

Message From Academy President D. Joeff Williams

ALL OF YOU ARE AWARE of and share our concerns about the consequences of this extraordinary period of uncertainty as a result of COVID-19. I want you to know that the American Academy of Actuaries is continuing to provide objective and independent analysis to all those with whom we work at the local, national, and international level, as you will see in our new webpage on COVID-19 information resources—www.actuary.org/coronavirus—described more below.

As many people have shifted to virtual or remote platforms, the Academy's staff and volunteers have also (for staff email addresses, [click here](#)), and we are continuing to work together as we always have done to remain available to our members and other stakeholders.

We will do our best to continue to disseminate relevant and useful information to you—not just on COVID-19, but on all of our public policy and professionalism work.

I also want to remind you that live webinars that include the opportunity for interactive Q&As are an excellent source for obtaining the “organized activity” continuing education (CE) credit that you may need this year. Academy webinars continue to be a valuable source for this CE. In addition, [Academy webinars](#) are archived and available without charge to members after the live event and provide another opportunity, if you are working remotely, to gain CE that meets the requirements of the U.S. Qualification Standards under the “other activities” category. ▲

COVID-19 Brings New Uncertainties to Health Care Spending and Health Insurers

AS THE COVID-19 PANDEMIC SPREADS, its effects on U.S. health care spending and health insurers for 2020 and beyond are uncertain, according to the Academy's [FAQs on COVID-19 and Its Effects on Health Spending and Health Insurance](#), published March 24.

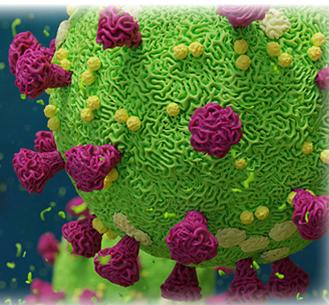
“The pandemic and policy responses to it are evolving rapidly, bringing uncertainty to how total national health spending will be affected and how costs of care for 2020 will compare to what insurers anticipated when they set premium rates for the year,” said Academy Senior Health Fellow Cori Uccello. “That uncertainty also applies to 2021 health spending projections, even as insurers are currently developing 2021 premiums.”

Factors affecting health spending include the ultimate hospitalization rate for COVID-19, access to COVID-19 treatments, and the degree to which increased spending for patients with COVID-19 will be offset by deferments or cancellations of nonessential services. These factors can vary by insurance market and geographic area.

If COVID-19-related costs are concentrated in 2020, then 2021 health spending might be affected only minimally, for instance due to an increase in nonessential

services that were deferred from 2020 or from any newly available COVID-19 vaccines. However, if COVID-19 incidence and related costs are expected to continue into

FAQs on COVID-19 and Its Effects on Health Spending and Health Insurance



2021, premiums for 2021 could be affected as well.

Implementing special enrollment periods (SEPs) for Affordable Care Act coverage could also affect insurer finances, depending on the extent to which those with higher expected health costs or risks due to COVID-19 are more likely to take advantage of the SEP.

The Academy is planning to host a one or more webinars as needed to address the impact of COVID-19 on actuarial practice areas. Stay tuned for more information. Read the FAQ, developed by the Academy's Health Practice Council, and learn more about COVID-19 resources compiled by the Academy on its “COVID-19 Resources webpage” at actuary.org/coronavirus. ▲

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2020

APRIL

23 Pension Webinar: "Focus on Public Pension Plans" (*registration opening soon*)

30 Professionalism Webinar: "The New Modeling ASOP" (*registration opening soon*)

AUGUST

8–11 NAIC Summer National Meeting, Minneapolis

SEPTEMBER

14–16 [Casualty Loss Reserve Seminar & Workshops](#) (CLRS), Orlando, Fla.

NOVEMBER

5–6 Academy [Annual Meeting and Public Policy Forum](#), Washington, D.C.

