

Academy, Canadian Institute of Actuaries to Co-Sponsor Webinars Beginning in Jan.

THE ACADEMY AND THE CANADIAN Institute of Actuaries (CIA) will jointly produce a [series of webinars](#) providing an overview of each organization's role as the national professional body in their respective countries. The first webinar in the series will be held on Jan. 17 at noon EST. Registration is available on the [CIA website](#).

The Academy and the CIA were each established in the same year, 1965, and for similar purposes—to establish accreditation of actuaries by a national, country-specific body that would house their actuarial profession's respective standard-setting and discipline bodies. There have been several major collaborations between the organizations over the years, and this strategic partnership will further leverage synergies, strengthen and expand educational opportunities

for their members, pool resources and ideas, and facilitate additional linkages between the two national actuarial associations.



“The Academy and the CIA have a special, historical bond. We have similar origins and continue our role as the national organizations that establish the basis for accreditation across all actuarial practice areas and serve as the voices of the actuarial profession to public policymakers,” said Academy President Steve Alpert. “We’re delighted to be working with the CIA to provide this series of webinars about our

organizations’ professionalism and public policy roles.”

Future webinars will be posted on the Academy’s online [events calendar](#). Members will receive advance email notification when registration opens for these webinars. ▲

Professionalism Webinar on ABCD Ethical Cases Draws More Than 2,300 Attendees

THE FINAL professionalism webinar of 2017 delivered a topic that many members have long requested—case studies and examples of professionalism issues that have come before the Actuarial Board for Counseling and Discipline (ABCD). “[Tales From The Dark Side: Ethical Cases at the ABCD](#)” featured ABCD members Godfrey Perrott and David Driscoll, who drew upon staples of popular culture to provide entertaining and enlightening examples of such issues. More than 2,300 people attended the Dec. 20 webinar, which was moderated by Academy General Counsel and Director of Professionalism Paul Kollmer-Dorsey.

“The takeaway that we want to leave you with is the necessity of maintaining your reputation as a professional at all times, and upholding the dignity of the profes-



sion,” Driscoll said, citing investor Warren Buffett’s adage that it takes 20 years to build a reputation, and 5 minutes to ruin it.

After offering an overview of the ABCD and its request for guidance (RFG) process, Perrott and Driscoll

launched into several scenarios, one of which featured “Meathead,” an actuary filing rates in the fictitious State of Fredonia, which hired “Bunker,” an actuary with “Archie’s Opinionated Actuaries,” to review a

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APRIL

- 8–11 [Enrolled Actuaries Meeting](#), Washington, D.C.

NOVEMBER

- 1–2 Annual Meeting and Public Policy Forum, Washington, D.C.

For a list of all previous and upcoming Academy events, please visit the Academy's online [Events Calendar](#).



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

Academy NEWS Briefs

Recently Released

THE WINTER [StateScan Quarterly](#) highlights state legislation in the past quarter related to auto insurance, health insurance marketplace changes, pension plans, principle-based reserving, and more. For a comprehensive review, log in to [StateScan](#), the legislative and regulatory portal free for Academy members.

The latest [Enrolled Actuaries Report](#) features coverage of pension sessions at the Academy's Annual Meeting and Public Policy Forum; the Academy's recently released lifetime income position statement; the Pension Committee-hosted webinar on lump-sum benefits valuation; and the Multiemployer Plans Committee's comments to the Pension Benefit Guaranty Corporation.

The December [HealthCheck](#) covers Academy letters to congressional leaders on the consequences of potential changes to the Affordable Care Act; Academy health presentations at the NAIC's Fall 2017 National Meeting in Honolulu; and issue briefs by the Health Practice International Committee and the Health Care Delivery Committee's Comparative Effectiveness Work Group.

The winter [Retirement Account](#) covers recent Academy activity including the issue



brief on state-based retirement initiatives, the lifetime income position statement, and the new *Essential Elements* report on tax treatment of pensions, as well as regulatory outreach and legislative and regulatory activity.

