

Academy Updates 'Professionalism First' Website

THE ACADEMY'S Professionalism First website—www.professionalism.actuary.org—was recently updated to make it even more mobile-friendly. The website serves as a central source to connect with the Academy's professionalism work. It is the home of our popular [Actuary Voices](#) podcast and, new this year, the



monthly [Member Spotlight](#) page. If you haven't already, we encourage you to check out our newly redesigned and mobile-friendly website. ▲

'Clear as a Bell' Webinar Looks at Professionalism Aspects of Communication

THE ACADEMY'S final professionalism webinar of the year, "[Clear as a Bell: Professionalism Aspects of Communication](#)," was held on Dec. 14 and covered actuarial communication through the lens of professionalism. Academy President Tom Campbell, President-Elect Maryellen Coggins, and Actuarial Board for Counseling and Discipline (ABCD) member Ken Kent presented; General Counsel and Director of Professionalism Brian Jackson moderated the webinar, attended by more than 2,000 people.

Campbell began with an overview of why communication is important in actuarial work, noting that it is critical for actuaries to be clear in explaining their assumptions, techniques, and the risks and limitations of their work to other actuaries, principals, and the public.

"How well we communicate will impact the effectiveness of our work and even how we are perceived as professionals," Campbell said, tying actuaries' ability to communicate clearly to the public's trust in the profession. "The actuarial profession has worked very hard to earn the public's trust, and we need to continue to maintain that trust," he said. "We know that the actions of one actuary can reflect poorly on the entire profession and can impact the trust the public has for our profession."

Clear and appropriate communication is such an essential and fundamental component of actuarial work that it is often emphasized in the Code of Professional Conduct. Campbell discussed communication aspects of the Code, including various precepts related to communications and disclosure, conflict of interest,



control of work product, confidentiality, courtesy and cooperation, and advertising.

He also reviewed the communication aspects of the U.S. Qualification Standards (USQS), focusing on the

SEE **PROFESSIONALISM**, PAGE 8

3

Academy Presents to NAIC on Health Equity, Climate Risk, Life Issues

4

Remembrance: Arnold Dicke, Davis Roenisch, Heather Jerbi

7

Professionalism Counts—'Precept 8: The Responsibility That Comes With Power'

11

Public Plans and COVID-19 Issue Brief, Pension Webinar

2020

JANUARY

13 Life webinar: "[Academy Life-Practice Area: 2020 in Review/2021 Preview](#)"

14 P/C webinar: "[P/C Public Policy Update](#)"

Academy NEWS Briefs

It's Time to Renew Your Dues for 2021

PLEASE TAKE A MOMENT to renew your membership now, if you have not done so already. You can conveniently pay your membership dues for 2021, which are due Jan. 1, by [logging into your account](#). You can also change your mailing address to receive *Contingencies* magazine at your home address, for those members continuing to work from home. "[The Meaning of Your Membership](#)" highlights the Academy's ongoing

and important work during a challenging 2020. Members are also encouraged to visit the Academy's new [Membership Directory](#), where you can review and update your contact information and how it is displayed on the Academy website. If you have questions about your account, how to update your membership profile, or anything else, please contact the Membership Department at 202-785-6925 or membership@actuary.org. ▲

Academy Comments to NCOIL on Race and Insurance Underwriting

ACADEMY VOLUNTEERS presented at the National Council of Insurance Legislators (NCOIL) Annual Meeting during its Special Committee on Race in Insurance Underwriting's session. Dorothy Andrews, chairperson of the Data Science and Analytics Committee, [presented](#) on behalf of the committee and [provided an overview](#) of its ongoing work relevant to NCOIL's examination of these issues. Casualty Vice President Lauren Cavanaugh [presented](#) on behalf of the Casualty Practice Council, and Mary Bahna-Nolan, [presented](#) on the issue from a life perspective. ▲

Recently Released

THE FALL/WINTER [StateScan Quarterly](#) recaps the latest quarter's state legislation and regulation, with 10 legislatures still in session; several states have begun the process of prefiling legislation for the 2021 legislative session. After a spring and summer spent largely focused on COVID-19-related measures, jurisdictions were able to turn their attention to other matters—while keeping a watchful eye on how the coronavirus was unfolding—with states passing measures on prescription drugs, public pension plans, auto insurance, principle-based reserving, and reinsurance. For a more comprehensive look at state legislative and regulatory activity, log in to the [StateScan portal](#), free for Academy members.

