American actuarial profession consistent with their own missions and purposes.

## II. The North American Actuarial Council

### A Purpose of NAAC

The Participating Organizations jointly acknowledge that:

- The operating environments in the three North American countries are very different,
- The Participating Organizations' members expect the organizations to leverage resources and take appropriate advantage of synergies, and
- Increased information sharing and dialogue among the Participating Organizations has the potential to yield collective insights valuable to each organization.

Accordingly, the Participating Organizations define NAAC's purpose as follows:

1. NAAC is to be a catalyst for dialogue on key issues facing the North American actuarial profession.
  2. NAAC is to be a facilitator of opportunities for leveraging of resources across organizations.
  3. NAAC is to be a source of knowledge in identifying conditions, trends, assumptions, and key issues affecting the North American actuarial profession and benchmarking best practices among member organizations.
  4. NAAC is to be a forum for information sharing on current and potential activities among the North American actuarial organizations.
  5. NAAC is to be a forum where networking occurs and camaraderie is built among the leaders of the North American actuarial organizations.
- In fulfilling its purpose, NAAC shall abide by the following guiding principles:
    - The conditions, cultures and perspectives of each individual country and their member organizations will be respected and valued.
    - The autonomy of each member organization to pursue its mission and purpose will be preserved.
    - The public interest will always be a primary consideration.
    - The best interests of the profession will always be considered.

## **B** Members

The North American Actuarial Council (NAAC) comprises up to two officers of each Participating Organization. One of the two officers shall be the President of the Participating Organization. The other officer shall be the President-Elect of the Participating Organization unless the Participating Organization appoints another officer it deems more appropriate. If a designated officer of a Participating Organization is unable to attend a meeting of NAAC, the Participating Organization may designate another appropriate representative to attend the meeting in that officer's stead. The Executive Directors of the Participating Organizations attend and participate in NAAC meetings, but are not members of NAAC and do not vote.

Additional organizations may participate in NAAC at the invitation of the Participating Organizations.

## **C** Meetings

NAAC will meet in person up to three times a year. Arrangements for the in-person meetings (e.g., location and chairing the local meeting) shall be the responsibility of the host country. The Participating Organizations shall decide how to coordinate the agenda and provide meeting materials for the following year no later than at their fall meeting each year. The Participating Organizations agree to share equally the costs to perform this support function, with the Mexican organizations counting as one organization.

## **D** Legal

When appropriate, the Academy also agrees to make its legal counsel available to NAAC; and to coordinate, upon request, with counsel for the CIA and the Mexican organizations.

## **III. Communications Among the Participating Organizations**

**A** Each Participating Organization shall share items of mutual interest, including items distributed to the Participating Organization's board members (subject to board approval), with the other members of NAAC as soon as feasible after the items are available (electronically through the NAAC list server if appropriate). This sharing includes the Participating Organization's yearbook, newsletters, and board minutes, in addition to other important documents or significant studies that would be of value to the wider audience. This sharing does not apply to any item that a Participating Organization considers to be confidential.

**B** Each Participating Organization shall endeavor to inform each of the other Participating Organizations on a timely basis of any of its actions that are expected to have a significant effect on one or more of the other Participating Organizations or their members.

**C** Each Participating Organization shall invite the members of NAAC to all general membership meetings, with the registration fee waived.

## Cross-Border Discipline Agreement

**T**HIS IS AN AGREEMENT between the Canadian Institute of Actuaries (CIA) and the American Academy of Actuaries (Academy), the American Society of Pension Professionals and Actuaries, the Casualty Actuarial Society, the Conference of Consulting Actuaries, and the Society of Actuaries (collectively “the U.S.-based organizations”). The CIA and the U.S.-based organizations agree that it is in the best interests of their members to reduce the risk that their members will be subjected to multiple disciplinary investigations arising out of a single complaint, inquiry, or incident involving an alleged breach of the professional standards of the CIA and/or the U.S.-based organizations. Consequently, with regard to their members practicing in the United States and Canada, the CIA and the U.S.-based organizations agree as follows:

**1** Members of the U.S.-based organizations practicing in Canada are required by the U.S.-based organizations to comply with the Rules of Professional Conduct, Standards of Practice, and eligibility requirements of the CIA. Members of the CIA practicing in the United States are required by the CIA to comply with the Codes of Professional Conduct, Qualification Standards, and Actuarial Standards of Practice of the U.S.-based organizations. The location(s) of the member’s practice in each case is determined by the ultimate purpose(s) of the member’s work, as determined by the facts and circumstances of the case. As between the United States and Canada, the ultimate purpose(s) of a member’s work is determined by whether the work is performed pursuant to the legal or regulatory requirements of the United States or Canada, or whether it is intended for use in the United States or Canada. (Thus, for example, an actuary who performed work to be filed with a United States governmental body would be deemed to have practiced in the United States when performing that work; similarly, an actuary

who performed work to be filed with a Canadian governmental body would be deemed to have practiced in Canada when performing that work.) The residence or physical location of the actuary is irrelevant to the determination of whether the actuary has practiced in the United States or Canada.

**2** Questions concerning members’ practice in Canada are investigated by the CIA in accordance with its rules and bylaws. Questions concerning members’ practice in the United States are investigated by the Actuarial Board for Counseling and Discipline and acted upon by the U.S.-based organizations in accordance with their rules and bylaws.

**3** If a question arises concerning a CIA member’s practice in the United States and the CIA member is not also a member of one or more of the U.S.-based organizations, the question will be investigated by the Actuarial Board for Counseling and Discipline and reviewed by the Academy in accordance with its rules and bylaws as if the CIA member were a member of the Academy.

**4** The parties hereby agree that, in instances where it is unclear whether a complaint, inquiry, or incident involving a member should be investigated by the CIA or by the ABCD, the CIA’s executive director and legal counsel to the ABCD will initiate discussions between the CIA and ABCD to determine which organization will undertake the investigation.

**5** A determination by the CIA that a member of one or more of the U.S.-based organizations breached the applicable Rules of Professional Conduct, Standards of Practice, or eligibility requirements of the CIA when practicing in Canada will be made solely by the CIA, and will be deemed final by all the parties to this agreement when the appeal process of the CIA

has been exhausted. A determination by one or more of the U.S.-based organizations that a member of the CIA breached the applicable rules of the U.S.-based organization(s) when practicing in the United States will be made solely by the U.S.-based organizations pursuant to findings and recommendation of the ABCD, and will be deemed final by all the parties to this agreement as to each U.S.-based organization when the appeal process of that U.S.-based organization has been exhausted.

**6** The CIA will retain sole authority to determine the penalty to be imposed by the CIA upon one of its members based upon a finding by one or more of the U.S.-based organizations that a CIA member breached applicable rules when practicing in the United States. Each of the U.S.-based organizations will retain sole authority to determine the penalty to be imposed by that organization upon one of its members based upon a finding by the CIA that the member breached applicable rules when practicing in Canada.

**7** The CIA agrees to communicate to the relevant U.S.-based organizations any public finding that a member of the U.S.-based organizations breached applicable rules when practicing in Canada, regardless of whether the member is also a member of the CIA, and to provide each of the relevant U.S.-based organizations with a copy of the Appeal Tribunal transcript, if any, or the transcript of the Disciplinary Tribunal and the findings of the Appeal Tribunal, if any, or the findings of the Disciplinary Tribunal. The CIA will also provide to the U.S.-based organizations upon request any and all additional documents and evidence considered by the tribunal in rendering its decision not subject to the solicitor-client or litigation privileges. Each of the U.S.-based organizations agrees to communicate to the CIA any public finding that a member of that U.S.-based organization who is also a member of the CIA breached applicable rules when practicing in the U.S., and to provide a copy of the ABCD's

findings and conclusions and a summary of the U.S.-based organization's conclusions, as well as other documents not subject to the attorney-client or attorney work product privileges, upon request from the CIA. The Academy agrees to communicate to the CIA any finding that a CIA member who is not also a member of any U.S.-based organization breached applicable rules when practicing in the United States, and to provide a copy of the ABCD's findings and conclusions and a summary of the Academy's conclusions, as well as other documents not subject to the attorney-client or attorney work product privileges upon request from the CIA. The parties will communicate to each other any finding of breach of applicable rules that results in public discipline, but will not communicate or provide copies of documents generated through investigation of a complaint or question concerning an actuary's conduct that did not result in public discipline.

**8** The CIA and each of the U.S.-based organizations will not recommend to each other that any specific penalty be imposed upon a member based upon a finding that a member breached applicable rules of conduct, qualification, or practice, but they will recommend that public disciplinary action be considered against a member if that member has been found to have breached applicable rules of conduct, qualification, or practice.

**9** Where, in accordance with this agreement, the CIA communicates to the relevant U.S.-based organization(s) a public finding that a member of one or more of the U.S.-based organizations has breached applicable rules of conduct, qualification, or practice when practicing in Canada, or the U.S.-based organization communicates to the CIA a public finding that a CIA member has breached applicable rules of conduct, qualification, or practice when practicing in the United States, the parties hereby agree that each of the recommending organization(s) designates the following representative to assist in answering any ques-

tions that the penalizing organization(s) may have with respect to the recommendation(s):

- Academy: Executive Director
- ASPPA: Executive Director
- CAS: Executive Director
- CCA: Executive Director
- CIA: Executive Director
- SOA: Executive Director

Nothing in this agreement prevents a penalizing organization, when it receives a recommendation for discipline pursuant to this agreement, from undertaking whatever action it deems necessary, consistent with its own disciplinary procedures, for the limited purpose of determining whether a material breach of its own Code of Professional Conduct or Rules of Professional Conduct warranting discipline occurred.

**10** The parties will each take any necessary steps to amend their rules and bylaws to implement this agreement.

This agreement took effect for all complaints, inquiries or incidents involving members' practice as between the United States and Canada that are under consideration by the parties on November 1, 2006.

- American Academy of Actuaries (Academy)
- American Society of Pension Professionals and Actuaries (ASPPA)
- Canadian Institute of Actuaries (CIA)
- Casualty Actuarial Society (CAS)
- Conference of Consulting Actuaries (CCA)
- Society of Actuaries (SOA)

## Equal Opportunity Policy

*Adopted by the executive committee of the American Academy of Actuaries*

*August 18, 1993*

**T**HE AMERICAN ACADEMY OF ACTUARIES (“the Academy”) is an equal opportunity employer. It also offers services, membership benefits, and opportunities to its present and prospective members (referred to hereinafter collectively as “members”) on a nondiscriminatory basis. It is the Academy’s policy to refrain from unlawful discrimination against employees and members on the basis of race, color, national origin, ancestry, personal appearance, age, gender, pregnancy, marital status, sexual orientation, family responsibilities, religious affiliation, matriculation, political affiliation, physical, mental, or emotional disability, source of income, place of residence, or unfavorable discharge from military service, as those terms are defined by applicable state and federal law. These characteristics are referred to hereinafter as “protected characteristics.”\*

Further, it is the Academy’s policy to provide its employees and members with a working environment that is free from unlawful discrimination based upon any of the protected characteristics described above. No Academy employee or member should be subjected to such discrimination while working for, or engaging in activities conducted by, the Academy.

It is also a violation of this policy for an Academy employee or member to seek to retaliate against any individual for complaining of a violation of the Academy’s anti-discrimination policy.\*\*

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\* The list of protected characteristics is compiled from applicable District of Columbia, Illinois, and federal laws.

\*\* This statement is not intended to preclude the good-faith exercise of an individual’s legal rights.

## Conflict of Interest Policy

*The Academy has adopted the following policy to guide its activities on behalf of the actuarial profession and the public:*

**T**HE FUNDAMENTAL PURPOSES of the Academy require it to maintain a high level of professional objectivity and independence from any specific interests of the employers of its members. Therefore, members who work on the Academy's behalf must carefully consider and address any situation that may arise with respect to the members' activity, or the activity of any member working with them, which may call into question their professional objectivity.

Members should comply with the Code of Professional Conduct whenever they provide services to the Academy. Members should familiarize themselves with Precept 7 of the

Code, which provides specific guidance on dealing with conflicts of interest. Any actual or potential conflict, real or apparent, with this objective must be dealt with using the guidance provided in Precept 7, treating Academy work like "Actuarial Services" as defined in the Code of Professional Conduct. Disclosures required under Precept 7 should be made to the member supervising the activity in question.

Any question or concern about the possibility of a conflict of interest with respect to any work a member may perform on behalf of the Academy should be addressed to the member supervising the activity or to the Academy's general counsel.