The latest [PBA Perspectives](#) covers principle-based reserving (PBR) activity from the NAIC's Fall 2017 National Meeting, including the NAIC's PBR Implementation Task Force agreeing to disband, along with the PBR Review Working Group and the PBR Review Procedures Subgroup. Also covered are the NAIC's Life Actuarial Task Force and Financial Condition Committee taking on new tasks related to PBR, Life Practice Council updates at the NAIC meeting, and states' progress on PBR implementation. ▲

2018 Life and Health Valuation Law Manual Available

BE AMONG THE FIRST TO HAVE the 2018 [Life and Health Valuation Law Manual](#). Available for delivery in January, the manual is designed to help appointed actuaries know the requirements of the NAIC model Standard Valuation Law and the Model Actuarial Opinion and Memorandum Regulation. The manual is available in online and CD-ROM versions, allowing you to order the format that best meets your needs. [Order your copy today.](#) ▲

Academy Dues Reminder

Academy dues are due Jan. 1 of each year. If you have not yet done so, [please log in](#) to pay your dues, print your invoice, or update your user profile. Highlights of the Academy's mission-critical work this year are noted in the annual ["The Meaning of Your Membership"](#) report outlining our member resources and professionalism and public policy activities.

Academy NEWS

Academy Presents at NAIC Fall Meeting

ACADEMY VOLUNTEERS AND REPRESENTATIVES gave several presentations on policy and professionalism issues at the NAIC Fall 2017 National Meeting, Dec. 2–4

in Honolulu. A wide range of public policy topics across the Academy's practice areas were covered, including principle-based reserving (PBR) for life insurance and other products,

developments in health care reform, long-term care insurance, and the "qualified actuary" initiative.

Academy representatives also made several professionalism presentations. Past President Mary D. Miller gave updates to NAIC's life, health, and casualty task forces. Actuarial Board for Counseling and Discipline member Janet Carstens participated in some of those updates, and in the Academy's Dec. 3 regulator-only professionalism breakfast and discussion

forum, with Actuarial Standards Board Chairperson Maryellen Coggins participating via conference call about the Academy's professionalism activities.

Post-NAIC Webinars: Mark your calendar for the Academy's post-NAIC webinar recapping the meeting—the [life webinar](#) will be held on Wednesday, Jan. 10, from noon to 1:30 p.m. EST. The P/C webinar will be held soon following; details will be released in early January.

Following are highlights of the Academy's presentations and activities; see the Academy's [post-NAIC alert](#) for a full wrap-up of the meeting.

- ▲ Mary Bahna-Nolan, chairperson of the Academy's Life Experience Committee and the Society of Actuaries Preferred Mortality Oversight Group, [presented an update](#) on guaranteed issue and simplified issue mortality, and an [update on accelerated underwriting](#).
- ▲ Dave Neve, vice president, life, gave an update on [mortality aggregate experience](#) questions.
- ▲ Arnold Dicke, chairperson of the Role of the Actuary Subgroup, [provided an update](#) on use of the term "qualified actuary" in the Valuation Manual.
- ▲ Donna Claire, chairperson of the PBR Governance Work Group, [provided an update](#) on PBR resources. ▲



National Association of Insurance Commissioners

Issue Brief Looks at Retirement and Tax Policy

THE ACADEMY RELEASED AN [issue brief](#) on Dec. 28, *The Role of Tax Policy in Promoting Retirement Security*, that looks at the implications on retirement of the [Tax Cuts and Jobs Act](#) that was passed by Congress and signed into law by the president just before Christmas.

The issue brief notes that while the new law does not change the taxation of retirement savings, it has raised the profile of retirement security in the United States.

Many tax provisions affecting retirement plans and savings do not actually increase or decrease tax revenues over the long run, and when considering changes to retirement provisions in the tax code, the impact on retirement security should be assessed. Factors to consider include the impact on participation rates, availability of plans, savings rates, retention of savings, and overall retirement security.