9–12 [Life and Health Qualifications Seminar](#), Arlington, Va.

14–17 NAIC Fall National Meeting, Indianapolis

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

Review Your Membership Profile

To continue receiving *Actuarial Update*, *Contingencies*, and other Academy publications on time, please make sure the Academy has your correct contact information.

Academy members can update their member profile, subscribe to Academy alerts, pay their dues, and review archived professionalism and public policy webinars at the [member login page](#).

Academy NEWS Briefs

Remembrances

Academy Past President Barbara Lautzenheiser

Barbara Jean Ida Lautzenheiser, a past Academy president (2003–2004), passed away peacefully on March 10. She was 81. Lautzenheiser grew up in Lincoln, Neb., and began her career in 1960 as an actuarial trainee with Bankers Life Nebraska, where she rose to the position of vice president and actuary. Throughout her actuarial career, she broke many glass ceilings, including becoming in 1984 the first woman to head a major U.S. insurance company when she became president and chief operating officer of Signature Group's three insurance companies in Schaumburg, Ill. From 1986 to 2018, Barbara was owner and principal of her own highly successful actuarial consulting business, Lautzenheiser & Associates in Hartford, Conn.



Lautzenheiser was the Academy's second female president and a longtime volunteer. Throughout many years and well into her retirement she volunteered for the Academy; she served on over 50 Academy committees, task forces, and work groups. She was featured in the Academy's 2016 short video, "[A Great Career for a Man?](#)" which spotlighted the accomplishments of several well-known female actuaries. "It's that movement over time of the various leadership within the Academy ... that enables the Academy to sometimes reach other people that it might not have done had it just been one gender," she said in the video. In addition to the Academy, Lautzenheiser was the first female president of the Society of Actuaries; was a past member of the Conference of Consulting Actuaries; was on the Interim Actuarial Standards Board when it was established in 1985, and also on the Actuarial Standards Board when it became permanent in 1988. She was also an emeritus trustee of The Actuarial Foundation.

As word of her passing reached past Academy presidents, volunteers, and longtime staff, we have received many remembrances of Barbara as a trailblazer and giant in the actuarial profession and insurance industry, a great mentor, and a great friend.

Member and 'Buffalo Soldier' Ivan Houston

Ivan Houston, a longtime Academy member, insurance company executive, and World War II "Buffalo Soldier" hero, died March 1. He was 94.

Houston's book, *Black Warriors: The Buffalo Soldiers of World War II* (iUniverse, 2009), was excerpted in the May/June *Contingencies* cover story, "[Black Warrior: A Buffalo Soldier Looks Back](#)." In both the excerpt and a subsequent documentary film, "With One Tied Hand," Houston recalled how his Combat Team 370 of the U.S. Army's 92nd Buffalo Division beat back battle-hardened German troops in the liberation of Italy, which local Italians still celebrate and commemorate each year. (See a [short trailer of the movie here](#).) The Academy also recalled Houston's Q&A from the *Contingencies* story in February as a "Throwback Thursday" [Facebook post](#) during this past February, which was Black History Month.



In his professional career, Houston was chief executive officer of Golden State Mutual Life Insurance Co. from 1970 until his retirement in 1990. In addition to his actuarial and insurance work, the *Los Angeles Times* noted in its [obituary](#) that in 1993, Pope John Paul II honored Houston by naming him a Knight of the Order of Saint Gregory the Great, and that for 16 consecutive years, *Ebony* magazine listed him as one of America's most influential black leaders.

Academy NEWS

Annual Meeting to Feature Historian Michael Beschloss, Political Analyst Charlie Cook

REGISTRATION IS OPEN for the Academy's scheduled 2020 Annual Meeting and Public Policy Forum, which will feature two highly respected speakers who will weigh in on this year's presidential election just days after it occurs.