# Guidelines for Making Public Statements

*(As adopted by the Board of Directors January 26, 2006)*

## I. What Constitutes an Academy Public Statement

For purposes of these Guidelines, an Academy “public statement” is a written or oral statement made on behalf of any Academy entity (i.e., board, committee, task force or work group) to any other entity. Statements of opinion representing the views of an individual member are not Academy public statements under these Guidelines. Examples of Academy public statements include:

- A** Statements to governmental entities such as regulatory comment letters, testimony, amicus curiae briefs, or formal comments submitted to legislative, executive, judiciary, regulatory, and investigative bodies at the federal, state and local levels;
- B** Statements to professional and other interest groups such as letters, oral presentations, or other submissions to non-governmental organizations (e.g., the American Bar Association, Financial Accounting Standards Board, the Government Accounting Standards Board, the International Accounting Standards Board, the National Association of Insurance Commissioners).
- C** Statements to the media such as articles, letters to the editor, press releases, interviews, and other expository submissions to newspapers, periodicals, television, radio and cable stations and other mass media.

## II. The Scope of Academy Public Statements

Academy public statements should be consistent with the mission and purpose of the Academy and grounded in actuarial science. However, the actuarial profession’s expertise is broader than what normally would be consid-

ered “pure” actuarial science. Consequently, it is appropriate for the Academy to issue a public statement that goes beyond the narrow areas where the actuary’s knowledge is unique if that statement will contribute to discourse on an issue that is of interest to the Academy, its members, and the public.

The scope, tone and nature of an Academy public statement should reflect the dignity and professionalism of the actuarial profession. Statements should contain a clear, concise, and balanced presentation of significant facts, including relevant benefits and costs. An Academy public statement need not, however, limit itself solely to statements of fact, but may also draw valid inferences from statements of fact, express opinions, and advocate consistent with the Academy’s mission, vision, and purpose in order to provide the public with the benefit of the full range of the profession’s capabilities.

## III. Development and Delivery of Public Statements

Academy members and staff should generally follow these Guidelines in the development and delivery of Academy public statements, although these procedures may be modified from time to time to ensure the timeliness and effectiveness of certain statements. In particular, media communications are considered to be a special form of public communication because media deadlines frequently prevent the utilization of the review processes described in these Guidelines. When letters to the editor, radio or television interviews, or other media submissions are expected, the member who chairs the Academy entity that prepared the public statement or who is expected to act as the Academy’s spokesperson should contact the Academy’s director of communications for special guidance.

**A Identification of Issues.** In deciding whether to issue a public statement and what the content of the statement will be, Academy entities should comply with the Public Policy Decision Model Application Guide published in the Academy’s Leadership Manual.

**B Authority to Proceed.** Academy public statements should only be issued if authorized by one or more Academy officers (i.e., President, President-Elect, Vice President, Secretary-Treasurer, or Past President) with supervisory authority over the public statement. If an Academy committee, task force, or work group identifies a matter that may warrant a public statement, it may develop the public statement if authorized to do so by the relevant Academy supervisory officer and subject to applicable peer, legal, and policy review and approval procedures. If staff or supervisory officers identify a matter that may warrant an Academy public statement, they will assign it to an appropriate Academy entity (i.e., committee, task force, or work group) to develop. If a committee, task force, or work group identifies an issue that is significant for more than one practice area, staff and the interested supervisory officers will discuss the matter, consulting other Academy members if desired, determine which Academy entity will develop the statement, and then arrange for proper coordination among interested Academy entities through the use of joint task forces, committee liaisons, dual practice council reviews, or other appropriate means. Supervisory officers may, at their discretion, seek advice from their practice councils to resolve “jurisdictional” issues and achieve proper coordination.

**C Notice of Public Statement Preparation.** Members will be notified of the preparation of public statements and, more generally, of issues and matters of concern to the Academy, on the Academy’s website and through articles and announcements

in the *Actuarial Update*, *Inside the Academy*, *Media Update*, and *Contingencies*. As appropriate, member input will be solicited. Reports summarizing Academy activities during the previous 12 months are published annually in the *Academy Record*.

**D Development of Public Statements.** Academy committees, task forces, and work groups will prepare Academy public statements and supporting materials as follows:

- 1 An Academy public statement generally reflects the opinions of the Academy entity that prepared it, but it is always appropriate for the entity to involve other Academy members who are considered by the entity to have pertinent expertise. In some instances, the chairperson of the entity preparing the public statement may decide, with the approval of the supervisory officer, that it would be beneficial to involve non-Academy members, including non-actuaries.
- 2 When addressing issues that are expected to be controversial within the profession, the chairperson and supervisory officer should seek broader input from Academy members and leaders of the profession by, e.g., inviting member comments in Academy publications or on the website, discussing the issues with Academy leadership and the leadership of other actuarial organizations, solicitations and special sessions at actuarial meetings, special seminars on the issues, discussions with Academy committees, task forces, or work groups or, if time permits, circulation of exposure drafts. The supervisory officer will select the means used to obtain member input in appropriate consultation with the Academy president, the chairperson of the entity preparing the public statement’ and staff. Academy staff and the supervisory officer are initially responsible for determining whether an issue is expected to be controversial.

- 3 Staff is available to facilitate the preparation and distribution of Academy public statements, and members are strongly encouraged to work collaboratively with staff to produce statements under these guidelines that are consistent with the Academy's mission, purposes, and previous public statements.
- 4 Staff may also develop Academy public statements (e.g., amicus curiae briefs) from time to time. Such statements may be developed with the approval of the appropriate chairperson and supervisory officer and should be circulated to the members of an appropriate Academy committee, task force, or work group for comment prior to release, absent extraordinary time constraints.
- 5 The chairperson should seek a consensus of the group that prepares the public statement. If there is a substantial lack of consensus, the chairperson may elect to: incorporate the majority and minority perspectives into the statement; refer the issue to the supervisory officer; or not issue the public statement. In some cases, time constraints may prevent the entire committee, task force, or work group from participating in the completion of a particular statement, and the task of drafting the statement may be left to the chairperson or the chairperson's designee(s). In such cases, the drafters should seek maximum input from available committee, task force, or work group members to the extent it is practical to do so.
- 6 A supervisory officer and staff may agree to release a statement before completion of peer review only under extraordinary circumstances. Otherwise, no Academy public statement should be released or presented without appropriate peer review. The appropriate level of peer review varies, depending upon the level of risk and exposure of the statement. Before release, statements

must be approved by the supervisory officer or designee thereof and Academy public policy and legal staff. Peer review usually should include the committee, task force, or work group chair and two senior reviewers in addition to the supervisory officer (or designee) and staff. The senior review persons, to be selected by the chairperson with approval of the supervisory officer, should be knowledgeable and experienced in the subject at hand and should be intended to reflect broadly held views of the profession.

- 7 The decision to issue a final public statement generally rests with the supervisory officer, who may delegate this responsibility to the committee, task force, or work group chairperson or other designee. For issues of major importance or those deemed controversial, the executive director and president also should be consulted before the statement is released to its intended audience.
- 8 When deemed appropriate by the supervisory officer, a recommendation should be made to the president that a proposed statement be submitted to the Board of Directors for review before issuance. The Board may modify or disapprove a public statement if it believes such action is in the best interests of the Academy.

#### **E Presentation of Public Statements.**

The committee or group issuing an Academy public statement must be identified as responsible for the statement. The group will ordinarily be a practice council committee, task force, or work group, or the Board of Directors. Except when the forum requires it, for example, in court proceedings or international settings (see below), blanket sponsorship by the entire Academy may not be stated or implied. When the audience is familiar with the Academy and its committee structure, a statement

such as the following will usually be sufficient: “This statement was prepared by the American Academy of Actuaries’ [XYZ Committee].” In instances when further explanation is appropriate, the committee, task force, or work group should consider including additional language such as the following: “The [committee] is made up of representatives from the entire range of [name of actuarial practice area]. The committee includes actuaries who work as consultants, are employed by insurance companies, are actuaries for government [specify type of government programs, if appropriate] and the National Association of Insurance Commissioners, and are employed by nonprofit [specify type, if appropriate] organizations. The expertise of other senior [practice area] actuaries knowledgeable on [issue] was drawn upon to prepare this statement.”

As a general rule, Academy public statements are not attributed to the individual members of the group that developed them. In some cases, however, identifying members of the group may add to the credibility of the statement or serve some other purpose, such as meeting the requirements of the intended audience. The decision to identify individual authors should be made in consultation with the supervisory officer and Academy staff. Unless there is good reason not to do so, non-actuaries who participated in the formulation of the statement should be identified and their non-Academy-member status and role identified in footnotes or otherwise. Any statement that involves issues of significance to multiple practice areas should clearly identify the practice area to which the statement is intended to apply. All public statements should be dated and submitted in written form, with an oral presentation as appropriate. Statements should be submitted on Academy letterhead.

If an oral presentation concerning an

Academy public statement is to be made, the chairperson of the group that developed the statement and supervisory officer will select the person or persons to make the presentation. When an individual makes an oral presentation of an Academy public statement; for example, when testifying concerning the content of the statement before Congress, the individual should state that he or she has been designated as the representative of the Academy committee, task force, or work group that prepared the public statement, and that the views expressed by the individual represent the consensus views of the Academy group that prepared the public statement. No individual making an oral presentation of an Academy public statement should express the views of his or her client or employer when making the presentation. The individual should state that he or she is not speaking on behalf of the individual’s client or employer. If, through questioning or other means, the individual is required to express a personal opinion concerning the subject of the public statement, the individual should identify the opinion expressed as his or her own and not the opinion of the Academy group that developed the public statement.

Even when statements are responses to technical methodological inquiries, the general issue being addressed should be clearly specified in an initial sentence or two. Except when the Academy is well known to the audience, a formal statement about the Academy (sample below) should be included in the public statement.

It is generally appropriate for a member who participates in a media interview or other media contact to note that the views expressed by that member are not necessarily those of the Academy.

**F Distribution of Statements.** After an Academy public statement has been completed and, if applicable, formally submitted, the statement will be available for

broader distribution. The statement will be posted on the Academy's website, and members can request a copy of the statement by writing or calling the Academy's Washington office.

#### **IV. Sample Description of the Academy**

The American Academy of Actuaries is a national organization formed in 1965 to bring together, in a single entity, actuaries of all specializations within the United States. A major purpose of the Academy is to act as a public information organization for the profession. Academy committees, task forces and work groups regularly prepare testimony and provide information to Congress and senior federal policymakers, comment on proposed federal and state regulations, and work closely with the National Association of Insurance Commissioners and state officials on issues related to insurance, pensions, and other forms of risk financing. The Academy establishes Qualification Standards for the actuarial profession in the United States and supports two independent boards. The Actuarial Standards Board promulgates standards of practice for the profession, and the Actuarial Board for Counseling and Discipline helps to ensure high standards of professional conduct are met. The Academy also supports the Joint Committee for the Code of Professional Conduct, which develops standards of conduct for the U.S. actuarial profession.

#### **V. International Public Statements**

From time to time, the Academy may wish to make public statements in the international context, or to join in public statements made by the International Actuarial Association (IAA) or other international actuarial organization. Statements by the Academy may be developed by the appropriate Academy committee, task force, or work group in accordance with the preceding sections of these guidelines, except that such statements will generally be issued on behalf of the Academy as a whole, and should be reviewed by the president or the president's designee before their release. Final approval to issue or join in an international public statement is generally granted by the president with advice of the vice president(s) for the relevant practice area(s). When deemed appropriate by the president, the proposed statement will be submitted to the Board of Directors, which may modify or disapprove the statement or, in the case of IAA public statements, recommend modifications as appropriate.

The Task Force on IAA Oversight should be notified and included in the review of a proposed IAA public statement before the Academy decides to join in or object to the public statement. The Task Force on IAA Coordination should be notified whenever the Academy decides to join in or object to a public statement issued by the IAA.

# Guidelines for the Development of Practice Notes

*(As adopted by the Board of Directors September 25, 2006)*

**T**HE PURPOSE OF PRACTICE NOTES is to provide information to actuaries on current or emerging practices in which their peers are engaged. They are intended to supplement the available actuarial literature, especially where the practices addressed are subject to evolving technology, recently adopted external requirements, or advances in actuarial science or other applicable disciplines (e.g., economics, statistics, or enterprise risk management). Practice notes are not interpretations of actuarial standards of practice nor are they meant to be a codification of generally accepted actuarial practice. Actuaries are not in any way bound to comply with practice notes or to conform their work to the practices described in practice notes.

A practice note is usually written by a group of actuaries who have expertise in the type of practice covered by the practice note. The procedural guidelines set forth below are intended to assist Academy officers, committees, and staff in developing and maintaining practice notes that are effective and timely. These guidelines are designed to promote consistency of quality and style and to ensure that the practices identified in practice notes conform to the actuarial standards of practice and existing legal and regulatory requirements. Nothing in these guidelines is intended to prevent other actuarial organizations from publishing educational materials on current actuarial practices to assist practicing actuaries.

**1 Practice Council Oversight:** Practice notes are published by the Practice Councils of the Academy with support from Academy officers, staff, committees, task forces and work groups. Committees or task forces of other actuarial organizations and individual actuaries may also assist with the development of practice notes.

**2 Initiation of Practice Note Development:** Any actuary, other individual or entity may request that the development or revision of a practice note be considered. Such requests may be directed to the appropriate Practice Council for evaluation of need, approval and implementation. The Practice Councils have primary responsibility for monitoring the need for new practice notes and deciding when existing notes should be modified or withdrawn.