Some key considerations for Americans' retirement security include:

- ▲ Overall participation rates;
- ▲ Prevalence of employer-sponsored retirement plans;
- ▲ Employer and employee contributions;
- ▲ Leakage—when employees leave plans; and
- ▲ The effects on low and middle-income workers. ▲



IN THE NEWS

A [CBS News](#) story on the [tax reform bill](#) that cleared Congress in late December—and was signed into law by President Trump on Dec. 22—cited the Academy in the context of the law's removal of the individual mandate from the Affordable Care Act (ACA).

More than 100 media outlets—including [CNN Money](#), [Los Angeles Times](#), [Health-Payer Intelligence](#), [Washington Examiner](#), [Baltimore Sun](#), and [InsuranceNewsNet](#)—reported on the Academy's [Dec. 12 letter](#) to the U.S. House and Senate providing comments on the potential consequences of eliminating the ACA's individual mandate under the *Tax Cuts and Jobs Act*. The Center on Budget and Policy Priorities issued a [press release](#) also citing the letter. [Health Exec](#) cited the Health Practice Council's (HPC) [Nov. 21 letter](#) to the Senate providing similar comments.

In a [Bloomberg BNA](#) story, Senior Health Fellow Cori Uccello discussed how the ACA's individual mandate is an important piece of the law's approach to a sustainable individual market. Uccello's remarks from the interview also were cited in a separate [Bloomberg BNA](#) story discussing the impact of repealing the mandate.

Andy Slavitt, former acting administrator of the Centers for Medicare & Medicaid Services and a keynote speaker at the

Academy's 2016 Annual Meeting and Public Policy Forum, cited an [HPC letter](#) to Congress in a [USA Today](#) opinion piece that was reprinted by more than 85 media outlets.

Uccello's comments on the potential consequences of eliminating the ACA's individual mandate were cited by [HealthDay](#) story that was reprinted by numerous media outlets including [U.S. News & World Report](#), [Doctors Lounge](#), [HealingWell.com](#), [Health On the Net Foundation](#), [Health.com](#), and [Philly.com](#).

A [Center on Budget and Policy Priorities](#) report cited the HPC's [Nov. 7 letter](#) to the U.S. Department of Health and Human Services and the Labor and Treasury departments on President Trump's Oct. 12 health care [executive order](#), citing the HPC's analysis of risk pooling in the individual market. The letter was also cited by the [Georgetown University Health Policy Institute Center on Health Insurance Reforms](#). The Center on Budget and Policy Priorities also cited the Academy's [Nov. 21 letter](#) to the U.S. Senate, in a health [blog post](#).

A [Healthcare Dive](#) story cited the Individual and Small Group Markets Committee's [issue brief](#) on association health plans.

Accounting firm [Brown Smith Wallace](#) cited the Individual and Small Group Markets Committee's health care

[issue brief](#) on association health plans in a story discussing the potential impact of the Oct. 12 executive order.

[Time](#) magazine published a story covering the Academy's jointly published international survey on [retirement readiness](#).

A [Risk & Insurance](#) story on reauthorization of the National Flood Insurance Program quoted Rade Musulin, the Academy's vice president, casualty.

A [CBS News](#) story on California's wildfires this month cited the Academy's jointly sponsored [Actuaries Climate Index](#) (ACI) as an objective standard of measurement on extreme climate events. A blog post from the [Insurance Information Institute](#) cited the latest quarterly results of the ACI.

[Fierce Healthcare](#) cited the Risk Sharing Subcommittee and Premium Review Work Group's [comment letter](#) to the Department of Health and Human Services on the proposed rule for 2019 benefit and payment parameters.