The fall issue of [The Retirement Report](#) features a Q&A with new Social Security Committee Chairperson Amy Kemp on the committee's recent activity, including issue briefs

on assumptions and immigration, and a look ahead at forthcoming issue briefs. Also among the items included in the issue, coverage of the Annual Meeting and Public Policy Forum's pension breakout sessions; December webinars on capital markets and COVID-19's effect on retirement plans; an issue brief on the Pension Benefit Guaranty Corporation's single-employer premiums; and legislative and regulatory activity.

In the Fall/Winter [ASB Boxscore](#), meet the new members and leadership of the Actuarial Standards Board (ASB). Also in this issue, the ASB has approved new exposure drafts of proposed revisions to Actuarial Standard of Practice (ASOP) No. 38, now titled *Catastrophe Modeling (for All Practice Areas)*, and ASOP No. 3, now titled *Continuing Care Retirement Communities and At Home Programs*; the ASB also approved the third exposure draft of a proposed ASOP on setting assumptions. ▲

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

Academy Hosts Successful Virtual P/C Loss Reserve Opinions Seminar

THE ACADEMY hosted a successful Seminar on Effective P/C Loss Reserve Opinions, held as a virtual event over four days this month. Sessions covered qualifications, reserve ranges, risk of material adverse deviation, the regulatory perspective, and responsibilities and record-keeping as presented in the upcoming annual P/C loss reserves practice note, among others. Interactive online discussions allowed participants to engage and ask questions of the presenters.



Dawn Fowle presents at a Dec. 10 session

Reporters were Jeffrey Carlson, chairperson of the Academy Opinion Seminar Subcommittee, Vice Chairperson Dawn Fowle, and subcommittee members Sue Gozzo Andrews, Caryn Carmean, Chuck Emma, Brandon Gilbert, Aaron Hillebrandt, Michelle Iarkowski, and Jim Leonard; along with Committee on Property and Liability Financial Reporting (COPLFR) Chairperson Kathy Odomirok and COPLFR member Derek Freihaut. ▲

Academy Presents to NAIC on Health Equity, Life Issues, Climate Risk

THE ACADEMY made several presentations to the National Association of Insurance Commissioners (NAIC) this month, including at NAIC's Fall National Meeting.

Senior Health Fellow Cori Uccello [presented](#) Dec. 2 on behalf of the Academy's Health Equity Work Group to the NAIC's Special (EX) Committee on Race and Insurance. Annette James, the work group's chairperson, [submitted comments](#) to the

special committee highlighting the work group's efforts to address health disparities.

Life Vice President Laura Hanson [presented](#) Dec. 3 to the Life Actuarial (A) Task Force during the NAIC's Fall National Meeting, which was held in a virtual format. She briefed the task force on the Life Practice Council's recent activities and 2021 priorities.

Michelle Young, chairperson of the ERM/ORSA Committee's Climate Risk

Disclosures Work Group, and Steve Jackson, the Academy's assistant director for research (public policy), [presented](#) Dec. 4 to the Climate and Resiliency (EX) Task Force during the NAIC's Fall National Meeting on findings from their analysis of the NAIC Climate Risk Disclosure Survey.

Mary Bahna-Nolan also [submitted comments](#) Dec. 10 to NAIC's Special (EX) Committee on Race and Insurance. ▲

IN THE NEWS

[PropertyCasualty360](#) reported in a subscriber-only story on Tom Campbell becoming the Academy's new president at last month's Annual Meeting and Public Policy Forum.

A [Pensions & Investments](#) article quoted Bruce Cadenhead, chairperson of the Pension Committee, on variable pension plans.

[Plan Sponsor](#) covered the Dec. 15 pension webinar examining the effects of the COVID-19 pandemic on retirement plans. The article was mentioned by [Business Insurance](#).

A [Brookings Institution](#) report cited the Academy's 2002 issue brief on raising the retirement age for Social Security.