**3 Authority to Proceed:** If a Practice Council determines that a new or revised practice note is desirable in a particular area of practice, the Practice Council Chairperson (“PC Chair”) requests that an appropriate committee or task force within the profession develop the practice note. If no such committee or task force exists, the PC Chair is authorized to establish one, consistent with Academy Bylaws.

**4 Development Procedures:** Practice notes are generally developed by a committee or task force and are identified as a product of that group. It may be appropriate, however, to involve other actuaries believed by the committee or task force to have pertinent expertise or experience. From time to time, it may also be appropriate to solicit the input of non-actuaries. When and how such additional input is solicited is at the discretion of the committee chair with concurrence of the PC Chair.

**5 Content of Practice Notes:** A Practice note may describe one or more methodologies within the known or anticipated range of practices. It would clearly indicate, if applicable, that it covers only certain approaches and that there are, or may be, other methods used in practice. The practice note should not advocate a par-

ticular approach, but rather, describe it. To the extent that there are legitimate differences of opinion among practitioners concerning a particular practice, the practice note should describe the practice and indicate the existence of the difference of opinion; however in no event shall a practice note describe practices that the committee knows to be in use but collectively considers to be inappropriate.

**6 Required Disclosures:** Each practice note should begin with a paragraph as follows:

This practice note is not a promulgation of the Actuarial Standards Board, is not an actuarial standard of practice, is not binding upon any actuary and is not a definitive statement as to what constitutes generally accepted practice in the area under discussion. Events occurring subsequent to this publication of the practice note may make the practices described in this practice note irrelevant or obsolete.

Additionally, the paragraph should identify the committee within the Academy that developed the practice note. Blanket sponsorship by the Academy should not be stated or implied.

**7 Consensus:** The committee chairperson should seek a general consensus of the committee members concerning the content of the practice note. If there is substantial lack of consensus, the committee chairperson should so advise the PC Chair and seek further instruction on how to proceed.

**8 Review Procedures:** No practice note may be released without appropriate peer review. At a minimum, the PC Chair and one or more of his or her designees should review practice notes. If the PC Chair is involved in drafting the document, he or she shall designate two Council members who were not part of drafting the document for peer review. All practice notes must receive legal and editorial review by the Academy staff to confirm legality and consistency with standards of practice, other practice notes, and Academy policies.

**9 Final Approval:** The ultimate decision to issue a practice note rests with the PC Chair. When the development of a practice note involves issues of major significance, the PC Chair should consult with the Academy Executive Director or President before releasing the practice note.

**10 Production and Distribution:** Academy staff handles production and distribution of final practice notes. Distribution may vary depending on the audience for the notes.

**11 Periodic Review:** The PC Chair will initiate a Practice Council review of existing practice notes on a regular basis for relevance, purpose, and completeness, and will arrange for the practice notes to be updated or withdrawn as the Practice Council determines is appropriate.

# Academy History

*“From the halls of Congress and state capitols to regulatory and professional bodies such as the NAIC, FASB, and the IAA, the Academy represents the interests of all U.S. actuaries. As a member of the Academy, you are demonstrating a personal commitment to responsible actuarial practice, professionalism, and sound public policy.”*

— Dan McCarthy, Academy past president

**F**OR MANY YEARS, the actuarial profession in North America consisted of four organizations: the Casualty Actuarial Society (CAS), the Conference of Actuaries in Public Practice, the Fraternal Actuarial Association, and the Society of Actuaries (SOA). In 1964, these organizations recognized the need for a single inclusive body that would represent qualified American actuaries of all specialties. They approved the creation of a new organization.

The American Academy of Actuaries was born Oct. 25, 1965, as an unincorporated association serving the actuarial profession in the United States. In 1966, it became a corporation under the Illinois General Not For Profit Corporation Act. The Academy’s first president was Henry F. Rood — the actuary who had first formally proposed the creation of such an organization in 1958, when he was SOA president. Initially, the Academy shared administrative facilities with the SOA in Chicago; then, in January 1976, the Academy moved to its headquarters to the nation’s capital, where it remains.

Today, the Academy serves as the voice of American actuaries on public policy and professionalism issues, representing the U.S. actuarial profession at the state, federal, and international levels. It provides independent, objective actuarial expertise on public policy issues to legislators, regulators, policymakers, and others, and it develops and maintains professional standards.

The Academy started out with 1,427 charter members, automatically offering membership to all U.S. residents who were fellows (or the equivalent) of the four existing American actuarial organizations. Today, the Academy has nearly 16,000 members — most of the actuaries in North America. They include consultants, corporate executives, regulators, university professors, government officials, and retirees. Their areas of practice range from pensions and financial reporting to casualty, life, and health insurance.

## Mission

The mission statement articulates the main purposes of the Academy’s work:

*The Academy’s mission is to serve the public on behalf of the United States actuarial profession.*

*To accomplish this, the Academy:*

- *Provides independent and objective actuarial information, analysis, and education for the formation of sound public policy;*
- *Proactively identifies and addresses issues on behalf of the public in matters where actuarial science provides a unique understanding;*
- *Increases the public’s understanding and recognition of the value of the actuarial profession;*
- *Facilitates and coordinates issues of common interest among the U.S.-based actuarial associations;*
- *Provides for the establishment, maintenance, and enforcement of high professional standards of actuarial qualification, practice, and conduct; and*

► *Coordinates the representation of the U.S. profession globally.*

The mission statement was last updated in 2007, as part of a new strategic plan for the Academy. The strategic plan aims to reverse the historic splintering of the U.S. actuarial profession among different professional organizations, and it asserts the importance of the Academy's advocating in the public interest on important issues.

## **Leadership**

The Academy's work is primarily governed by three groups: the Board of Directors, the Executive Committee (the president, president-elect, immediate past president, secretary-treasurer, and the six vice presidents), and the President's Advisory Committee (the current president, immediate past president, and president-elect).

In 2007, the Board created a new leadership group: The Council of U.S. Presidents. Its 10 members consist of the Academy president and president-elect and the Academy's special directors (the presidents and presidents-elect of the other four national actuarial associations). CUSP has a dual role: to help the five organizations' leaders find ways to make the profession more efficient and more effective, and to manage most of the Academy's interactions with the ASB and ABCD.

## **Councils**

The vice presidents head the Academy's six councils for public policy and professionalism issues. Each council has broad authority to set its own agenda, and specific initiatives are carried out by Academy committees that report to it.

One multidisciplinary council and four practice councils focus on public policy. In 1990, the Board of Directors established four councils to represent the major areas of actuarial practice—casualty, health, life, and pensions—in public policy activities. The Risk Management and Financial Reporting Council (originally the Financial Reporting Council) was added in 1996. On the professionalism side, the Council on Professionalism was creat-

ed in 1992; it oversees the Academy's efforts in setting and maintaining professional standards and in advancing professionalism through educational offerings, publications, and other activities.

## **Legal Recognition**

Academy membership is the hallmark of a qualified actuary in the United States.

In December 1966, the National Association of Insurance Commissioners (NAIC) adopted a resolution supporting recognized standards of actuarial competence and conduct and urging commissioners to support the Academy's efforts to gain official recognition. Today, every state has regulations that recognize Academy membership as a qualification for signing insurance company annual statements. Some states also have corresponding recognition for public employee retirement systems.

Indiana was the first state to act; in a 1968 law, it provided for actuarial certification by a state board. In other states, the general pattern has been to issue administrative orders or regulations. In 1975, the responsibility expected of actuaries was spelled out by a new requirement that an actuary who signed a life insurance company annual statement must express an opinion on the actuarial elements, including an opinion on the adequacy of reserves. The Academy responded with recommendations to the profession on how that responsibility should be met (as it did again in 1983 when a comparable actuarial opinion began to be required for health service corporation and HMO annual statements). In 1980, a similar requirement was added to the property and liability insurance company annual statement; this requirement, however, was at the discretion of the domiciliary insurance commissioner. Again, the Academy responded with appropriate recommendations to the profession.

In 1990, at the Academy's urging, the NAIC eliminated the discretion of individual states. As a result, virtually all annual statements from property/casualty companies in the United States must be accompanied by a loss reserve

opinion from a “qualified actuary,” which is defined as either an Academy member approved by the Casualty Practice Council, a member of the Casualty Actuarial Society, or an individual approved by the domiciliary commissioner. (In the pension field, the Employee Retirement Income Security Act of 1974 [ERISA] established extensive and specific standards for actuarial reports, for disclosure and fiduciary relationships, and for the qualifications of actuaries in pension work.)

In 2006, Academy membership also became a legal requirement for actuaries filing actuarial equivalence attestations for retiree health plans seeking a Medicare Part D subsidy.

## Membership Requirements

Initially, the Academy required applicants who were ineligible for charter membership to demonstrate appropriate knowledge and skills before they were admitted as members. Many were admitted by this route, some after passing special proctored exams. A requirement was imposed of seven years of responsible actuarial experience (five years for fellows by examination of the existing bodies).

From 1970 until 1976, the educational requirements gradually increased. In January 1976, a bylaw amendment created a new non-voting class of membership, the designated affiliate, for enrolled actuaries. In 1979, the bylaws were changed to eliminate the distinction between affiliates and members and to set the experience requirement at three years of responsible work.

Subsequently, the Academy board set the basic educational requirement as follows: associate in the Casualty Actuarial Society or Society of Actuaries; or qualified member or fellow in the American Society of Pension Professionals and Actuaries; or member in the Conference of Consulting Actuaries; or status as an enrolled actuary under ERISA; or fellow in the Institute of Actuaries, the Faculty of Actuaries, or the Institute of Actuaries of Australia; or member in the Colegio Nacional de Actuarios.

U.S. residents and nonresidents alike can

be admitted if they meet the Academy’s educational and experience standards, can demonstrate familiarity with U.S. actuarial practices and, in the case of nonresidents, have a need to perform actuarial duties in the United States.

## Code of Conduct

The Code of Professional Conduct includes precepts and annotations that require a high standard of ethics and responsible performance expected of professionals. The precepts require actuaries to abide by standards of practice, as promulgated by the Actuarial Standards Board, and to abide by Qualification Standards adopted by the Academy.

As a predecessor of the code, the Guides to Professional Conduct were first issued in 1965, and they were revised over time. Together, the guides and the interpretative opinions that supplemented them formed a core of ethical guidance for Academy members in all phases of their professional lives. In 1991, the Board of Directors approved a new set of ethical precepts recommended by the Council of Presidents Task Force on the Code of Professional Conduct. These precepts were intended to be a common code of ethical tenets for all organizations representing actuaries in North America.

The Academy was the first to adopt the Code of Professional Conduct, which took effect Jan. 1, 1992. The code has been periodically updated, and the current version has been in effect since Jan. 1, 2001. The code has been adopted in substantially similar form by every professional society representing actuaries in the United States and Canada.

## Qualification Standards

U.S. actuarial standards of conduct have always required that an actuary provide advice or services only when he or she is qualified to do so. To help actuaries make that determination, the Academy established Qualification Standards with specific experience and education requirements for certain types of actuarial assignments and services.

The first Qualification Standards, which

were adopted by the Academy in 1981, consisted of education and experience requirements for actuaries signing the actuarial opinions in life and casualty insurers' annual statements. Over the years, as actuarial specialization, new areas of actuarial practice, regulatory complexities, and advances in actuarial theory and technology have all continued to grow, the Qualification Standards have been updated and expanded.

Mandatory continuing education requirements were first included in the 1991 standards, which applied to public statements of actuarial opinion (PSAOs). Later, the "P" in PSAO was changed to "prescribed" to help clarify the nature of those statements.

In 2004, the Board of Directors approved an exposure draft that would significantly expand the standards. The Committee on Qualifications' draft was based on the recognition that while Precept 2 of the 2001 Code of Professional Conduct requires that all actuaries be qualified "on the basis of basic and continuing education and experience" when performing actuarial services, the Qualification Standards then in effect applied only to actuaries who issued PSAOs. The exposure draft broadened the scope of the standards to include all statements of actuarial opinion (SAOs), not just statutory and regulatory work. After additional debate and a second exposure draft in 2006, the final draft was approved by the Board of Directors in 2007. The newly revised standards took effect on Jan. 1, 2008. They include significantly increased continuing education requirements and, for the first time, apply to most practicing actuaries in the United States.

## **Standards of Practice**

The Academy began issuing standards of practice — initially called recommendations — in 1973. They were supplemented by interpretations. A major advance in the development and management of standards of practice came in 1985 with the creation of the Interim Actuarial Standards Board. It was the prototype for the permanent Actuarial Standards Board (ASB),

which was created in July 1988 after a bylaw amendment vote.