[Pacific Standard](#) magazine cited the Academy's findings from a 2015 [issue brief](#) on major drivers of 2016 premium changes. ▲



PROFESSIONALISM NEWS

ASB Approves Second Exposure Draft of Capital Adequacy ASOP

THE ACTUARIAL STANDARDS BOARD approved a second exposure draft of a proposed new actuarial standard of practice (ASOP), [Capital Adequacy Assessment for Insurers](#). The proposed ASOP will apply to actuaries involved in capital adequacy assessment work for life or health insurers, including fraternal benefit societies and health benefit plans; property and casualty insurers; mortgage and title insurers; financial guaranty insurance companies; risk retention groups; public entity pools; captive insurers; and similar entities or a combination of such entities, when affiliated. Instructions on how to comment are in the exposure draft; the [deadline for comments](#) is March 1, 2018. ▲



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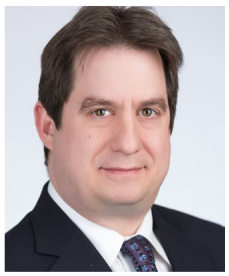
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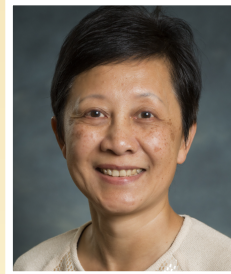
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AMERICAN ACADEMY of ACTUARIES

Objective. Independent. Effective.™

If You Get That Call

BY RICHARD A. BLOCK

Chairperson, Actuarial Board for Counseling and Discipline

HUMORIST WILL ROGERS WAS probably not thinking about the [Code of Professional Conduct](#) or the U.S. actuarial profession when he said: “If you find yourself in a hole, stop digging.” Yet, this tongue-in-cheek advice best summarizes what an actuary should do if the actuary becomes the subject of an inquiry by the Actuarial Board for Counseling and Discipline (ABCD). And the best way to “stop digging” is to comply with [Precept 14](#) of the Code, which requires the actuary to cooperate with the ABCD.

The U.S. actuarial profession is self-regulated. The only reliable means to preserve that status is to ensure that self-regulation is effective and that the Code and standards of qualification and practice are enforced. This is why Precept 13 makes every actuary who becomes aware of an apparent, unresolved, material violation of the Code a “cop on the beat” and why Precept 14 has an appropriately sweeping scope.

Precept 14 states: “An Actuary shall respond promptly, truthfully, and fully to any request for information by, and cooperate fully with [the ABCD] in connection with any disciplinary, counseling, or other proceeding ... relating to the Code.”

The only exceptions to the actuary’s responsibility to respond are narrow ones, arising from the confidentiality of information or legal prohibition.

If you get that call, as a subject actuary, the Code requires you to cooperate with the ABCD at each stage of the inquiry. First, the ABCD will send you a copy of the complaint, which can be lodged by a third party or by the ABCD itself, and request your response. The ABCD approaches each complaint with an open mind. The subject actuary’s response should address the issues raised in the complaint in a professional manner. After the subject actuary responds to the complaint, the ABCD’s chair and vice-chairs will review the complaint and the subject actuary’s response.

This initial review, may result in the chairs dismissing the complaint, offering mediation, or appointing an investigator. If the ABCD decides to investigate further, as the subject actuary you will be expected to cooperate with the ABCD’s investigator by providing any non-confidential information the investigator may request. Once the investigation is complete, the ABCD decides whether to dismiss the complaint, offer mediation, provide counseling, or proceed with a fact-finding hearing. In any case, Precept



14 requires your continued prompt, truthful, and complete cooperation until the inquiry is resolved.

As a subject actuary, you are likely to be asked to provide documentation of your qualifications, including your compliance with continuing education requirements. [Section 6.2](#) of the U.S. Qualification Standards states that an actuary “should be prepared to provide evidence of compliance with the Qualification Standards, including certificates of attendance (if any), meeting outlines or handouts, and notes related to ‘other activities,’ when requested by [the ABCD] in connection with a disciplinary, counseling, or other proceeding....”

If you get that call, there are some other good reasons why you should “stop digging” and cooperate with the ABCD. You may be able to resolve the complaint by providing information to show that no material violation of the Code occurred. Each year, the ABCD resolves a majority of inquiries by dismissing complaints once all of the facts are on the table. In addition, it may be that, although the complaint has merit, the information you provide can establish that counseling by an ABCD member (which is not considered “discipline”) is the most appropriate way to resolve the complaint.