Noted presidential historian Michael Beschloss will be the keynote speaker. He will provide attendees with context and insights on the presidency and the presidents who have held the office—including the winner of the 2020 election just two days preceding the Annual Meeting. Charlie Cook, a highly respected impartial analyst of American politics, elections,

and trends, will break down the political reality of how the historic election played out, including an analysis of the congressional makeup.

The Annual Meeting and Public Policy Forum will be held Nov. 5–6 at the Fairmont Hotel in Washington, D.C. Continuing education credit will be available. Discounted early registration rates are now available—

[register today.](#) ▲



Beschloss



Cook

Academy Monitoring COVID-19 Situation

The Academy is monitoring the ongoing coronavirus (COVID-19) pandemic situation, which has forced cancellation of many events. To help you register for the Annual Meeting and Public Policy forum and other Academy in-person events with confidence, note that our policy allows for cancellations up to a month before an event. The Academy will keep members updated as the situation evolves.

COI, CE Acknowledgments—Last Call

THE ACADEMY SENT A FINAL NOTICE to volunteers and interested parties who have not submitted annual conflict of interest and continuing education acknowledgments in late March noting they will no longer be able to be volunteers for their committees or work groups.

The acknowledgments are a vital element in the Academy's culture of objectivity, and they remind volunteers of their responsibility to participate in Academy work in a manner that maintains its high standards in providing unbiased and independent actuarial input.

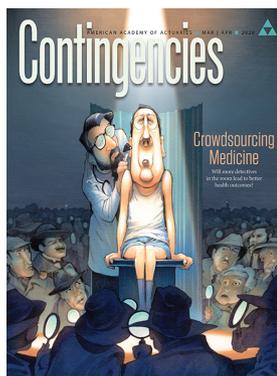
For more information about the Academy's commitment to professional objectivity, please visit the [Professional Objectivity at the Academy page](#). If you have any questions, please contact the Academy's professionalism department at objectivity@actuary.org. ▲

NAIC Suspends 'Virtual Spring Meeting'

THE NAIC SUSPENDED "virtual presentations" for its scheduled Spring 2020 National Meeting, which was scheduled to be held in Phoenix prior to the escalation of the coronavirus pandemic. The Academy is monitoring NAIC developments as they unfold. ▲

Recently Released

IN THE MARCH/APRIL ISSUE of *Contingencies*, features include "To the Summit," which looks at how mountaineering and actuarial science overlap; "Underwriting 2.0;" on how Big Data and other elements of data science can be used to help support risk assessment; and "Russell," an original work of fiction that considers an unlikely relationship set in the present ... and an uncertain future. Plus, D. Joeff Williams's President's Message on how the Academy builds on the past; all about actuarial assumptions in "Up to Code"; and a *Job Seeker* special: 20 commandments any applicant should consider.



The Spring *Casualty Quarterly* covers the new Actuaries Climate Risk Index, released in January, and includes an interview with Steve Jackson, the Academy's assistant director for research (public policy), about several of the index's key findings. Also in the issue, the Actuaries Climate Index's five-year moving average reached a new high for the sixth consecutive quarter; Academy P/C representatives met with federal officials on key issues; and recent state and federal legislative and regulatory activity. ▲



New 'Actuary Voices' Features Secretary-Treasurer Cathy Murphy-Barron

THE LATEST INSTALLMENT in the Academy's "Actuary Voices" podcast series features a conversation with Academy Secretary-Treasurer and former Academy Health Practice Council Vice President Cathy Murphy-Barron. She enthusiastically and joyfully shares her personal experience as an actuary, in conjunction with our focus on Women's History Month. "My advice to girls in school is don't let anyone tell you that girls aren't good at math," Murphy-Barron said. Subscribe to "Actuary Voices" via iTunes, Spotify, or other podcast services. [Click here to listen now.](#) ▲