Like the Actuarial Board for Counseling and Discipline, the ASB is a separate entity supported by Academy staff and housed at the Academy. It has sole responsibility to initiate, develop, and adopt new actuarial standards of practice (ASOPs). ASOPs include statements on the techniques, applications, procedures, and methods that have been generally accepted by the profession. The Code of Professional Conduct requires actuaries to be knowledgeable about and to abide by these standards.

## **Counseling and Discipline**

From the start, the Academy recognized the need for a disciplinary procedure to enforce standards of conduct and provide an avenue to express grievances regarding the professional activities of Academy members. For many years, the Committee on Discipline was responsible for handling complaints, investigating charges, and proposing disciplinary measures. Because duplications of effort by disciplinary committees of the various actuarial organizations frustrated effective discipline, and because a common Code of Professional Conduct was being adopted, Academy members voted in 1991 to create the Actuarial Board for Counseling and Discipline (ABCD).

The ABCD serves the profession and the public by investigating complaints against individual actuaries, by providing confidential guidance to actuaries requesting it, and, to a limited extent, by mediating professional disputes.

A separate entity supported by Academy staff and housed at the Academy, the ABCD investigates apparent violations of the Code of Conduct by members of any organization that represents actuaries and that has delegated investigative authority to the ABCD. (The Academy and other organizations have delegated such authority.) For activities that in the ABCD's opinion do not merit public discipline, or in response to actuaries' requests for guidance, actuaries are counseled privately and are pro-

vided guidance in complying with the requirements of the code, Qualification Standards, and standards of practice.

## **Public Policy**

As the public policy arm of the American actuarial profession, the Academy provides independent, objective analysis to policymakers and regulators. Academy members use their actuarial expertise to contribute to the public debate on major issues—ranging from Social Security solvency to terrorism insurance—and on important regulatory efforts, such as principle-based reserving and capital requirements.

For many years, Academy groups have worked extensively with the National Association of Insurance Commissioners on state insurance issues. While close work with the NAIC has continued, the Academy has broadened its efforts in recent years, working on state insurance issues with, for example, the National Conference of Insurance Legislators, the Federal Accounting Standards Board, the Governmental Accounting Standards Board, the American Institute of Certified Public Accountants, and AARP. To provide an actuarial perspective on key federal issues, the Academy sponsors Capitol Hill briefings, testifies at congressional hearings, publishes comments and analyses, makes annual Capitol Hill visits, and provides informal assistance to policymaking and regulatory officials, among other efforts. The Academy has also significantly expanded its international activities in recent years. It is working to give the U.S. profession a greater voice on a variety of international issues, including proposed regulatory changes that could affect U.S. actuarial practice.

The Academy's public policy efforts are supported by the Casualty Practice Council, Health Practice Council, Life Practice Council, Pension Practice Council, and the Risk Management and Financial Reporting Council. The Academy's senior health fellow and senior pension fellow play a major role in representing the Academy on public policy issues, as do other Academy members.

## **Joint Activities**

The U.S. actuarial organizations cooperate in ways large and small. Their members are all governed by a single Code of Professional Conduct, they facilitate joint research and public policy projects, and they jointly sponsor a number of professionalism seminars and webcasts, to name a few examples.

Also, the Academy's Board of Directors includes the presidents and presidents-elect of all national U.S. actuarial organizations, ensuring that the Board represents actuaries in all types of practice. Those presidents and presidents-elect also make up the Council of U.S. Presidents (CUSP), an Academy committee that was established in 2007 to help make the U.S. profession more efficient and more effective.

In 1972, the Academy was instrumental in creating an informal body, the Council of Presidents, to foster greater understanding and common purpose in the North American actuarial community. The council was renamed in 2004 and is now the North American Actuarial Council. It is composed of the members of CUSP and their counterparts in Canada and Mexico.

# Past Officers

## 1965–66

PRESIDENT	Henry Rood
PRESIDENT-ELECT	Thomas Murrin
SECRETARY	George Bryce
TREASURER	Robert Bruce
VICE PRESIDENTS	Frank Gadient, Laurence Longley-Cook John Miller H. Raymond Strong

## 1966–67

PRESIDENT	Thomas Murrin
PRESIDENT-ELECT	John Miller
SECRETARY	Norton Masterson
TREASURER	Robert Bruce
VICE PRESIDENTS	Frank Gadient Laurence Longley-Cook H. Raymond Strong Andrew Webster

## 1967–68

PRESIDENT	John Miller
PRESIDENT-ELECT	Wendell Milliman
SECRETARY	Norton Masterson
TREASURER	Robert Bruce
VICE PRESIDENTS	Edward Brown Jr. Frank Gadient William Leslie Jr. Allen Mayerson

## 1968–69

PRESIDENT	Wendell Milliman
PRESIDENT-ELECT	Walter Rugland
SECRETARY	Norton Masterson
TREASURER	Robert Bruce
VICE PRESIDENTS	Edward Brown Jr. William Leslie Jr. Paul Rotter Harold Schloss

## 1969–70

PRESIDENT	Walter Rugland
PRESIDENT-ELECT	H. Raymond Strong
SECRETARY	Norton Masterson
TREASURER	Robert Bruce
VICE PRESIDENTS	Donald Campbell Robert Myers Paul Rotter Harold Schloss

## 1970–71

PRESIDENT	H. Raymond Strong
PRESIDENT-ELECT	Robert Myers
SECRETARY	William Halvorson
TREASURER	Robert Bruce
VICE PRESIDENTS	Donald Campbell Harold Curry John Dyer Morton Miller

## 1971–72

PRESIDENT	Robert Myers
PRESIDENT-ELECT	Morton Miller
SECRETARY	William Halvorson
TREASURER	Dale Gustafson
VICE PRESIDENTS	Robert Bruce Harold Curry Ernest Moorhead Julius Vogel

## 1972–73

PRESIDENT	Morton Miller
PRESIDENT-ELECT	Ernest Moorhead
SECRETARY	William Halvorson
TREASURER	Dale Gustafson
VICE PRESIDENTS	Robert Bruce Reuben Jacobson Daniel McNamara Julius Vogel

## 1973–74

PRESIDENT	Ernest Moorhead
PRESIDENT-ELECT	Daniel McNamara
SECRETARY	Walter Rugland
TREASURER	Dale Gustafson
VICE PRESIDENTS	Thomas Bowles Jr. Reuben Jacobson Richard Johe William Halvorson

## 1974–75

PRESIDENT	Daniel McNamara
PRESIDENT-ELECT	Thomas Bowles Jr.
SECRETARY	Walter Rugland
TREASURER	Dale Gustafson
VICE PRESIDENTS	Edwin Boynton Richard Johe Kenneth Ross Robert Winters

**1975–76**

PRESIDENT	Thomas Bowles Jr.
PRESIDENT-ELECT	Robert Winters
SECRETARY	Walter Rugland
TREASURER	James Webb
VICE PRESIDENTS	Edwin Boynton Dale Gustafson M. Stanley Hughey Kenneth Ross

**1980–81**

PRESIDENT	Walter Grace
PRESIDENT-ELECT	William Halvorson
SECRETARY	Charles Barry Watson
TREASURER	Kevin Ryan
VICE PRESIDENTS	A. Norman Crowder III Bartley Munson Richard Robertson P. Adger Williams

**1976–77**

PRESIDENT	Robert Winters
PRESIDENT-ELECT	Edwin Boynton
SECRETARY	Ralph Edwards
TREASURER	James Webb
VICE PRESIDENTS	Ronald Bornhuetter Louis Garfin Dale Gustafson M. Stanley Hughey

**1981–82**

PRESIDENT	William Halvorson
PRESIDENT-ELECT	P. Adger Williams
SECRETARY	Carl Ohman
TREASURER	W. James MacGinnitie
VICE PRESIDENTS	David Carpenter A. Norman Crowder III William Ferguson Bartley Munson

**1977–78**

PRESIDENT	Edwin Boynton
PRESIDENT-ELECT	Dale Gustafson
SECRETARY	Dwight Bartlett III
TREASURER	James Webb
VICE PRESIDENTS	Preston Bassett Ronald Bornhuetter Louis Garfin Charles Hewitt Jr.

**1982–83**

PRESIDENT	P. Adger Williams
PRESIDENT-ELECT	A. Norman Crowder III
SECRETARY	Carl Ohman
TREASURER	W. James MacGinnitie
VICE PRESIDENTS	David Carpenter William Ferguson John Fibiger Walter Rugland

**1978–79**

PRESIDENT	Dale Gustafson
PRESIDENT-ELECT	Ronald Bornhuetter
SECRETARY	Dwight Bartlett III
TREASURER	Kevin Ryan
VICE PRESIDENTS	Preston Bassett Herbert DePrenger Walter Grace Charles Hewitt Jr.

**1983–84**

PRESIDENT	A. Norman Crowder III
PRESIDENT-ELECT	M. Stanley Hughey
SECRETARY	Carl Ohman
TREASURER	Burton Jay
VICE PRESIDENTS	John Fibiger David Hartman David Reade Walter Rugland

**1979–80**

PRESIDENT	Ronald Bornhuetter
PRESIDENT-ELECT	Walter Grace
SECRETARY	Charles Barry Watson
TREASURER	Kevin Ryan
VICE PRESIDENTS	Mary Adams Herbert DePrenger Richard Robertson P. Adger Williams

**1984–85**

PRESIDENT	M. Stanley Hughey
PRESIDENT-ELECT	Bartley Munson
SECRETARY	Robert Dobson
TREASURER	Burton Jay
VICE PRESIDENTS	Harold Brownlee David Hartman Carl Ohman David Reade

**1985-86**

PRESIDENT Bartley Munson  
 PRESIDENT-ELECT Preston Bassett  
 SECRETARY Robert Dobson  
 TREASURER Burton Jay  
 VICE PRESIDENTS Harold Brownlee  
 Edward Friend  
 W. James MacGinnitie  
 Carl Ohman

**1986-87**

PRESIDENT Preston Bassett  
 PRESIDENT-ELECT John Fibiger  
 SECRETARY Robert Dobson  
 TREASURER Daniel McCarthy  
 VICE PRESIDENTS Edward Friend  
 Burton Jay  
 W. James MacGinnitie  
 Mavis Walters

**1987-88**

PRESIDENT John Fibiger  
 PRESIDENT-ELECT W. James MacGinnitie  
 SECRETARY Virgil Wagner  
 TREASURER Daniel McCarthy  
 VICE PRESIDENTS Phillip Ben-Zvi  
 Burton Jay  
 Joseph Stahl II  
 Mavis Walters

**1988-89**

PRESIDENT W. James MacGinnitie  
 PRESIDENT-ELECT Harold Brownlee  
 SECRETARY Virgil Wagner  
 TREASURER Daniel McCarthy  
 VICE PRESIDENTS Phillip Ben-Zvi  
 Harper Garrett Jr.  
 John Harding  
 Joseph Stahl II

**1989-90**

PRESIDENT Harold Brownlee  
 PRESIDENT-ELECT Mavis Walters  
 SECRETARY Virgil Wagner  
 TREASURER Thomas Levy  
 VICE PRESIDENTS Harry Garber  
 Harper Garrett Jr.  
 John Harding  
 Daniel McCarthy

**1990-91**

PRESIDENT Mavis Walters  
 PRESIDENT-ELECT Harry Garber  
 SECRETARY Richard Snader  
 TREASURER Thomas Levy  
 VICE PRESIDENTS Robert Dobson  
 Charles Farr  
 Daniel McCarthy  
 Michael Walters

**1991-92**

PRESIDENT Harry Garber  
 PRESIDENT-ELECT John Harding  
 SECRETARY-TREASURER Thomas Levy  
 VICE PRESIDENTS Robert Dobson  
 R. Stephen Radcliffe  
 Richard Snader  
 Michael Walters  
 Larry Zimbleman

**1992-93**

PRESIDENT John Harding  
 PRESIDENT-ELECT David Hartman  
 SECRETARY-TREASURER James Swenson  
 VICE PRESIDENTS Howard Bolnick  
 Stephen Lowe  
 Walter Miller  
 Richard Snader  
 Larry Zimbleman

**1993-94**

PRESIDENT David Hartman  
 PRESIDENT-ELECT Charles Bryan  
 SECRETARY-TREASURER James Swenson  
 VICE PRESIDENTS Howard Bolnick  
 Howard Fluhr  
 Paul Kolkman  
 Stephen Lowe  
 Jack Turnquist

**1994-95**

PRESIDENT Charles Bryan  
 PRESIDENT-ELECT Jack Turnquist  
 SECRETARY-TREASURER James Swenson  
 VICE PRESIDENTS John Bertko  
 Howard Fluhr  
 David Flynn  
 Paul Kolkman  
 Charles Barry Watson

**1995–96**

PRESIDENT Jack Turnquist  
 PRESIDENT-ELECT Larry Zimpleman  
 SECRETARY-TREASURER Stephen Kern  
 VICE PRESIDENTS Vince Amoroso  
 John Bertko  
 Arnold Dicke  
 David Flynn  
 Charles Barry Watson