Failure to comply with Precept 14 really does amount to digging the hole deeper. The ABCD usually considers a subject actuary’s failure to cooperate to be an aggravating factor that may result in a finding and recommendation that a harsher form of discipline—public reprimand, suspension, or even expulsion—should be meted out by the subject actuary’s member organization because the subject actuary is being obstructionist or dismissive. Public discipline notices on the Academy’s website provide examples of uncooperative or unresponsive subject actuaries who have violated Precept 14.

One last point: If you get that call, you cannot just jump out of “the hole” by resigning from your actuarial organization. Since the creation of the ABCD, the actuarial organizations have not allowed resignations of actuaries who are the subject of an ABCD matter.

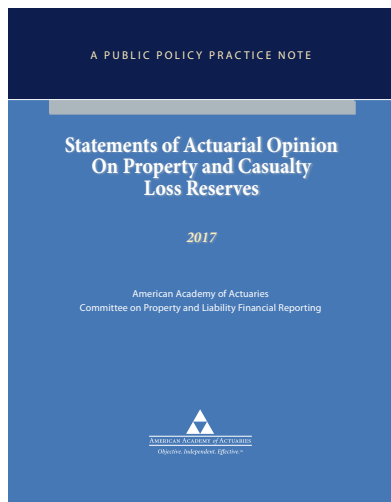
So, if you get that call and become a subject actuary, stop digging and comply with Precept 14. Your professional future and, more broadly, the future of actuarial self-regulation may depend on it. No matter what humorist Will Rogers may have said, that’s no joke. ▲



P/C Loss Reserves Practice Note Released

THE COMMITTEE ON PROPERTY and Liability Financial Reporting (COPLFR) released its updated *Statements of Actuarial Opinion on P/C Loss Reserves* [practice note](#), the purpose of which is to provide information to actuaries on current or emerging practices in which their peers are engaged related to signing NAIC P/C statements of actuarial opinion (SAOs) and actuarial opinion summaries (AOSs).

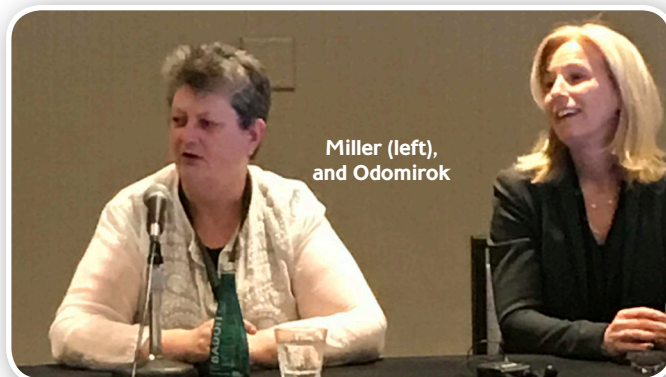
It is intended to assist actuaries by describing practices that COPLFR believes are commonly employed in issuing SAOs and AOSs on loss and loss adjustment expense reserves in compliance with the P/C Annual Statement Instructions for 2017 issued by the NAIC. Actuaries may also find this information useful in preparing SAOs for other audiences or regulators. ▲



Sold-Out P/C Opinion Seminar Held in Chicago

ABOUT 80 ACTUARIES attended the 2017 [Seminar on Effective P/C Loss Reserve Opinions](#), Dec. 7–8 in Chicago. The two-day seminar provided participants with information about the latest regulations and standards and included reviews of actuarial qualification standards and interactive case studies.