Andy Ferris, an Academy board member and a member of the Data Science and Analytics Committee, offered observations on the changing role of the actuary due to technology for a subscriber-only story in [Life Annuity Specialist](#).

[Advisor Magazine](#) reported on the Academy's new [issue brief](#) discussing the

effects of immigration on the finances of the Social Security program.

An opinion piece published in the [Patriot Ledger](#) (Quincy, Mass.), reprinted in [Independent Agent Magazine](#), cited the Academy's [monograph](#) on the National Flood Insurance Program and related issues. ▲

Remembrance

Arnold Dicke, the recipient of this year's Jarvis Farley Service Award, died Dec. 2. Dicke was highly regarded by his peers as a mentor of actuaries and as a longtime, active, and dedicated Academy volunteer. He also helped support the Academy's mission to serve the public and the actuarial profession throughout the years by encouraging other actuaries to volunteer on specific Academy groups. Dicke was a resource for many actuaries, including NAIC regulators. Dicke [received the Farley award](#) at last month's Annual Meeting and Public Policy Forum for his nearly three decades of volunteer service in more than 35 roles that included vice president, life; a member of the Council on Professionalism; and chairperson or member of many other Academy committees and work groups. [Read more here.](#)



Davis Roenisch, a charter member of the Academy in the 1960s, died Dec. 8 in Evanston, Ill. He was 92. Roenisch was a highly regarded actuary and equity investment adviser, and CEO of his company, Compensation and Capital. In addition to being an Academy charter member, he was a Fellow of the Society of Actuaries. [Read more here.](#)



Heather Jerbi, former longtime and highly regarded Academy staff person, died in late December. Jerbi began her distinguished career with the Academy as a legislative assistant in 2001 and later advanced to pension policy analyst, health policy analyst, senior health policy analyst, and ultimately assistant director of public policy. Smart, hardworking, collegial, and personable, she worked with countless Academy volunteers throughout the years, who greatly enjoyed working with her. Jerbi was respected and admired by so many for being effective, insightful, a great mentor, and a wonderful friend. Many Academy staff, volunteers, and past officers offered their condolences, including Past President Tom Wildsmith (2015–2016). "I'm so glad to have known Heather, and to have had the chance to work with her," Wildsmith said. "This is a personal loss for everyone who came in contact with her." Since 2018, Jerbi was executive director, product policy, at America's Health Insurance Plans. Anyone who spent time with her during football season knows she was also a passionate fan of Clemson University football (her alma mater), especially enjoying its 2016 and 2018 national championship teams. If anyone would like to send their remembrances of Heather to her family, please email the Academy at remembrances@actuary.org.

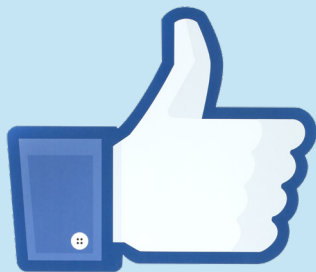


This Year in Social Media

What did you like the most this year?



On Facebook, you liked our Thanksgiving message, One America's interview with Rebecca Owen on surprise billing, the "Retirement Revised" podcast featuring insights from our Social Security reform options webinar, and Contingencies' "Then and Now," which looked at the 1918 Spanish flu and what it could tell us about COVID-19.



On Twitter, you liked our updates to the Actuaries Climate Index, our cover stories on leap seconds and the impact of data science on underwriting from Contingencies, and a look at Charlie Cook's keynote presentation at our Annual Meeting and Public Policy Forum.



On LinkedIn, you liked our Member Spotlight of new Academy President Tom Campbell, information about our new Health Equity Work Group, reading about Tricia Matson's love of math in her Member Spotlight, and a President's Message on uncertainty by then-Academy President D. Joeff Williams.

Make your 2021 resolution to join the conversation online and follow us on [Facebook](#), [Twitter](#), and [LinkedIn](#). Like what you see? Help spread us the word by liking and sharing our updates.



Member Spotlight

John Robinson

EACH MONTH, the Academy has been introducing you to an actuary who shares a glimpse about their professional lives, as well as some insight into their personal lives. Visit the [Member Spotlight page](#) on the Academy's professionalism page. This month we profile John Robinson, a volunteer on the Health Practice Council's Retiree Benefits Subcommittee.