Registration Open for LHQ Seminar

REGISTRATION IS NOW OPEN for the Academy's 2020 [Life and Health Qualifications Seminar](#). The annual LHQ seminar is sold out every year because it delivers the highest-quality and most efficient way to obtain any needed basic education or relevant continuing education (CE) credit necessary to qualify to issue actuarial opinions for either the NAIC Life and Accident & Health (A&H) Annual Statement or the NAIC Health Annual Statement. The seminar is scheduled for Nov. 9-12 at the suburban Washington, D.C., Crystal Gateway Marriott in Arlington, Va. (new location for this year). [Register now and save](#)—discounted registration rates are now available. ▲

Public Employment Opportunity

THE FEDERAL EMERGENCY Management Agency (FEMA) is seeking an actuary to be based in Washington, D.C. The ideal candidate "will be experienced in insurance, providing pricing, reserving, modeling, and underwriting insurance or reinsurance coverages". The posting opened on March 19 and runs through April 7. [Click here to apply via USA Jobs.](#)

The Academy has long supported government employers who are seeking to hire qualified actuaries. See our [Public Employment Opportunity Posting Policy](#) for more information. ▲

This Month in Social Media



On Facebook, we asked "#DidYouKnow that professionalism means actuaries pay attention to every precept of the Code of Professional Conduct."

#DIDYOUKNOW?



On Twitter, we celebrated #womenshistorymonth by spotlighting women who are making a mark in our profession by sharing "A Great Career for a Man?" video, releasing a podcast featuring Secretary/Treasurer Cathy Murphy-Barron, and noting Lucy Jane Wright, who was the first female actuary at Union Mutual Life in Boston in 1866.



On LinkedIn, we shared newly released summer 2019 data that was added to the Academy's jointly sponsored Actuaries Climate Index (ACI), which showed that more frequent extreme weather and increases in sea level continue to push its five-year average upward.

Make sure you're a part of the conversation online by following us on [Facebook](#), [Twitter](#), and [LinkedIn](#). Like what you see? Help spread us the word by liking and sharing our updates.



Member Spotlight

President-Elect Tom Campbell

EACH MONTH, the Academy will introduce you to an actuary who shares a glimpse about their professional and, as well as some insight into their personal lives. Visit the [member spotlight page](#) on the Academy's professionalism page. This month, we profile Academy President-Elect Tom Campbell, a life actuary.

Why did you become an actuary?

I decided to become an actuary during my junior year in college, when an alumna I knew came back to the school to discuss her experience as an actuarial student. The rigors of studying for exams intrigued me, so I decided to give it a shot.

Describe a challenge you have overcome.

Early in my career I always had a hard time delegating. I always thought that delegating would be seen as a sign that I couldn't do the work myself. The truth is, it's just the opposite: Delegating is a powerful skill that shows you can prioritize work effectively. I finally broke my habit when I realized I had too much work to do and I had to get others involved.

What do you enjoy the most about being an actuary?

While I enjoy many aspects of my job, what I enjoy most is the interaction

with other actuaries—discussing issues, hearing different sides of an issue, and debating solutions. Working with other actuaries is a joy; I often hear perspectives that help me well beyond the task at hand.

Share something about yourself.

I believe it's important to stay active, so when I'm not in the office, I like to go on bike rides. I have a road bike and when the weather isn't too bad—I live in the Northeast—I'll go out on the bike paths near my house. I also like to travel to other areas and explore bike routes.

What advice would you share with young actuaries?

To any actuaries just starting out in their careers, I suggest you sit down with more-senior actuaries and talk to them. Find out how they approached things like their careers, exams, and family/work balance. It's a great way to get to know other actuaries, and you may come up with different ways to address your challenges.

IN THE NEWS

Health Leaders, *Advisor Magazine*, and *Health Plan Weekly* (subscriber-only) reported on the [FAQs on COVID-19](#) and how the pandemic may affect health spending and health insurance; all three quoted Senior Health Fellow Cori Uccello. *Politico Pro* (subscriber-only) cited the Academy's analysis in its reporting on coronavirus-related legislation being considered in Congress.