Presenters included Committee on Property and Liability Financial Reporting (COPLFR) Chairperson Kathy Odomirok; past Chairperson Lisa Slotznick; COPLFR members Dawn Fowle and John Gleba; Mary Frances Miller, a former Academy president and chairperson of the Opinion Seminar Subcommittee; and subcommittee members Chuck Emma and Hyeji Kang. ▲



Miller (left), and Odomirok

January Webinar to Look at P/C Loss Reserve Opinion Writing

THE ACADEMY'S COMMITTEE on Property and Liability Financial Reporting will host a webinar next month, "[P/C Loss Reserve Opinion Writing: RMAD and Reserve Ranges](#)," that will look at risk of material adverse deviation (RMAD), reserve ranges, and how they fit together for the purposes of issuing statements of actuarial opinion. Presenters will discuss how actuaries can identify and discuss the presence or absence of specific risks and uncertainties in the principal's book of business, and explicitly state whether or not those significant risks and uncertainties could result in RMAD. The webinar will be held on Thursday, Jan. 11, from noon to 1:30 p.m. EST. Continuing education credit will be available. [Register today](#). ▲

Available for Order—2017 P/C Loss Reserve Law Manual

The 2017 [Property/Casualty Loss Reserve Law Manual](#) is now available online. The manual is updated annually in multiple formats and is designed to help appointed actuaries know the NAIC Annual Statement requirements for statements of actuarial opinion. [Order today](#). ▲

CASUALTY BRIEFS

- ➔ **Brandon Gilbert** and **Ashley Roy** have joined the Committee on Property and Liability Financial Reporting.
- ➔ **Natalie Atkinson** has joined the Property and Casualty Risk-Based Capital Committee.

rate filing. Bunker tells Meathead the rates are too high and dictates a set of assumptions that Meathead cannot support. After consulting with the ABCD, Meathead tells Bunker that if he uses Bunker's assumptions, he will follow ASOP No. 41, *Actuarial Communications*, and state that he has relied on Bunker for the assumptions and that he cannot support them. Bunker backs down.

In the next scenario, "Opie the actuary" leaves his long-time employer, Taylor Consulting, and moves to "Barney Fyffe Actuaries," where he is asked to lead a team auditing a retirement plan he worked on while at Taylor. The retirement plan files a complaint against Opie, alleging he has violated Code of Professional Conduct's Precept 7, *Conflict of Interest*. Opie responds badly, refusing to cooperate with the ABCD, thus violating Precept 14 as well. Meanwhile, his former colleagues at Taylor, fully aware of his conflict of interest, have violated Precept 13 themselves, by not reporting Opie's conflict of interest in the first place. (Precept 13 is about reporting violations of the Code; Precept 14 is about cooperating with the ABCD.)

This scenario generated a lively discussion, including an examination of the three parts of Precept 7. "The first part [the Actuary's ability to act fairly in

unimpaired] is often called a look in the mirror test," Perrott said. "If you can't look at yourself in the mirror and say 'I think you're independent and can do a professional job,' you stop right there—you cannot do the work. If you think you are independent and qualified, you have to go through the disclosure process in the next two parts. You have to get explicit consent [to do the work]."

The webinar wrapped up with a seasonally appropriate example, featuring downtrodden actuary "Bob Cratchit," who is in the employ of the bad-tempered, miserly, and ethically challenged "Mr. Scrooge." In this reworking of a holiday classic, Scrooge refuses to provide the time and funds for Cratchit to complete the continuing education (CE) hours he needs to remain qualified to issue statements of actuarial opinion (SAOs). He tells Cratchit to report his CE status as "retired." A worried Cratchit calls the ABCD for advice. But, after a sleepless night haunted by past presidents of the Academy, Scrooge has a change of heart and books himself and Cratchit into enough CE events to make them both compliant for the year.

The discussion raised the question of what Cratchit should do if Scrooge did not have a change of heart. "Mr. Cratchit

would have to summon the intestinal fortitude to find a different job, or at least not continue working for Scrooge in a capacity that obliged him to issue SAOs," Driscoll said. "If Scrooge refuses to pay for CE, the other option—which may not be viable given his financial situation—is to pay for CE activities out of his own pocket and use whatever meager paid time off the Scrooge organization provides him to become compliant."