**1996–97**

PRESIDENT Larry Zimpleman  
 PRESIDENT-ELECT Allan Kaufman  
 SECRETARY-TREASURER Stephen Kern  
 VICE PRESIDENTS Vince Amoroso  
 William Bluhm  
 Arnold Dicke  
 Ken Hartwell  
 Barbara Snyder  
 Michael Toothman

**1997–98**

PRESIDENT Allan Kaufman  
 PRESIDENT-ELECT Richard Robertson  
 SECRETARY-TREASURER Stephen Kern  
 VICE PRESIDENTS William Bluhm  
 Ken Hartwell  
 Lawrence Johansen  
 Kenneth Steiner  
 Michael Toothman  
 Robert Wilcox

**1998–99**

PRESIDENT Richard Robertson  
 PRESIDENT-ELECT Stephen Kern  
 SECRETARY-TREASURER James Reiskytł  
 VICE PRESIDENTS Robert Anker  
 Lawrence Johansen  
 Daniel McCarthy  
 James Murphy  
 Kenneth A. Steiner  
 Robert E. Wilcox

**1999–2000**

PRESIDENT Stephen Kern  
 PRESIDENT-ELECT Lawrence Johansen  
 SECRETARY-TREASURER James Reiskytł  
 VICE PRESIDENTS Robert Anker  
 Barbara Lautzenheiser  
 Daniel McCarthy  
 James Murphy  
 Donna Novak  
 James Turpin

**2000–2001**

PRESIDENT Lawrence Johansen  
 PRESIDENT-ELECT Daniel McCarthy  
 SECRETARY-TREASURER James Reiskytł  
 VICE PRESIDENTS Henry Knowlton  
 Barbara Lautzenheiser  
 Steven Lehmann  
 Donna Novak  
 Geoffrey Sandler  
 James Turpin

**2001–2002**

PRESIDENT Daniel McCarthy  
 PRESIDENT-ELECT Robert Anker  
 SECRETARY-TREASURER Peter Perkins  
 VICE PRESIDENTS Steven Lehmann  
 John Parks  
 Stephen Preston  
 Robert Rietz  
 Geoffrey Sandler  
 Patricia Teufel

**2002–2003**

PRESIDENT Robert Anker  
 PRESIDENT-ELECT Barbara Lautzenheiser  
 SECRETARY-TREASURER Peter Perkins  
 VICE PRESIDENTS Janet Carstens  
 Jan Lommele  
 John Parks  
 Stephen Preston  
 Robert Rietz  
 Patricia Teufel

## 2003-2004

PRESIDENT	Barbara Lautzenheiser
PRESIDENT-ELECT	Robert Wilcox
SECRETARY-TREASURER	Peter Perkins
VICE PRESIDENTS	Janet Carstens Donna Claire Burton Jay Kenneth Kent Jan Lommele Robert Rietz

## 2004-2005

PRESIDENT	Robert Wilcox
PRESIDENT-ELECT	Peter Perkins
SECRETARY-TREASURER	John Parks
VICE PRESIDENTS	Michael Abroe Donna Claire Burton Jay Kenneth Kent Mary D. Miller Geoffrey Sandler

## 2005-2006

PRESIDENT	Peter Perkins
PRESIDENT-ELECT	Steven Lehmann
SECRETARY-TREASURER	John Parks
VICE PRESIDENTS	Michael Abroe Mary D. Miller David Sandberg Geoffrey Sandler Donald J. Segal Timothy Tongson

## 2006-2007

PRESIDENT	Steven Lehmann
PRESIDENT-ELECT	Bill Bluhm
SECRETARY-TREASURER	John Parks
VICE PRESIDENTS	Robert Miccolis Allan Ryan David Sandberg John Schubert Donald Segal Timothy Tongson

# Jarvis Farley Service Award

IN 1991, the Academy established a perpetual award to honor the memory of one of its long-time, indefatigable volunteers. Jarvis Farley was a charter member of the Academy and an invaluable resource for the Academy staff and the entire actuarial profession. His untiring volunteer work for the Academy epitomized the caliber of service to be honored by this award. He began serving on Academy committees in 1972 and continued until his death in 1991.

Each honoree receives an engraved pewter Paul Revere bowl. A larger, permanent bowl, engraved with the name of each recipient, is displayed at the Academy office in Washington. While honoring individual recipients, the award also calls attention to the significant benefits the actuarial profession receives from members' service in the Academy.

Recipients of the Jarvis Farley Service Award are selected by the Academy's Executive Committee based on nominations from the Academy's membership and committees. Eligible candidates are members of the Academy who have:

- demonstrated their commitment to professionalism,
- made an extraordinary contribution to the actuarial profession through long-time service as Academy volunteers,
- been an inspiration to practicing actuaries, and
- commanded respect within and without the profession.

All members of the Academy are eligible to receive the award, except former presidents' past service to the profession is the only service to be considered during the selection process.

## Jarvis Farley Service Award Recipients

- 1992 Mary Hardiman Adams
- 1993 Jerome A. Scheibl
- 1994 Douglas C. Borton
- 1995 Harry L. Sutton Jr.
- 1996 Charles Barry H. Watson
- 1997 James C. Hickman
- 1998 Edward E. Burrows
- 1999 Henry K. Knowlton
- 2000 Daphne D. Bartlett
- 2001 Jack M. Turnquist
- 2002 Burton D. Jay
- 2003 Walter S. Rugland
- 2004 W. H. Odell
- 2005 Donna Claire
- 2006 Frank Irish
- 2007 Frederick Kilbourne



**Academy President Bill Bluhm (left) presents the 2007 Jarvis Farley Service Award to Fred Kilbourne.**

# Robert J. Myers Public Service Award

**I**N 1994, the Academy, through its Committee on Actuarial Public Service, established the Robert J. Myers Public Service Award to recognize the extraordinary public service of Robert J. Myers, who was chief actuary for the Social Security Administration from 1947 to 1970. The exceptional career of Myers was recognized with the public announcement of the award at the Academy's annual meeting in Washington, D.C. on September 28, 1994. Myers was instrumental in the design and funding of the Social Security system and worked for the Social Security Administration for some thirty-five years. Although political pressure often conflicted with his professional responsibilities, Myers never veered from a path of professional integrity. He continues to command respect within and outside the profession, and he remains an inspiration to all practicing actuaries.

A specially designed medal was presented to Myers at the award's inauguration. The permanent medal is mounted on a custom-designed pedestal and displayed at the Academy office in Washington. Recipients receive engraved medals, and their names are engraved on the base of the permanent display at the Academy. While honoring individual recipients, the award also calls attention to the significant benefits the general public receives from the actuarial profession.

Recipients of the Robert J. Myers Public Service Award are selected by the Academy's Executive Committee based on nominations from the Academy's membership and committees, in particular the Committee on Actuarial Public Service. Eligible candidates are members of the Academy who have:

➤ demonstrated their commitment to professionalism,

- made an extraordinary contribution to the public good through service to the government or other organizations in the public sphere, even when conflicted by political pressure,
- been an inspiration to practicing actuaries, and
- commanded respect within and without the profession.

All members of the Academy are eligible to receive the award, except former presidents' past service to the public is the only service to be considered during the selection process.

## Robert J. Myers Public Service Award Recipients

- 1995 John O. Montgomery
- 1996 Roland E. (Guy) King
- 1997 James B. Gardiner
- 1998 Dwight K. Bartlett III
- 1999 Robert A. Bailey
- 2000 Harry C. Ballantyne
- 2001 Robert J. Callahan
- 2002 Ted Becker
- 2003 Larry M. Gorski
- 2004 A. Haeworth Robertson
- 2005 Paulette Tino
- 2006 Richard Foster
- 2007 Frank Dino

# Resources, Services, and Benefits

**T**HE ACADEMY PROVIDES an array of information resources, services, and educational opportunities as a service to its members, the actuarial profession, and, in some cases, the public. The Academy's communications program provides access to virtually all of its materials in an electronic format through the Academy's website ([www.actuary.org](http://www.actuary.org)). Most of the benefits are included as part of a member's dues.

## Member Publications and Electronic Media

### Periodicals

► *Actuarial Update* is the Academy's monthly membership newsletter. It focuses on the Academy's activities in public policy and professionalism. Members are encouraged to submit articles on committee activities, emerging public policy or professionalism issues, or general topics of particular interest to actuaries.

► *Enrolled Actuaries Report (EAR)* is the Academy's quarterly newsletter that covers issues that are important to enrolled actuaries. It is published in March, June, September, and December and is mailed only to enrolled actuaries.

Contact: Tim Dougherty, managing editor of member publications, (202) 785-7870, [dougherty@actuary.org](mailto:dougherty@actuary.org).

► *Inside the Academy* is the Academy's members-only electronic newsletter. Designed to be timely, readable, and short, it informs members about noteworthy Academy activities and links them to a few of the Academy's useful online resources.

Contact: Anne Asplen, managing editor, Internet and new media, (202) 785-7864, [aspfen@actuary.org](mailto:aspfen@actuary.org).

### Contingencies Magazine

*Contingencies* magazine is the flagship publication of the actuarial profession, providing a large and diverse readership with general interest and technical articles on a wide range of issues related to the actuarial profession. Published bi-monthly, *Contingencies* is mailed to members of the Academy, the Canadian Institute of Actuaries, and select individuals (such as legislators and their staffs, regulators, business executives, and related organizations), for a total circulation of around 27,000. The magazine contains regularly scheduled special sections on consulting and reinsurance, and supplements on actuarial careers and software.

It is the only Academy publication that accepts advertising, generating more than \$500,000 in non-dues revenues annually.

Contact: Linda Mallon, assistant director for publications and *Contingencies* editor, (202) 223-8196, [mallon@actuary.org](mailto:mallon@actuary.org).

### Academy Websites

The Academy manages a number of websites that serve as primary sources of information for members and the public. All material that is published by the Academy is available on the Academy's websites.

► **Academy website: [www.actuary.org](http://www.actuary.org)** The Academy website is the primary electronic repository of public policy and professionalism information from the Academy. Recent public statements and print publications are posted on the site, along with additional resources not available elsewhere. The site's notable features include the following:

- 1 Electronic access to Academy public statements, publications, and other Academy material produced since 2000
- 2 A personal secure web page for every Academy member that serves as a portal

for a range of services, including online dues payment, subscriptions, and member profile updates

- 3 Expanded members-only content, which now includes free access to the Academy Alerts, timely summaries of major legislative, regulatory, and judicial developments that were previously available to members for an additional charge. When an Alert is issued, subscribers receive an e-mail notification with a link to the online bulletin. (All members may read the Alerts in the members-only section of the website at any time, but only subscribers will be notified when a new Alert comes out.)
- 4 Online registration for Academy meetings, seminars, and webcasts
- 5 An electronic version of the Yearbook, with rosters for Academy councils, committees, task forces, and work groups
- 6 The Social Security Game, an interactive educational tool designed to introduce members of the general public to the Social Security reform issue
- 7 “Actuaries in the news,” a Newsroom page that provides links to selected recent news stories in which the Academy or Academy members appear
- 8 The North American Actuarial CE calendar, a searchable online tool with links to CE opportunities provided by the Academy and other national actuarial organizations

As a dynamic resource, not a static publication, the website continues to evolve to meet the needs of Academy members and other key Academy audiences, including members, policymakers, regulators, other actuaries, the news media, and the public.

Contact: Anne Asplen, managing editor, Internet and new media, (202) 785-7864, [asplen@actuary.org](mailto:asplen@actuary.org).

► **Contingencies website: [www.contingencies.org](http://www.contingencies.org).** The website for Contingencies magazine includes articles from the current issue of the print magazine, an archive of previous issues, extra material, and the Academy’s free actuarial job bank.

### ► Other Sites

The Academy also maintains and manages the websites for the Actuarial Board for Counseling and Discipline and the Actuarial Standards Board. Links to these sites are prominently featured on the Academy website. Also, as previously mentioned, the Academy site hosts the Actuarial CE Calendar, which is designed to serve all the North American actuarial organizations.

### Contacts

If you have a problem using the Academy website or have a suggestion for improving it, please let the Academy know.

► **General Questions:** For questions or comments about website content and/or navigation (including questions about where to find specific documents), contact Anne Asplen, managing editor, Internet and new media ([asplen@actuary.org](mailto:asplen@actuary.org), 202.785.7864).

► **Member Services:** For questions or comments about logging in, paying dues online, or accessing other members-only services on the website, contact Rachel Rusch, assistant director of membership relations/administration ([rusch@actuary.org](mailto:rusch@actuary.org), 202.785.7871).

► **Technical Help:** For help with technical problems on the Academy site, contact Michael Roberts, webmaster ([roberts@actuary.org](mailto:roberts@actuary.org); 202.785.7879).

### Annual Publications

The *Yearbook* is the Academy’s annual handbook for members. It provides information on the Academy’s purpose, organization, governance, and policies, among other topics.

The *Yearbook and Leadership Manual* is the Academy’s annual handbook for volunteers. It augments Yearbook material with information on such topics as Academy management, legal considerations, and communications procedures.