Chief Investment Officer cited the [Actuaries Climate Index](#), jointly sponsored by the Academy and other actuarial organizations, which provides a quarterly gauge of changes in extreme weather events and sea levels.

Skift cited the Academy's 2018 [travel insurance monograph](#) in a story about travel insurance and the coronavirus pandemic.

Insurance News Net cited the Pension Committee's March 9 [comment letter](#) to the IRS on mortality tables.

A Reason Foundation [opinion piece](#) on Massachusetts public employee pensions cited the Pension Practice Council's [issue brief](#), *The 80% Pension Funding Standard Myth*. ▲

PROFESSIONALISM NEWS

Professionalism Outreach

ASB MEMBER DAVE NEVE presented an overview of the ASB standards-setting process and an update on ASB activity on ASOPs at the March 3 meeting of the Iowa Actuaries Club at Drake University in Des Moines. Neve also encouraged attendees to stay abreast of ASB activity by regularly reading [ASB Boxscore](#) and to participate in the comment process on ASOP exposure drafts and other ASB Requests for Input. ▲

ASB Releases 2019 Annual Report

THE ACTUARIAL STANDARDS BOARD (ASB) has released its 2019 [Annual Report](#). The ASB had another productive year in standard-setting, adopting two new actuarial standards of practice (ASOPs), approving eight exposure drafts for comment, approving a proposal to revise one existing ASOP, and issuing one Request for Input on an ASOP on rate filings. In addition, the ASB presented a professionalism webinar for the Academy's professionalism webinars on reliance on ASOPs, as well as providing content for several *Actuarial Update* "[Professionalism Counts](#)" articles. ▲



More Than Just Numbers: The Importance of Clear Communication

THE DEVELOPMENTS of the past month have left a lot of us communicating remotely. It's important to remember that professional actuarial work is not just about the numbers—it's also about clear communication. Because actuaries have expertise that others don't have, they must take care to present their findings in a way that the users of the work, who in many cases are not other actuaries, can understand.

The importance of clear communication is emphasized by Precept 4 of the Code of Professional Conduct:

An Actuary who issues an Actuarial Communication shall take appropriate steps to ensure that the Actuarial Communication is clear and appropriate to the circumstances and its intended audience, and satisfies applicable standards of practice.

Let's focus on that language. What actuarial standards of practice (ASOPs) apply? How might a communication change depending on the circumstances and the intended audience?

ASOP No. 41, *Actuarial Communications*, provides guidance for all types of actuarial communications. The Code and ASOP No. 41 define an actuarial communication as "A written, electronic, or oral communication issued by an Actuary with respect to Actuarial Services."

If you intend for anyone to rely on the results of your work (also known as the actuarial findings), you should complete an actuarial report.¹ The actuarial report should "state the actuarial findings, and identify the methods, procedures, assumptions, and data used by the actuary with sufficient clarity that another actuary qualified in the same practice area could make an objective appraisal of the reasonableness of the actuary's work as presented in the actuarial report."²

Disclosures are an important part of any actuarial communication. They let the user know what was considered, what assumptions and methods were used, and whether the actuary believes the assumptions to be reasonable. In some cases, the rationale for the actuary's decisions about these considerations should also be disclosed. Section 4.1.3 of ASOP No. 41 contains a useful (though not exhaustive) list of items that should be disclosed. It's also important to check to see whether other ASOPs that apply to an assignment have further disclosure requirements. Disclosures mandated by ASOP No. 41 include cautions regarding uncertainty or risk, any conflicts of interest, and reliance on other sources for data and other information, and who is responsible for assumptions and methods. It should

be noted that "an actuarial communication should identify the party responsible for each material assumption and method. Where the communication is silent about such responsibility, the actuary who issued the communication will be assumed to have taken responsibility for that assumption or method."³ That is, if you don't clearly state someone else is responsible for a material assumption or method, you are responsible.