"The key to this question is that if he does not meet the qualification standards and he issues an SAO, he has violated the Code of Conduct, which is not a prudent thing to do," Perrott said. "He would try to find a diplomatic way to tell Scrooge that, and Scrooge might fire him, which brings up a good point ... as professionals, we are obligated to follow the Code, even if that leads us into an unpleasant situation. The fact that it will make you unpopular [and] the fact that filing a Precept 13 complaint will certainly lose you friends, is not a reason to not do it."

With that in mind, if you find yourself facing a difficult professionalism situation, the ABCD is here to help through its [RFG process](#). And if you find yourself in need of some last-minute CE, you may view this and other [professionalism webinars](#) on the Academy's website. ▲

Life News

Work Group Comments on NAIC Life Insurance Buyer's Guide

THE NON-GUARANTEED ELEMENTS Work Group submitted a [comment letter](#) Dec. 14 to the NAIC's Life Insurance Buyer's Guide (A) Working Group on the NAIC group's "10 Things You Should Know Before Purchasing Life Insurance" exposure draft.

The letter gives suggestions on reviewing one's insurance needs, deciding how much coverage is needed, and reading a policy carefully, and offers

examples of questions that consumers who are considering buying life insurance should consider. ▲

LIFE BRIEFS

- ➔ **Jean Forrest** has joined the Life Financial Reporting Committee.
- ➔ **Teresa Russ Winer** has joined the Non-Guaranteed Elements Work Group.
- ➔ **Gerald Adamski** has joined the Annuity Reserves Work Group.





HPC Comments on Elimination of Individual Mandate

THE HEALTH PRACTICE COUNCIL (HPC) [sent a letter](#) Dec. 12 to the U.S. House and Senate providing comments on the potential consequences of eliminating the Affordable Care Act's (ACA) individual mandate, as was being considered by the conference committee for the *Tax Cuts and Jobs Act*.

The elimination of the mandate was later included in the final tax reform bill that was passed by both houses of Congress on Dec. 20, which President Trump signed into law on Dec. 22.

The letter followed a similar one the HPC sent to the U.S. Senate in November, but noted that "strong alternative mechanisms to encourage enrollment and/or significant market stabilization provisions would be needed to counteract an elimination of the mandate. Without any offsetting actions, eliminating the individual mandate

would result in lower enrollment, a deterioration of the risk pool, and higher premiums. Expanded availability of short-term duration policies and association health plans could exacerbate these results by reducing the barriers to non-compliant coverage.

"To offset these results, alternative mechanisms to the mandate that would encourage ACA plan enrollment among young and healthy individuals or other market stabilization provisions (e.g., external reinsurance funding) would be needed," the letter states. "Notably, while making cost-sharing reduction reimbursements to insurers, as would be provided for through separately-introduced legislation, would offset premium increases due to the prior termination of those payments, it would not offset premium increases due to an elimination of the mandate." ▲

Issue Brief Released on Global End-of-Life Care

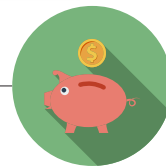
THE HEALTH PRACTICE INTERNATIONAL COMMITTEE published an [issue brief](#) on global aging demographics, quality of life during the end-of-life period, palliative versus curative care, and strategies for addressing health care challenges at the end of life using case studies from a variety of countries.

End-of-Life Care in an Aging World: A Global Perspective notes that issues surrounding end-of-life care for the elderly will become more severe worldwide due to aging populations and shifting demographics, placing significant economic burdens on future generations. Solutions for the increasing burden of health care costs will need to include changes in public policy and cultural perspectives, as well as changes within the health care system; and that policymakers, communities, providers, individuals, and families all have a role in addressing these issues. ▲

HEALTH BRIEFS

- ➔ **Audrey Halvorson** is vice chairperson of the Health Practice Council (HPC) and the following actuaries are now members of the HPC: **Joyce Bohl** and **Bruce Stahl**.
- ➔ **Barbara Klever** is chairperson and **Joyce Bohl** is vice chairperson of the Individual and Small Group Markets Committee, and the following actuaries are now members of the committee: **Karen Bender** and **Tammy Tomczyk**.
- ➔ **Bruce Stahl** is chairperson of the LTC Reform Subcommittee.
- ➔ **Cathy Murphy-Barron** has joined the Medicare Subcommittee.
- ➔ **Daniel Pribe**, **James Rizzo**, **Zenaida Samaniego**, and **Dale Yamamoto** have joined the Employee Benefits Committee.