Why did you become an actuary?

While working on my master's degree in statistics, I was looking for a career that would make me a decent living when I returned home to Jamaica. I had been aware of the actuarial profession for a number of years at that point but had not seriously considered it. I took Part 2 (Statistics) in Jacksonville, Fla., and—not surprisingly—got a 10. At the end of the school year, I returned home and got a job with R. Watson & Sons.

Describe a challenge you have overcome.

My only serious ethical dilemma occurred several years ago, after I had earned my fellowship. My chief actuary shifted earnings from one year to the next by setting up reserves in advance of receiving the premiums, which is inconsistent with proper practice. When I challenged him, our relationship soured, and I left the company. My next job was a “promotion” to Appointed Actuary. The best part of the story is that I was able to ask for advice from a vice president actuary at my former employer—that taught me the value of networking.

What do you enjoy the most about being an actuary?

As a life insurance regulator, I have the opportunity to influence the direction of life insurance reserving for all 50 states. It is a privilege to have such an amount of influence and to learn from other experts' experiences and knowledge.

Share something about yourself.

I have played the piano since age 7. I now have two synthesizers, and I have made two CDs of original compositions—I'm still working on the third. I grew up playing soccer, table tennis, and track. I love to travel, and I am hoping that my plans to attend the 2020 Paralympics in Japan will be fulfilled next year.

What advice would you share with young actuaries?

If you are looking for a job, you need to learn about the business you want to be part of—you can't just say, “I can do math.” If you are in your first job, make sure you leave things better than how you found them by improving the process. Finally, it's never too early to start building your network.

PROFESSIONALISM NEWS



Professionalism Outreach

ACADEMY PAST PRESIDENT Tom Terry delivered professionalism presentations at the Actuarial Society of Greater New York's Nov. 23 virtual meeting and at Prudential's virtual Actuarial Days of Learning on Dec. 2. Terry discussed practice and conduct standards, professional responsibilities, and professional guidance and disciplinary processes as they operate within and as integral to the self-regulating U.S. actuarial profession. Drawing on the June [discussion paper on self-regulation](#) developed by the Committee on Professional Responsibility, Terry emphasized that exemplifying professionalism, participating in standards development, and monitoring other actuaries are essential to the continued success of actuarial self-regulation in the United States.

Actuarial Standards Board (ASB) member and incoming Vice Chairperson Rob Damler delivered a virtual presentation

Dec. 8 to the Iowa Actuaries Club on “Professionalism and Selected ASOP Topics.” The presentation provided an overview of the professionalism infrastructure housed in the Academy, followed by a focused review of recently effective and proposed revisions to actuarial standards of practice (ASOPs), and a topical review of documentation, disclosure, and reliance in ASOPs. Damler concluded with an interactive “Professionalism Challenge” that included audience polling and discussion of professionalism issues. ▲

PROFESSIONALISM BRIEFS

➔ **Colleen O'Malley Driscoll** is the Health Practice Council professionalism liaison to the Academy's Council on Professionalism.

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ATTEND one of the Academy's signature events in 2021.

Annual Meeting and Public Policy Forum
Life and Health Qualifications Seminar
PBR Boot Camp: Basic Training and Beyond for
Principle-Based Reserving Implementation
Seminar on Effective P/C Loss Reserve Opinions

SEMINARS

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Held throughout the
year, these webinars
cover topics from all
practice areas.

PUBLIC POLICY WEBINARS

Members receive discounted rates and advance notice when registration opens.

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Precept 8: The Responsibility That Comes With Power

PRECEPT 8, Annotation 8-1 of the Code of Professional Conduct (the Code) observes that an actuarial communication prepared by you as an actuary “may be used by another party in a way that may influence the actions of a third party.” This is your power as an actuary. In recognition of this special ability, Precept 8 requires you to do what you can to ensure that your powers are used for good, not evil—sort of like what Superman’s father did for his son in the Fortress of Solitude.

When exercising your powers, Precept 8 requires you to take reasonable steps to ensure that your actuarial services are not used to mislead other parties. That doesn’t mean that you are ipso facto responsible if an intended user manipulates your services to, for example, mislead regulators or otherwise avoid legal responsibilities.