Now let's turn to how a communication might change based on the circumstances and intended audience. In some circumstances, including all supporting information in an actuarial communication may be impractical or unnecessary.⁴ Appendix 1 of ASOP No. 41 gives examples of such circumstances, noting that, "This may be particularly common in a company environment. Other circumstances such as severe time constraints (for example, union negotiations, mergers and acquisitions) may make inclusion of all recommended disclosure items impractical, if not impossible. ... These situations are addressed in section 3.3." Section 3.3 recognizes that although circumstances may place constraints on an actuarial report, "the actuary must be prepared to identify such circumstances and justify limiting the content of the actuarial report."⁵

The language used in a report depends very much on who the intended user—defined as any person who the actuary identifies as able to rely on the actuarial findings—is.⁶ What may be clear to an actuary may not be clear to non-actuaries. What may be clear to another financial professional may not be fully understood by a layperson. If the intended audience is fellow actuaries, it may be appropriate to use technical language, because the audience will understand. For a non-actuary generally familiar with the topic discussed, slightly less technical language may be appropriate. When communicating with the general public, every effort should be made to use plain language.

Like nearly everything in the Code and ASOPs, the need for clear language and disclosures can be traced back to 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." The intended audience relies on the information contained in actuarial communications to make decisions that will affect the ultimate end-user or beneficiary. Language and disclosures that are clear to the intended audience help them understand the actuarial findings and to what extent those findings can be relied upon—and thus help fulfill the profession's responsibility to the public. ▲

Footnotes

¹ ASOP No. 41, section 3.2.

² Ibid., Section 3.2

³ Ibid., section 3.4.4.

⁴ Ibid., Appendix 1 (last paragraph).

⁵ Ibid., section 3.3.

⁶ Ibid., section 2.7.

Professionalism**First**

Your one-stop shop for the latest news and perspectives on professionalism.



Listen to **Actuary Voices**, the Academy's new podcast series, to hear from our always-interesting Academy members about how and why they chose their actuarial careers.

Explore

Explore our resources, which answer your frequently asked questions about professionalism, the USQS, and more.

Read

Read **Professionalism Perspectives**, our blog, which shares insights from Academy leaders about the role of professionalism in our work.



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Academy P/C Representatives Meet With Federal Officials

ACADEMY SENIOR P/C FELLOW Rich Gibson met with public policy stakeholders in the federal government in Washington, D.C., the week of March 9. Accompanied by Marc Rosenberg, senior P/C policy analyst, Gibson met with senior staff members with the National Flood Insurance Program, the Congressional Research Service, the Congressional Budget Office, and the U.S. House Financial Services Committee. In addition to the series of in-person meetings focusing on P/C issues, the Academy also held a conference call with officials from the Government Accountability Office to discuss a number of current and emerging issues.

“Wherever we went, there was genuine interest in what the Academy has to say,” Gibson said. “The government officials appreciated the objective information and informed comments that the Academy provides.”

The two reviewed the Casualty Practice Council’s recent work on public policy implications on flood insurance, wildfires, and cyber risk, and provided an update on the [Actuaries Climate Index](#). They also discussed issues involving automobile insurance rates, catastrophe modeling, predictive analytics, and terrorism risk. ▲

COPLFR Comments on Appointed Actuaries

THE COMMITTEE ON PROPERTY and Liability Financial Reporting (COPLFR) [submitted comments](#) on the CAS/SOA (Casualty Actuarial Society/Society of Actuaries) proposed new form requested by the NAIC’s Casualty Actuarial Task Force (CASTF) for P/C Appointed Actuaries to report their continuing education activities.