PENSION NEWS



Academy Hosts Pension Webinar on Lump-Sum Benefits

ATTEENDEES FROM MORE than 200 registered sites attended the Academy's Dec. 8 pension webinar, "[Valuation of Lump-Sum Benefits](#)."

Moderated by Pension Committee Chairperson Ellen Kleinstuber, the presenters were Aaron Weindling, a member of the Pension Committee and a recent recipient of the Academy's Outstanding Volunteerism Award; Tim Geddes, a member of the Pension Com-

mittee; and Pension Committee Vice Chairperson Bruce Cadenhead. Geddes and Cadenhead are also Academy Board members.

Kleinstuber said the Pension Committee is in the process of developing a practice note on lump-sum payments, which it is aiming to release in the spring. Weindling outlined the basic paradigms used for defining and evaluating alternative valuation methods, and

the interest-rate fundamentals used to understand and apply those methods. Geddes described approaches for valuing interest-sensitive lump sums and the implications of each method, and Cadenhead covered the determination of interest cost and implications for determining year-end pension benefit obligations.

[Slides and audio](#) are available free to members. ▲

Actuarial Update

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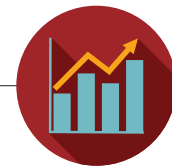
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RISK MANAGEMENT & FINANCIAL REPORTING NEWS



FRC Sends Comments to FASB on Long-Duration Contracts

THE FINANCIAL REPORTING Committee (FRC) submitted two comment letters to the Financial Accounting Standards Board (FASB) on FASB's proposed updates to the [accounting standards](#) and the [market risk benefits](#) in the accounting for long-duration contracts.

The first letter, sent Dec. 15, states that when front-end loads are not tied directly to new deposits, FRC recommends that the measurement of unearned revenue liabilities be aligned with the proposed measurement of the deferred profit liability. Conceptually, such loads are more closely related to limited-pay premiums than to acquisition costs, the letter states.

The second, sent Dec. 19, shares with FASB the results of an open-ended survey conducted among members of the project team that prepared FRC's 2016 [comment letter](#) on the exposure draft about the definition of market risk benefits as shown to FASB at its Nov. 1 meeting.

Because the new concept of market risk benefits will be significant to many insurers, "we believe clarity of the definition to be vital in implementing the board's intention. We believe that seeking broad input now, before the definition is written into the final Accounting Standards Update, may help to ensure that the changes do meet that intention," the letter states. ▲

RISK MANAGEMENT BRIEFS

- ➔ **Robert Anderson, John Aprill, James Collingwood, Ruixuan Ding, Kathy Huang, William Jones, Clifford Lau, Xin Liu, Bernard Rabinowitz, Laura Shull, Benjamin Taylor, Matthew Trettin, Jon-Zeu Wu, and Michelle Young** have joined the ERM/ORSA Committee.
- ➔ **Jonathan de Lutio, Erin Derksen, Henry Egesi, Winston Hall, Nicholas Jacobi, Leon Langlitz, Anthony Pistilli, Nilabh Sanat, and Michael Zhang** have joined the Financial Regulatory Task Force.
- ➔ **Thomas Kalmbach, Robert Miccolis, and Kyle Stolarz** have joined the Financial Reporting Committee.
- ➔ **Robert Anderson, John Aprill, Lesley Bosniack, Matthew Lantz, Clifford Lau, Dale Porfilio, and Jon-Zeu Wu** have joined the Solvency Committee.

Enrolled Actuaries Meeting Registration Discount

Early registration discounts for the 2018 Enrolled Actuaries Meeting are available through Dec. 31. The 43rd annual EA Meeting offers more sessions for more continuing education credit, and covers a wide range of pension topics.

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