The *Record* is an annual report to Academy members that provides an overview of Academy accomplishments and activities.

The *NAAC Annual Report* provides a record

of the major decisions and discussions of the North American Actuarial Council.

### Public Policy Publications

Providing legislative and regulatory bodies with independent, non-partisan, public policy analysis and advice from an actuarial perspective is a core mission for the Academy. Public policy documents raise important actuarial issues and are written to be understood by legislators, policymakers, regulators, the news media, and the public. Distribution of the print editions of these documents is generally confined to specific target audiences related to the topic. Members can request printed copies of these documents, and all are available in an electronic format on the Academy's website ([www.actuary.org](http://www.actuary.org)).

► **Monographs** — Reserved for a major analysis of key public policy issues, a monograph is written under the auspices of an Academy council and receives extensive peer, policy, legal, and communications review under the guidelines for public statements.

► **Issue Briefs** — A short discussion paper, an issue brief generally provides either an overview of an issue or focuses on a single aspect of a larger issue. It also conforms to the guidelines for public statements.

► **Fact Sheets** — One- or two-page analyses that provide summary background and actuarial insights on an issue, released as a rapid response to breaking news.

► **Comment Letters** — Sent to legislative and regulatory bodies, comment letters are official statements that provide specific input from an actuarial perspective on an issue.

### Public Policy Subscriptions

► **Academy Alerts** — Available only to members, these

electronic publications provide timely summaries of major legislative, regulatory, and judicial developments affecting actuaries. Beginning in January 2008, Alert subscriptions are free to all Academy members. Members may request free subscriptions to Alerts in five practice areas: health, life, pension, property/casualty insurance, and general insurance issues.

► **Manuals** — The Academy publishes two manuals that are available in a variety of media so that subscribers can choose the one that best meets their needs. Options include individual and group subscriptions for the manual on CD, on the web, or in a softcover book. The *Life and Health Valuation Law Manual* is designed to help appointed actuaries comply with the requirements of the NAIC model Standard Valuation Law and the Model Actuarial Opinion and Memorandum Regulation. The *Property/Casualty Loss Reserve Law Manual* is designed to help appointed actuaries comply with NAIC annual statement requirements for statements of actuarial opinion.

For more information on the manuals' content and to order, go to the Academy's website at [www.actuary.org](http://www.actuary.org), or contact Kasha Shelton (202-223-8196, [shelton@actuary.org](mailto:shelton@actuary.org)).



Peter Orszag is the head of the Congressional Budget Office and was the March 28 Spring Meeting's keynote speaker.

## Professionalism Publications

Several types of professionalism guidance are provided to Academy members, including the Qualification Standards, the Code of Professional Conduct, practice notes, and, through the Actuarial Standards Board, the actuarial standards of practice (ASOPs).

The *ASB Boxscore*, the ASB's quarterly newsletter, which updates the progress of individual standards through the exposure and approval process, is mailed to Academy members. Academy members also receive copies of *Contingencies* magazine, which includes a regular column entitled "Up to Code," which is written by ABCD members and highlights the ABCD's work and important professionalism issues.

## Academy Meetings

The Academy's annual meeting is held each fall. It includes a business meeting at which the new Academy president is installed, the election of new members of the Board of Directors, and the presentation of the Jarvis Farley Service Award. In past years, it has sometimes also included a continuing education component.

The Academy also presents two annual seminars:

► **The Life and Health Qualifications Seminar** is designed to help actuaries meet the eligibility requirements for issuing annual statement reserve opinions for life and health insurers. Held in November, the seminar also serves as a basic education refresher or a continuing education component for more experienced actuaries.

► **The "P/C Loss Reserve Opinions: Tools for the Appointed Actuary" seminar** is held in October. This one-day seminar informs preparers and signers of P/C loss reserve opinions about regulations, standards, new requirements, and what users of opinions want.

The Academy also works with other actuarial organizations to provide continuing education (CE) to members. For example, the Academy and the Casualty Actuarial Society jointly sponsor an annual seminar on casualty

reserve opinions, and the Academy and the Conference of Consulting Actuaries jointly sponsor the annual Enrolled Actuaries Meeting. Academy volunteers and staff are often presenters at meetings and seminars held by other actuarial organizations.

The Academy has also held numerous webcasts. These have included periodic updates on the Life Practice Council's principles-based project, as well as free professionalism webcasts designed to help actuaries prepare for the 2008 implementation of the revised Qualification Standards.

Other Academy meetings, seminars, and webcasts may be held from time to time. Academy members usually receive a significant discount on the registration fees for these events.

## Media Relations

The American Academy of Actuaries continues to develop proactive campaigns and programs, while fostering relationships with members of the media. The public affairs staff works with Academy volunteers to create campaigns to increase exposure of Academy work products and promote Academy sponsored-events. Using media relations tools such as news releases and media advisories as well as by hosting press events, Academy public policy publications gained national exposure throughout the past year via the national media and trade press.

Through the Academy's Official Spokesperson Program and Speakers Bureau, the Academy and its spokespersons met numerous reporter inquiries—providing valuable expertise and information. During the past year, both these proactive measures generated nearly 600 media placements and pickups for the Academy—including more than 50 placements in the top 100 newspapers in the United States by circulation and the inclusion of Academy spokespersons on various radio and television programs. A sample of programs includes the popular National Public Radio shows "Morning Edition" and "Marketplace."

The Academy also continues to employ

various strategies to clarify positions, provide accurate information, and set the record straight. These efforts serve to protect and/or enhance the Academy's public image. Working with leadership and volunteers and by using various public relations tactics such as letters to the editor and op-eds, the Academy's public affairs staff successfully placed commentaries in various publications during the past year, including *Investor's Business Daily*, *Pensions & Investments*, *Fort Worth Star-Telegram*, *The Bond Buyer*, and *BusinessWeek*.

Through all these activities, the Academy demonstrates its credibility as a source of independent and objective policy analysis. This allows the Academy to continue to develop and foster relationships with reporters and editors. To expand its reputation even further, the Academy also organizes media tours and various meetings with members of the press. The meetings allow the actuaries to display their broad expertise and become sources for future reports.

To view Academy news highlights, please visit the "Actuaries in the News" section of the Academy's online Newsroom.

## How to...

### **Pay your membership dues**

The Academy's online process provides several fast, user-friendly options for paying dues. Just go to [www.actuary.org/members/login.asp](http://www.actuary.org/members/login.asp) and follow the instructions to log in and pay online or to print out a copy of the invoice that you can mail or fax with your dues payment. If you prefer to send the dues by mail, send the invoice and your payment to Ms. Rachel Rusch, American Academy of Actuaries, 1100 17th Street NW, 7th floor, Washington, DC 20036.

If you have questions about your dues or your membership status, please contact Rachel Rusch ([Rusch@actuary.org](mailto:Rusch@actuary.org); 202-223-8196).

### **Verify your Academy membership for the Medicare Retiree Drug Subsidy Program**

Medicare's prescription drug program includes a subsidy for retiree drug plans whose benefits are actuarially equivalent to Medicare Part D benefits. Because the law requires that an actuary be a member of the Academy to make one of these actuarial attestations, the Academy worked with the Centers for Medicare and Medicaid Services to launch a simple online process that actuaries could use to send their Academy membership numbers and other membership information to the Medicare program.

If you do not know your Academy membership number, or if you need help verifying your membership, please contact Rachel Rusch ([Rusch@actuary.org](mailto:Rusch@actuary.org); 202-223-8196).

### **Volunteer for Academy projects**

Academy volunteers lead most of the Academy's public policy and professionalism efforts. Through their involvement in these efforts, actuaries serve the profession in a meaningful way, apply their actuarial expertise to important political questions, expand their professional network, become more knowledgeable about major legislative and regulatory trends that affect the profession, and gain a greater un-

derstanding of how government really works.

To learn about current and upcoming opportunities for volunteers at the Academy, please contact Kate Callahan (Callahan@actuary.org; 202-223-8196).

### **Change the address in your member record**

Academy members may use one of several methods to change their address, phone number, e-mail address, and similar information in their membership record. It's best to inform the Academy in a timely manner, so that issues of *Contingencies* and the *Actuarial Update*, or new ASB exposure drafts and other useful resources, don't get left behind.

➤ Online — The quickest way to change your membership listing is to log into the Academy website and follow the instructions for updating your member profile. Note: Your listing with other actuarial organizations will also need to be updated, and instructions for making those changes are provided.

➤ E-mail — Send an e-mail with the requested changes to Rachel Rusch at the Academy (Rusch@actuary.org).

➤ U.S mail — Send a letter with the requested changes, being sure to include a phone number and/or e-mail address so the Academy can contact you quickly if necessary. The letter should be addressed to: Ms. Rachel Rusch, American Academy of Actuaries, 1100 17th Street NW, 7th floor, Washington, DC 20036.

If you have questions about your member record or your membership status, please contact Rachel Rusch (Rusch@actuary.org; 202-223-8196).

### **Request a Missing Publication**

Contact Virginia Keene at the Academy and let her know which publications you need. If possible, please specify the month and year when the missing item was published.

Requests for missing publications may be mailed, e-mailed, or made by phone to Mrs. Virginia Keene (keene@actuary.org; 202-223-8196; American Academy of Actuaries, 1100 17th Street NW, 7th floor, Washington, DC 20036)

## Academy Staff



*Executive Director:* **Kevin Cronin**

*Executive Assistant:* **Tarita Leftwich**

## Communications



*Director:* **Steve Sullivan**

*Assistant Director for Public Affairs:* **Andrew Simonelli**

*Communications Assistant:* **Virginia Keene**

*Assistant Director for Publications and Senior Editor, Contingencies:* **Linda Mallon**

*Managing Editor for Internet and New Media:* **Anne Asplen**

*Managing Editor of Member Publications:* **Tim Dougherty**

*Marketing and Publications Production Manager:* **Cindy Johns**

## **Finance and Administration**



*Director: Joanne B. Anderson*

*Manager, HR and Office Operations: Gail Ingram*

*Senior Staff Accountant: Kathy Bland*

*Accounting Coordinator: Alberta Phillips*

*Human Resources Coordinator: Tireaka Peppers*

*Receptionist: Veora Riggins*

## **Legal and Professionalism**



*General Counsel and Director of Professionalism: Mary Downs*

*Senior Staff Attorney: Thomas Griffin*

*Assistant General Counsel: Sheila Kalkunte*

*Of Counsel: Kit Pardee*

*Legal Assistant: Rita Winkel*

### **ABCD**

*Senior Staff Attorney: Thomas Griffin*

*Assistant General Counsel: Sheila Kalkunte*

*Of Counsel: Kit Pardee*

*Legal Assistant: Rita Winkel*

### **ASB**

*General Counsel and Director of Professionalism: Mary Downs*

*ASB Program Manager: Joe Vallina*

*Standards Editor: Erica Kennedy*

*Editorial/Administrative Assistant: Doreen Evans*

## Membership Services



*Director:* Joseph Grimes

*Assistant Director, Technology:* Chris Cassidy

*Web Master:* Michael Roberts

*Assistant Director Membership Relations/Administration:* Rachel Rusch

*Membership Services Project Manager:* Kathleen Callahan

*Membership Database Administrator:* Mary McCracken

*Administrative Assistant:* Stephanie Blanding

*Meeting Planner and Executive Assistant:* Denise Winston

*Academy website:* [www.actuary.org](http://www.actuary.org)

*Staff e-mail addresses:* [last name]@actuary.org

*Telephone:* 202 223 8196

*Fax:* 202 872 1948

### **Membership Services**

Rachel Rusch

*Assistant Director of Membership Relations/Administration*

1100 Seventeenth Street, N.W.

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Washington, D.C. 20036

## Public Policy



*Director:* **Craig Hanna**

*Assistant Director of Public Policy:* **William Rapp**

*Senior Health Fellow:* **Cori Uccello**

*Senior Pension Fellow:* **Ron Gebhardtsbauer**

*Casualty Policy Analyst:* **Lauren Pachman**

*Senior Health Policy Analyst (Federal):* **Heather Jerbi**

*Health Policy Analyst (State):* **Geralyn Trujillo**

*Life Policy Analyst:* **Natalie Jones**

*Pension Policy Analyst:* **Sam Genson**

*Risk Management and Financial Reporting Policy Analyst:* **Tina Getachew**

*Administrative/Legislative Manager:* **Kasha Shelton**

*Legislative Assistant:* **Justin Edwards**

*Administrative Assistant:* **Phillip Hafler**

# The Actuarial Standards Board

**T**HE ACTUARIAL STANDARDS BOARD (ASB) was established on July 1, 1988, as an entity within the Academy. It operates independently in establishing standards with Academy staff support. The ASB has the sole authority to prescribe its own operating procedures; to establish committees, subcommittees, and task forces it may deem necessary in carrying out its assigned functions; and to appoint individuals to positions on such committees, subcommittees, and task forces. The operating committees report to the ASB and function under its direction. The ASB also has the authority to approve exposure of proposed Actuarial Standards of Practice (ASOPs) and hold public hearings on them, and to adopt recommended ASOPs.