Precept 8 does not require you to anticipate and take precautions against every conceivable misuse of your services or create a foolproof work product, but it *does* place some responsibility on you to make certain—as best you can—that your actuarial communications will not be misused or misapplied by intended users of your product. Precept 8 directs the actuary to recognize the possibility that the actuary’s work may be misquoted, misunderstood, or otherwise misused and to address that possibility by complying with the Code of Professional Conduct.

For instance, Precept 1, Annotation 1-2, states that “An Actuary shall not provide Actuarial Services for any Principal if the Actuary *has reason to believe* [emphasis added] 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.”

It’s important to note here that “*has reason to believe*” does not mean that the actuary can avoid responsibility by deliberately ignoring the obvious. Social scientists have long identified the human tendency for us to see what we want to see and to fail to notice unethical behavior in others when it’s not in our interest to do so.¹

Precept 1 requires more from the actuary in order

to fulfill the actuary’s responsibility to the public and to the actuarial profession. As the Committee on Professional Responsibility (COPR) wrote in the 2003 discussion paper, *The Actuary’s Relationships with Users of a Work Product*, “[I]f an actuary has reason to believe that the actuary’s work will be misused, the appropriate action is to resolve the matter through discussions with the principal or, failing appropriate resolution, to decline to provide the services.”²

However, in the same paper, the COPR also recognized that “[i]t is not always easy for an actuary to determine whether or not a work product is likely to be misused. ... More often, however, the principal will not clearly indicate an intent to misuse the work, and the actuary may not have any objective reason to doubt the principal’s good faith.”³

In such cases, actuaries meet their obligations under Precept 8 by complying with Precept 4 and taking appropriate steps to make certain that their work products are clear and appropriate to the circumstances and intended audience and “contain the necessary caveats to put a third-party reader on notice of the nature and scope of the actuaries’ conclusions.”⁴

Including disclosures in the work product that clearly define its intended use and intended audience and provides cautions against other uses of the work product by other audiences may make it more difficult for principals or third parties to use your work in a manner inconsistent with how you intended it to be used.

To further help to prevent abuse, you might also include language in the actuarial document, retaining letters, or other agreements with your principal “that limits distribution to other users (for example, by stating that it may only be provided to such parties in its entirety or only with the actuary’s consent).”⁵

In summary, when exercising your powers as an actuary, the public and the profession expect you to take reasonable steps to make certain that your work product is not used to mislead or deceive others. As attested by *The Amazing Spider-Man*: “With great power comes great responsibility.” ▲

Footnotes

¹ Pazzanese, Christina; “Seeing What Leaders Miss”; *The Harvard Gazette*; Aug. 7, 2014.

² *The Actuary’s Relationships with Users of a Work Product*, Committee on Professional Responsibility Discussion Paper; 2003, p. 8.

³ Id. At 9.

⁴ Id. At 10.

⁵ ASOP No. 41, *Actuarial Communications*, section 3.7.

acknowledgment of qualifications, the requirements for recordkeeping, and the discussion whether internal communications and drafts could be considered statements of actuarial opinion. “Appendix 1 reminds us that labeling a statement as a draft does not automatically preclude it from being considered a statement of actuarial opinion,” he said. “An actuarial opinion is defined by its contents and the reliance intended to be placed upon it, not by an arbitrary label applied by the actuary who produced it.”

Coggins reviewed communications as they are addressed in actuarial standards of practice (ASOPs). Not only do the ASOPs include a specific standard devoted to communication—ASOP No. 41, *Actuarial Communication*—but every ASOP also includes a section on communications and disclosures.

Discussing the importance of clear and appropriate communication, she said, “We should certainly know our audience or intended users. Are they technical or non-technical? Do they prefer high-level or very detailed content? Are they more

visually or numerically oriented? When we are in doubt, it’s always helpful to seek the input of a peer. Such input is an excellent way to gain an understanding of the effectiveness of our actuarial communication.”

Communication often arises in requests for guidance (RFG) or cases that come before the ABCD. Kent discussed how the Code, the ASOPs, and the USQS are examined in the ABCD process. He focused on the precepts related to advertising, violations of the Code, and cooperating with the ABCD. Discussing Precept 13, he noted it contained three points. First, each actuary has the responsibility to do something about an unresolved potential violation of the Code.