COPLFR wrote that while it

appreciates the Casualty and Statistical Task Force’s efforts in providing guidance on what continuing education (CE) is needed to be a Qualified Actuary signing NAIC P/C Statements of Actuarial Opinion (SAOs), it does not believe a prescriptive form is necessary, nor is it the best or most effective way to determine whether or not an Appointed Actuary meets the CE requirements. ▲

CASUALTY BRIEFS

- ➔ **Greg Frankowiak** is chairperson of Automobile Insurance Committee, and the following actuaries are members of the committee: **Scott Cederburg, Kevin Dyke, Denis Farnan, Solomon Frazier, Susan Kent**, and **Samantha Taylor**.
- ➔ **Jeri Xu** is vice chairperson of the CPC Extreme Events Committee.
- ➔ **Taylor Krebsbach** joined the Committee on Property and Liability Financial Reporting.
- ➔ **Caryn Carmean** joined the P&C Opinion Seminar Subcommittee.



Uccello Moderates Health Conference Session

ACADEMY SENIOR HEALTH FELLOW Cori Uccello co-moderated a plenary session at a March 5 health conference sponsored by the National Academy of Social Insurance, “Healthcare Coverage and Costs: Assessing Medicare-Based Approaches.”

Uccello co-moderated “The Current Health Care Reform Landscape,” in which panelists looked at drivers of the current health care reform debate; why Medicare is viewed as a potential platform for expanding coverage; current policy issues, including the persistent problems of uninsurance and underinsurance, affordability challenges, health disparities, and inequities; and the rising cost of health care in the United States. Uccello also was co-chair of the National Academy of Social Insurance study panel that released a report the week of the meeting, [Examining Approaches to Expand Medicare Eligibility: Key Design Options and Implications](#). ▲



Uccello

Subcommittee Comments on Health Bond Factors

THE HEALTH SOLVENCY Subcommittee submitted a [response letter](#) to the NAIC Health Risk-Based Capital (HRBC) Working Group for its request to provide the health bond factors over a range of additional time horizons—spanning one to five years. ▲

HEALTH BRIEFS

- ➔ **John Murphy** is the vice chairperson of the Group Life Waiver Valuation Table Work Group.



Pension Webinar Covers Multiemployer-Plan Issues

THE FIRST OF THE THREE-PART pension webinar series being hosted by the Academy, “[Retirement Plan Coverage in America: Today’s Realities and Tomorrow’s Prospects](#),” was held March 24. The series, which is geared to experienced practitioners and those wanting to learn more about retirement issues, will explore the current state as well as differences between multiemployer, public, and corporate retirement plan systems, and how those differences, impact plan participants.

The first webinar, “Focus on Multiemployer Plans,” featured Christian Benjaminson, chairperson of the Academy’s Multiemployer Plans Committee; Joe Hicks, the committee’s vice chairperson; and committee member Susan Boyle. The speakers discussed who is covered by those plans, how the plans are regulated, current issues impacting the plans and their participants, and current reform proposals.

Academy Senior Pension Fellow Linda K. Stone moderated, and noted that while the recently passed Setting Every Community Up for Retirement Enhancement (SECURE) Act would boost percentages of American workers participating in retirement plans, currently only 52 percent of private-sector workers participate in an employer-sponsored retirement plan. Benjaminson said at the outset that “the effect that the COVID-19 pandemic has had on the markets recently will certainly affect pension-plan funding, and we’ll have to see how the markets and the economy react before we know the true extent.”

Boyle gave examples of workers’ benefits and participation/

contribution rates and covered basic Employee Retirement Income Security Act of 1974 (ERISA) and Pension Protection Act of 2006 (PPA) funding rules. Hicks covered withdrawal liability impacts on the Pension Benefit Guaranty Corporation (PBGC), including critical and declining plans within PBGC participant plans, and the role of the Multiemployer Pension Reform Act of 2014 (MPRA) on those plans.

Presenters also covered proposed legislative measures to address plan shortfalls and answered more questions about the effect of the COVID-19 pandemic on solvency going forward.