The ASB is charged with the following:

- 1** to direct and manage the development of actuarial standards of practice by its operating committees in all areas of actuarial practice;
- 2** to expose, promulgate or adopt, and publish actuarial standards of practice, within its sole discretion and pursuant to such procedures as it deems appropriate, in all areas of actuarial practice; and
- 3** to provide continuous review of existing standards of practice and determine whether they are in need of amendment, alteration, expansion, or elimination.

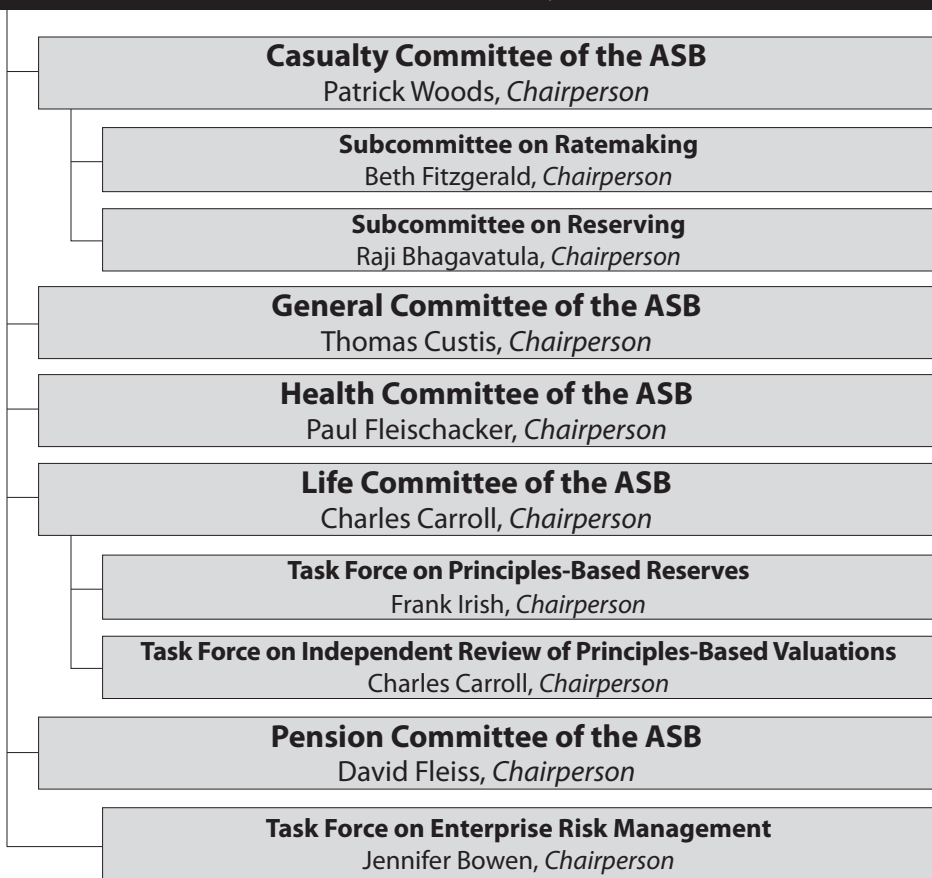
Since October 2006, the ASB has adopted seven new or revised ASOPs and repealed one ASOP.

The ASB has also moved to an all-electronic method of ASOP distribution, in order to increase efficiency and ensure a more streamlined member experience.

## Actuarial Standards Board

Stephen Kellison, *Chairperson*

Lawrence Sher, *Vice-Chairperson*   Godfrey Perrott, *Vice-Chairperson*



## Actuarial Standards Board

Stephen Kellison, *Chairperson*  
Lawrence Sher, *Vice-Chairperson*  
Godfrey Perrott, *Vice-Chairperson*  
Albert Beer  
Alan Ford  
Patrick Grannan  
David Kass  
Robert Meilander  
James Murphy  
Mary Downs, *Staff Liaison*  
Joe Vallina, *Staff Liaison*  
Erica Kennedy, *Staff Liaison*

### Casualty Committee of the ASB

Patrick Woods, *Chairperson*  
Steven Armstrong  
Raji Bhagavatula  
Beth Fitzgerald  
Bertram Horowitz  
Claus Metzner  
David Otto  
Alfred Weller  
Erica Kennedy, *Staff Liaison*

### **Subcommittee on Ratemaking**

Beth Fitzgerald, *Chairperson*  
Gregory Hayward  
Marc Pearl  
Jonathan White  
Patrick Woods  
Erica Kennedy, *Staff Liaison*

### **Subcommittee on Reserving**

Raji Bhagavatula, *Chairperson*  
Ralph Blanchard  
Kris Defrain  
Daniel Lyons  
Richard Marcks  
Kevin McAllister  
Mary Frances Miller  
Chandrakant Patel  
David Powell  
Jason Russ  
Erica Kennedy, *Staff Liaison*

### **General Committee of the ASB**

In accordance with the procedures of the ASB, this committee develops actuarial standards of practice that apply to actuaries in all practice areas.

Thomas Custis, *Chairperson*  
Michael Abroe  
Charles Bryan  
Peter Hendee  
Eric Lofgren  
William Schreiner  
Chester Szczepanski  
Joe Vallina, *Staff Liaison*

### **Health Committee of the ASB**

In accordance with the procedures of the ASB, this committee develops actuarial standards of practice that apply to actuaries in the health insurance area.

Paul Fleischacker, *Chairperson*  
Michael Abroe  
Gary Brace  
Robert Cosway  
James Gutterman  
John Lloyd  
Cindy Miller  
Nancy Nelson  
Erica Kennedy, *Staff Liaison*

### **Life Committee of the ASB**

In accordance with the procedures of the ASB, this committee develops actuarial standards of practice that apply to actuaries in life insurance area.

Charles Carroll, *Chairperson*  
Jeremy Brown  
Michael Cioffi  
Dale Hagstrom  
Esther Milnes  
David Rogers  
Erica Kennedy, *Staff Liaison*

### **Task Force on Principles-Based Reserves**

Frank Irish, *Chairperson*  
Arnold Dicke  
Allan Ryan  
Esther Milnes  
Robert Stein  
Michael Streck  
Erica Kennedy, *Staff Liaison*

### **Task Force on Independent Review of Principles-Based Valuations**

Charles Carroll, *Chairperson*  
Jeremy Brown  
Frank Irish  
Jacqueline Keating  
John Morris  
Erica Kennedy, *Staff Liaison*

### **Pension Committee of the ASB**

In accordance with procedures of the ASB, this committee develops actuarial standards of practice in the pension area.

David Fleiss, *Chairperson*  
Mita Drazilov  
David Friedlander  
Peter Gutman  
A. Donald Morgan  
Timothy Ryor  
Frank Todisco  
Joe Vallina, *Staff Liaison*

### **Task Force on Enterprise Risk Management**

Jennifer Bowen, *Chairperson*  
Joe Vallina, *Staff Liaison*

# Actuarial Board for Counseling and Discipline

**T**HE ACTUARIAL BOARD FOR COUNSELING AND DISCIPLINE (ABCD) was formed to serve the five U.S.-based organizations representing actuaries. The ABCD considers complaints and questions concerning possible violations of the Code of Professional Conduct. In addition, the ABCD responds to inquiries by actuaries concerning their professional conduct and, when requested to do so, provides guidance in professional matters.

Organizations served by the ABCD include the Academy, the American Society of Pension Professionals and Actuaries, the Casualty Actuarial Society, the Conference of Consulting Actuaries, and the Society of Actuaries. The ABCD also serves the Canadian Institute of Actuaries relative to practice by its members in the United States.

The ABCD's members represent all main areas of actuarial practice and all U.S. organizations representing actuaries. ABCD members are appointed by a selection committee composed of the presidents and presidents-elect of the U.S. organizations.

The ABCD was established effective Jan. 1, 1992, as an entity within the Academy with Academy staff support.

Upon delegation of appropriate authority from a participating actuarial organization and acceptance of that delegation by the ABCD, the ABCD is authorized:

**1** To consider all complaints or information suggesting possible violations of applicable Code(s) of Professional Conduct and all questions that may arise as to the conduct of a member of a participating actuarial organization in the member's

relationship to the organization or its members, or in the member's professional practice, or affecting the interests of the actuarial profession;

**2** To counsel actuaries concerning their professional activities related to applicable Code(s) of Professional Conduct in situations where the ABCD deems counseling appropriate;

**3** To recommend a disciplinary action with respect to an actuary to any participating organization of which that actuary is a member;

**4** To respond to requests for guidance regarding professionalism from members of the participating organizations;

**5** To mediate issues between members of participating actuarial organizations, or between such members and the public, for the purpose of informally resolving issues concerning the professional conduct of such members.

## Actuarial Board for Counseling and Discipline

Lawrence Johansen, *Chairperson*

William Falk, *Vice-Chairperson*

Jack Turnquist, *Vice-Chairperson*

Linda Bell

Julia Philips

Kurt Piper

Richard Robertson

Carol Sears

Michael Toothmann

*Thomas Griffin, Staff Liaison*

# Professionalism Standards and Code of Conduct

## Professionalism

**T**HERE ARE THREE TYPES OF PROFESSIONAL STANDARDS: the Code of Professional Conduct, which provides ethical guidance for professional practice; the Qualification Standards, which provide basic education and experience and continuing education qualifications for actuaries practicing in the United States; and Actuarial Standards of Practice, which guide actuaries in how to do work. The Actuarial Board for Counseling and Discipline provides advice and guidance to actuaries and investigates actuaries if qualifications, practice standards, or ethical requirements have not been met.

### Actuarial Standards and Guidance

	<b>Professional and Ethical Requirements</b>	<b>Qualifications (Basic Education and Experience and Continuing Education to Do Work)</b>	<b>How to Do Work</b>	<b>Advice/ Guidance/ Investigation</b>
<b>Specific Guidance</b>	Code of Professional Conduct	General and specific qualification standards for “Statements of Actuarial Opinions”	Actuarial Standards of Practice	Counseling and investigation on qualifications, actuarial standards, and ethics
<b>Provider</b>	Academy Board of Directors (adopted by all five U.S. actuarial organizations)	Academy Committee on Qualifications	Actuarial Standards Board	Actuarial Board for Counseling and Discipline

## Professional Standards

This table displays the array of professional standards and activities. Unless otherwise noted, applicable materials are included in the actuarial standards handbooks.

	<b>Code of Professional Conduct</b>	<b>General Qualifications Standards</b>	<b>Specific Qualification Standards</b>	<b>Continuing Education Requirements</b>
<b>Developing Committee</b>	Joint Committee on Code of Professional Conduct	Committee on Qualifications	Committee on Qualifications	Committee on Qualifications
<b>Published Guidance</b>	Code of Professional Conduct* booklet	Qualification Standards* booklet	Qualification Standards* booklet	Qualification Standards* booklet
<b>Guidance for</b>	Individual actuary	Those qualified to issue "Statements of Actuarial Opinion" [FN1]	Those qualified to issue "Statements of Actuarial Opinion"	Retention of the actuary's qualification to give "Statements of Actuarial Opinion"
<b>Practice Areas Covered</b>	All four major practice areas: • Life • Health • Pension • Casualty * Emerging	All major practice areas: • Life • Health • Pension • Casualty * Emerging	NAIC Annual Statement Opinions for • Life and A&H • Property and Casualty • Health	All "Statements of Actuarial Opinion" issued in the United States

	<b>Standards of Practice</b>	<b>Compliance Guidelines</b>	<b>Counseling and Discipline</b>
<b>Developing Committee</b>	Actuarial Standards Board	Actuarial Standards Board	Actuarial Board for Counseling and Discipline
<b>Published Guidance</b>	Standards of Practice	Actuarial Compliance Guidelines	Academy Bylaws (Procedural guidelines have been separately issued)
<b>Guidance for</b>	Range of procedures for day-to-day work: actuary's own methods	Day-to-day work: non authoritative	Compliance with ethics, Qualifications Standards, and Actuarial Standards of Practice
<b>Practice Areas Covered</b>	Practice area described in the Standard	Practice area described in the guideline	All four major practice areas: • Life • Health • Pension • Casualty

\*as may be amended from time to time.

FN1 – "Statement of Actuarial Opinion" is defined in the Qualification Standards effective as of January 1, 2008 as "an opinion expressed by an actuary in the course of performing 'Actuarial Services' and intended by that actuary to be relied upon by the person or organization to which the opinion is addressed. The term "Actuarial Services" is defined as "Professional services provided to a Principal (client or employer) by an individual acting in the capacity of an actuary. Such services include the rendering of advice, recommendations, findings, or opinions based upon actuarial considerations."

# Code of Professional Conduct

**E**FFECTIVE JANUARY 1, 2001, the five U.S.-based actuarial organizations adopted this Code of Professional Conduct. It was adopted by the Board of Directors of the American Academy of Actuaries on September 28, 2000, and applies to all members.