The second component is that actuaries can resolve many complaints themselves. “If it can be fixed through a discussion, revision of a work product, or appropriate modifications of another actuary’s behavior, this is the easiest avenue for addressing a potential violation and avoiding the submission of a complaint,” he said. Many communication issues

are resolved in the discussion between actuaries that is recommended (but not required) by Precept 13, he added. The third part of Precept 13 relates to submission of a formal complaint.

The presenters used illustrations from Requests for Guidance (RFGs) that were or could be received by the ABCD to explore more communication issues and how they might be addressed and resolved. These scenarios included a change in actuaries, misrepresentation of work product on a blog, and relationship to the principal, and raised issues such as integrity, control of work product, courtesy and cooperation, titles and designations, and violations of the Code.

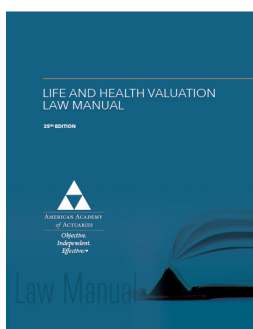
A Q&A session followed. In response to a question on whether providing information and opinions to a supervisor constitutes an actuarial opinion, Coggins said, “If you are offering an opinion, in any form, and you anticipate that that opinion will be relied upon ... then that is a statement of actuarial opinion.”

[Slides and audio](#) are available free to logged-in Academy members. ▲

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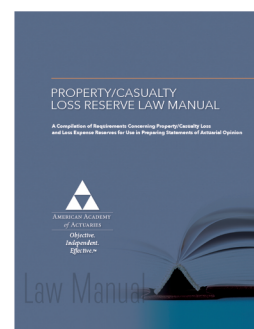


The Life and Health Valuation Law Manual

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 P/C Loss Reserve Law Manual

contains useful information to help appointed actuaries know the National Association of Insurance Commissioners (NAIC) Annual Statement requirements for Statements of Actuarial Opinion (SAOs).



Both manuals are available in a variety of formats, allowing you to pick the version that best suits your needs.

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Academy Submits Testimony to House on Pandemic Insurance

CASUALTY VICE PRESIDENT Lauren Cavanaugh submitted [written testimony for the record](#) on behalf of the Casualty Practice Council to the U.S. House Financial Services Committee's Subcommittee on Housing, Community Development, and Insurance on its hearing "Insuring Against a Pandemic: Challenges and Solutions for Policyholders and Insurers." The hearing looked at ways to address provision of business interruption insurance in the event of future pandemics. ▲

P/C Policy Webinar Set for January

THE CASUALTY PRACTICE Council's (CPC) "P/C Public Policy Update" webinar will provide an update on recent CPC activity and what this means for actuaries in 2021, including a look at the annual practice note on Statements of Actuarial Opinion on P/C Loss Reserves. The webinar will be held on Jan. 14 from noon to 1:30 p.m. EST. [Register today.](#) ▲

Actuaries Climate Index Updated With Spring 2020 Data

THE [Actuaries Climate Index](#) has been updated with data for spring 2020, with its key five-year moving average reaching a new high of 1.19. The index—sponsored by the Academy, the Canadian Institute of Actuaries, the Casualty Actuarial Society, and the Society of Actuaries—is designed to provide actuaries, public policymakers, and the public with objective data about changes in the frequency of extreme climate conditions over recent decades. Read the Academy [news release.](#) ▲



ACTUARIES CLIMATE INDEX
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P/C Loss Reserve Law Manual Available for Preorder

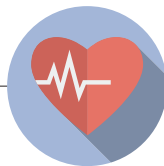
THE ACADEMY'S *P/C Loss Reserve Law Manual*—updated annually—is now available for preorder. Designed to help appointed actuaries know the requirements for statements of actuarial opinion, the manual contains a compilation of insurance laws relating to P/C loss and loss expense reserves for all 50 states, Washington, D.C., and Puerto Rico. The manual will be available for delivery this winter—[place your order today.](#) ▲