The second webinar, “Focus on Public Pension Plans,” is set for April 23. Speakers will be Sherry Chan, vice chairperson of the Pension Practice Council and chairperson of the Public Plans Committee; Todd Tauzer, vice chairperson of the committee; committee member Elizabeth Wiley; and Randall Dziubek, deputy chief actuary—valuation services, California Public Employees’ Retirement System (CalPERS). The third installment, “Focus on Private-Sector Plans, State Programs, and Opportunities to Expand Coverage,” will be held on a date to be determined.

The Academy believes in good faith that attendees will have the opportunity to earn up to 1.8 continuing education (CE) credits and 1.8 non-core, non-ethics continuing professionalism education (CPE) credits under Joint Board for the Enrollment of Actuaries rules for each of these webinars. Slides and audio of the first webinar will be available soon. ▲

Multiemployer Committee Asks IRS for Leniency on Certifications

THE MULTIEMPLOYER PLANS COMMITTEE wrote to the IRS [requesting leniency](#) from the secretary of the Treasury on the enforcement of the deadlines for the annual actuarial certification for multiemployer pension plans due in early 2020, as a result of the current crisis related to the COVID-19 coronavirus pandemic.

The letter notes the crisis may make it difficult for plan actuaries to complete annual status certifications for plan years beginning on Jan. 1 by the statutory deadline of March 30. Depending on how the COVID-19 crisis unfolds in the coming weeks and months, it could impact the ability of plan actuaries to deliver certifications due after March 30, as well, the committee wrote. ▲

LIFE BRIEFS

- ➔ **Bruce Sartain** and **Vincent Tsang** joined the PBR Governance Work Group.
- ➔ **Angela McShane** joined the PBR Analysis Templates Task Force.
- ➔ **Bruce Sartain**, **Vincent Tsang**, and **Jianan Xu** joined the PBR Intensive Seminar Subgroup.

PENSION BRIEFS

- ➔ **Todd Tauzer** joined the Pension Committee.
- ➔ **Lee Gold** joined the Retirement System Assessment and Policy Committee.

Renewal Season Open for Enrolled Actuaries

THE IRS HAS OPENED the renewal season for enrolled actuaries for the April 1, 2020–March 31, 2023, period. The Joint Board for the Enrollment of Actuaries (JBEA) has asked the Academy to help publicize the re-enrollment period. For details on the renewal form and instructions, [click here](#). ▲



Actuarial Update

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Pension Practice Note Covers CAFRs

THE PUBLIC PLANS COMMITTEE of the Pension Practice Council released a practice note, [Actuarial Section of the Comprehensive Annual Financial Report \(CAFR\) for a Public Pension Plan](#). As the CAFR is a communication to a broad audience that is prepared by the actuary, the purpose of the practice note is to review current practices as well as emerging ideas for the completion of the actuarial section of the CAFR.

The funding information can help users understand the financial condition of the pension system and can also help them hold decision-makers accountable. The actuarial measures use an expected-return based discount rate to develop contribution and budget values. Also, by the nature of a CAFR, the information is primarily historical and generally does not include projections of contributions or funded status. ▲

RISK MANAGEMENT & FINANCIAL REPORTING NEWS



Financial Reporting Committee Comments to AICPA

THE FINANCIAL REPORTING COMMITTEE of the Risk Management and Financial Reporting Council sent a [comment letter](#) to the American Institute of Certified Public Accountants (AICPA) on the draft revisions to the *Audit and Accounting Guide: Life and Health Insurance Entities*. The letter addressed claim liabilities, market-risk benefits, updating cash-flow assumptions, and deferred acquisition cost (DAC) amortization. ▲

RISK MANAGEMENT BRIEFS

- ➔ **Dave Sandberg** joined the Data Science and Analytics Committee.
- ➔ **Tim Geddes** joined the ERM/ORSA Committee.
- ➔ **Tim Geddes** and **Angie Ranson** joined the Liquidity Risk Work Group.
- ➔ **Rachel Erne** joined the Solvency Committee.

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