The Code of Professional Conduct sets forth what it means for an actuary to act as a professional. It identifies the responsibilities that actuaries have to the public, to their clients and employers, and to the actuarial profession.

The Board of the American Academy of Actuaries thanks the Joint Committee on the Code of Professional Conduct for their hard work and perseverance in drafting the Code and obtaining the approval of all five organizations' boards.

## Code of Professional Conduct

The purpose of this Code of Professional Conduct ("Code") is to require Actuaries to adhere to the high standards of conduct, practice, and qualifications of the actuarial profession, thereby supporting the actuarial profession in fulfilling its responsibility to the public. An Actuary shall comply with the Code. An Actuary who commits a material violation of the provisions of the Code shall be subject to the profession's counseling and discipline procedures.

The Precepts of the Code identify the professional and ethical standards with which an Actuary must comply in order to fulfill the Actuary's responsibility to the public and to the actuarial profession. The Annotations provide additional explanatory, educational, and advisory material on how the Precepts are to be interpreted and applied.

In addition to this Code, an Actuary is subject to applicable rules of professional conduct or ethical standards that have been promulgated by a Recognized Actuarial Organization for the jurisdictions in which the Actuary renders Actuarial Services. Actuarial Services are considered to be rendered in the jurisdictions

in which the Actuary intends them to be used unless specified otherwise by an agreement between a Recognized Actuarial Organization for any such jurisdiction and the organizations that have adopted the Code.

Laws may also impose obligations upon an Actuary. Where requirements of Law conflict with the Code, the requirements of Law shall take precedence.

An Actuary must be familiar with, and keep current with, not only the Code, but also applicable Law and rules of professional conduct for the jurisdictions in which the Actuary renders Actuarial Services. An Actuary is responsible for securing translations of such Laws or rules of conduct as may be necessary.

## Definitions:

As used throughout the Code, the following terms are capitalized and have the meanings indicated:

- **Actuarial Communication:** A written, electronic, or oral communication issued by an Actuary with respect to Actuarial Services.
- **Actuarial Services:** Professional Services provided to a Principal by an individual acting in the capacity of an actuary. Such services include the rendering of advice, recommendations, findings, or opinions based upon actuarial considerations.
- **Actuary:** An individual who has been admitted to a class of membership to which the Code applies by action of any organization having adopted the Code. When the term "actuary" is used without being capitalized, it refers to any individual practicing as an actuary, regardless of organizational membership or classification.
- **Confidential Information:** Information not in the public domain of which an Actuary becomes aware as a result of providing Actuarial Services to a Principal. It includes information of a proprietary nature and information that is legally restricted from circulation.

► **Law:** Statutes, regulations, judicial decisions, and other statements having legally binding authority.

► **Principal:** A client or employer of the Actuary.

► **Recognized Actuarial Organization:** An organization that has been accepted for full membership in the International Actuarial Association or a standards-setting, counseling, or discipline body to which authority has been delegated by such an organization.

## Professional Integrity

**PRECEPT 1.** An Actuary shall act honestly, with integrity and competence, and in a manner to fulfill the profession's responsibility to the public and to uphold the reputation of the actuarial profession.

**ANNOTATION 1-1.** An Actuary shall perform Actuarial Services with skill and care.

**ANNOTATION 1-2.** An Actuary shall not provide Actuarial Services for any Principal if the Actuary has reason to believe that such services may be used to violate or evade the Law or in a manner that would be detrimental to the reputation of the actuarial profession.

**ANNOTATION 1-3.** An Actuary shall not use a relationship with a third party or with a present or prospective Principal to attempt to obtain illegal or materially improper treatment from one such party on behalf of the other party.

**ANNOTATION 1-4.** An Actuary shall not engage in any professional conduct involving dishonesty, fraud, deceit, or misrepresentation or commit any act that reflects adversely on the actuarial profession.

## Qualification Standards

**PRECEPT 2.** An Actuary shall perform Actuarial Services only when the Actuary is qualified to do so on the basis of basic and continuing education and experience, and only when the Actuary satisfies applicable qualification standards.

**ANNOTATION 2-1.** It is the professional responsibility of an Actuary to observe applicable qualification standards that have been promulgated by a Recognized Actuarial Organization for the jurisdictions in which the Actuary renders Actuarial Services and to keep current regarding changes in these standards.

**ANNOTATION 2-2.** The absence of applicable qualification standards for a particular type of assignment or for the jurisdictions in which an Actuary renders Actuarial Services does not relieve the Actuary of the responsibility to perform such Actuarial Services only when qualified to do so in accordance with this Precept.

## Standards of Practice

**PRECEPT 3.** An Actuary shall ensure that Actuarial Services performed by or under the direction of the Actuary satisfy applicable standards of practice.

**ANNOTATION 3-1.** It is the professional responsibility of an Actuary to observe applicable standards of practice that have been promulgated by a Recognized Actuarial Organization for the jurisdictions in which the Actuary renders Actuarial Services, and to keep current regarding changes in these standards.

**ANNOTATION 3-2.** Where a question arises with regard to the applicability of a standard of practice, or where no applicable standard exists, an Actuary shall utilize professional judgment, taking into account generally accepted actuarial principles and practices.

**ANNOTATION 3-3.** When an Actuary uses procedures that depart materially from those set forth in an applicable standard of practice, the Actuary must be prepared to justify the use of such procedures.

## Communications and Disclosure

**PRECEPT 4.** An Actuary who issues an Actuarial Communication shall take appropriate steps to ensure that the Actuarial Communication is clear and appropriate to the circum-

stances and its intended audience, and satisfies applicable standards of practice.

**ANNOTATION 4-1.** An Actuary who issues an Actuarial Communication shall ensure that the Actuarial Communication clearly identifies the Actuary as being responsible for it.

**ANNOTATION 4-2.** An Actuary who issues an Actuarial Communication should indicate the extent to which the Actuary or other sources are available to provide supplementary information and explanation.

**PRECEPT 5.** An Actuary who issues an Actuarial Communication shall, as appropriate, identify the Principal(s) for whom the Actuarial Communication is issued and describe the capacity in which the Actuary serves.

**PRECEPT 6.** An Actuary shall make appropriate and timely disclosure to a present or prospective Principal of the sources of all direct and indirect material compensation that the Actuary or the Actuary's firm has received, or may receive, from another party in relation to an assignment for which the Actuary has provided, or will provide, Actuarial Services for that Principal. The disclosure of sources of material compensation that the Actuary's firm has received, or may receive, is limited to those sources known to, or reasonably ascertainable by, the Actuary.

**ANNOTATION 6-1.** An Actuary who is not financially and organizationally independent concerning any matter related to the performance of Actuarial Services should disclose to the Principal any pertinent relationship that is not apparent.

**ANNOTATION 6-2.** An Actuary employed by a firm that operates in multiple locations is subject to the requirement of disclosure of sources of compensation that the Actuary's firm may receive in relation to Actuarial Services with respect to a specific assignment for that Principal, regardless of the location in which such compensation is received.

## Conflict of Interest

**PRECEPT 7.** An Actuary shall not knowingly perform Actuarial Services involving an actual or potential conflict of interest unless:

- A** the Actuary's ability to act fairly is unimpaired;
- B** there has been disclosure of the conflict to all present and known prospective Principals whose interests would be affected by the conflict; and
- C** all such Principals have expressly agreed to the performance of the Actuarial Services by the Actuary.

## Control of Work Product

**PRECEPT 8.** An Actuary who performs Actuarial Services shall take reasonable steps to ensure that such services are not used to mislead other parties.

**ANNOTATION 8-1.** An Actuarial Communication prepared by an Actuary may be used by another party in a way that may influence the actions of a third party. The Actuary should recognize the risks of misquotation, misinterpretation, or other misuse of the Actuarial Communication and should therefore take reasonable steps to present the Actuarial Communication clearly and fairly and to include, as appropriate, limitations on the distribution and utilization of the Actuarial Communication.

## Confidentiality

**PRECEPT 9.** An Actuary shall not disclose to another party any Confidential Information unless authorized to do so by the Principal or required to do so by Law.

## Courtesy and Cooperation

**PRECEPT 10.** An Actuary shall perform Actuarial Services with courtesy and professional respect and shall cooperate with others in the Principal's interest.

**ANNOTATION 10-1.** Differences of opinion among actuaries may arise, particularly in choices of assumptions and methods.

Discussions of such differences between an Actuary and another actuary, or in observations made by an Actuary to a Principal on the work of another actuary, should be conducted objectively and with courtesy and respect.

**ANNOTATION 10-2.** A Principal has an indisputable right to choose a professional advisor. An Actuary may provide service to any Principal who requests it, even though such Principal is being or has been served by another actuary in the same matter.

**ANNOTATION 10-3.** An Actuary in the course of an engagement or employment may encounter a situation such that the best interest of the Principal would be served by the Actuary's setting out an alternative opinion to one expressed by another actuary, together with an explanation of the factors that lend support to the alternative opinion. Nothing in the Code should be construed as preventing the Actuary from expressing such an alternative opinion to the Principal.

**ANNOTATION 10-4.** An Actuary may be requested to advise a Principal for whom the Actuary knows or has reasonable grounds to believe that another actuary has provided, or is providing, Actuarial Services with respect to the same matter. In such event, the Actuary may choose to consult with such other actuary both to prepare adequately for the assignment and to make an informed judgment as to whether there are circumstances involving a potential violation of the Code that might affect acceptance of the assignment. The Actuary should request the Principal's consent prior to such consultation.

**ANNOTATION 10-5.** When a Principal has given consent for a new or additional actuary to consult with an Actuary with respect to a matter for which the Actuary is providing or has provided Actuarial Services, the Actuary shall cooperate in furnishing relevant information, subject to receiving reasonable compensation for the work required to assemble and transmit pertinent data and documents. The Actuary shall not refuse to

consult or cooperate with the prospective new or additional actuary based upon unresolved compensation issues with the Principal unless such refusal is in accordance with a pre-existing agreement with the Principal. The Actuary need not provide any items of a proprietary nature, such as internal communications or computer programs.

## Advertising

**PRECEPT 11.** An Actuary shall not engage in any advertising or business solicitation activities with respect to Actuarial Services that the Actuary knows or should know are false or misleading.

**ANNOTATION 11-1.** Advertising and business solicitation activities encompass all communications by whatever medium, including oral communications, that may directly or indirectly influence any person or organization in deciding whether there is a need for Actuarial Services or in selecting a specific Actuary or firm to perform Actuarial Services.

## Titles and Designations

**PRECEPT 12.** An Actuary shall make use of membership titles and designations of a Recognized Actuarial Organization only in a manner that conforms to the practices authorized by that organization.

**ANNOTATION 12-1.** "Title" refers to any title conferred by a Recognized Actuarial Organization related to a specific position within that organization. "Designation" refers to a specific reference to membership status within such organization.

## Violations of the Code of Professional Conduct

**PRECEPT 13.** An Actuary with knowledge of an apparent, unresolved, material violation of the Code by another Actuary should consider discussing the situation with the other Actuary and attempt to resolve the apparent violation. If such discussion is not attempted or is not successful, the Actuary shall disclose such vio-

lation to the appropriate counseling and discipline body of the profession, except where the disclosure would be contrary to Law or would divulge Confidential Information.

**ANNOTATION 13-1.** A violation of the Code is deemed to be material if it is important or affects the outcome of a situation, as opposed to a violation that is trivial, does not affect an outcome, or is one merely of form.

**ANNOTATION 13-2.** An Actuary is not expected to discuss an apparent, unresolved material violation of the Code with the other Actuary if either Actuary is prohibited by Law from doing so or is acting in an adversarial environment involving the other Actuary.

**PRECEPT 14.** An Actuary shall respond promptly, truthfully, and fully to any request for information by, and cooperate fully with, an appropriate counseling and disciplinary body of the profession in connection with any disciplinary, counseling, or other proceeding of such body relating to the Code. The Actuary's responsibility to respond shall be subject to applicable restrictions on Confidential Information and those imposed by Law.

# 2008 Membership Statistics

## Academy Membership

Membership as of November 30, 2006..... 15,130

Membership as of November 30, 2007..... 15,778

## Academy Membership by Employment

(As of November 30, 2007)

Employment	2005	2006	2007
Insurance and related organizations	7,172	7,149	7,688
Consulting practice	5,252	5,257	5,100
Government	266	268	268
Academic institutions	52	50	52
Other	692	716	688
Retired and over 70	1,342	1,306	1,635
Unaffiliated	227	384	347
<b>Total</b>	<b>15,003</b>	<b>15,130</b>	<b>15,778</b>

## Membership by Practice Area 2007\*

Casualty.....2,851  
 Health.....2,906  
 Life.....3,340  
 Pension .....3,325  
 Risk Management and Financial Reporting .....989  
**Total .....13,411**

\*Not all members indicated a practice area



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