**COMING
SOON**

P/C Loss Reserves Practice Note

THE COMMITTEE ON PROPERTY and Liability Financial Reporting (COPLFR) will release its updated *Statements of Actuarial Opinion on P/C Loss Reserves* practice note soon. The purpose of the practice note is to provide information to actuaries on current or emerging practices relevant 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 2020 issued by the NAIC. Actuaries may also find this information useful in preparing SAOs for other audiences. ▲



Subcommittee Submits Comment Letter to NAIC

THE HEALTH SOLVENCY SUBCOMMITTEE submitted a [comment letter](#) to the NAIC Health Risk-Based Capital (E) Working Group providing analysis on the NAIC's initiative to incorporate investment income into the existing underwriting risk factors within the health risk-based capital formula. ▲

Groups Comment to CMS on NBPP

THE INDIVIDUAL AND SMALL GROUP MARKETS Committee and the Risk Sharing Subcommittee [submitted comments](#) to the Centers for Medicare & Medicaid Services (CMS) on the Proposed Notice of Benefit and Payment Parameters (NBPP) for 2022. ▲

Life & Health Law Manual Available for Preorder

THE *Life and Health Valuation Law Manual* is available for preorder. Updated annually, the manual contains information to help appointed actuaries know the requirements of the NAIC model Standard Valuation Law and the Model Actuarial Opinion and Memorandum Regulation. The manual will be available for delivery in January. [Place your order today.](#) ▲

HEALTH BRIEFS

- ➔ **Barb Klever** is vice chairperson of the Health Practice Council and the following are new members: **Annette James, Bela Gorman, and Stacey Lampkin.**
- ➔ **Jim Whelpley** is chairperson of the Retiree Benefits Subcommittee.
- ➔ **Joyce Bohl** is chairperson and **Donna Novak** is vice chairperson of the Individual and Small Group Markets Committee and the following are new members: **Emily Bartel, Alex Faynberg, and Michelle Kollross.**
- ➔ **Rebecca Owen** is chairperson of the Health Care Delivery Committee.
- ➔ **Bruce Stahl** is chairperson of the Long-Term Care/Disability Committee.
- ➔ **John Schubert** is chairperson of the Employee Benefits Committee.
- ➔ **Rob Bachler** is chairperson of the Stop Loss Factors Work Group.
- ➔ **Alex Faynberg, John Horvath, Charles McLaughlin, Mark Olson, and Rick Rush** are members the Active Benefits Subcommittee.
- ➔ **Mark Olson** and **James Pisko** joined the Health Practice International Committee.
- ➔ **Haitham Aly, Joe Chaffee, and Brad Paulis** joined the Medicare Subcommittee.
- ➔ **Nick Crifasi** and **Ian McCulla** joined the Medicaid Subcommittee.
- ➔ **Brad Paulis** and **Rick Rush** joined the Health Solvency Subcommittee.
- ➔ **Mike Bergerson, John Patrick Kinney, Brad Paulis, and Sisi Wu** joined the Long-Term Care Reform Subcommittee.

LIFE NEWS

Asset Adequacy Testing Task Force Publishes Discussion Paper

THE LIFE PRACTICE COUNCIL'S Asset Adequacy Testing Task Force (AATTF) published a [discussion paper](#), *Asset Adequacy Testing Considerations for Year-End 2020*, to raise awareness and summarize actuarial practices for life financial reporting actuaries involved with asset adequacy testing and related activities in

2020's extreme economic environment.

The AATTF expects this discussion paper to generate discussion among actuaries about this year's unusual events and how those events shape asset adequacy testing, and to provide a reminder of relevant actuarial standards of practice (ASOPs) and regulatory standards. ▲





LPC's Year-in-Review Webinar Set

JOIN THE LIFE Practice Council (LPC) for the webinar, "[Academy Life-Practice Area: 2020 in Review/2021 Preview](#)," which will present the LPC's 2020 activity and what that means looking ahead at its 2021 work. The webinar will be held Jan. 13 from noon to 2 p.m. EST. [Register today](#). ▲

LIFE BRIEFS

- ➔ **Anthony Dardis** joined the Economic Scenario Generator Work Group.
- ➔ **Alan Routhenstein** joined the Life Reserves Work Group.
- ➔ **Alex Yang** joined the LTC Combo Product Valuation Practice Note Work Group.

Work Group Comments to NAIC Regarding COVID-19 and Life Insurance

THE LIFE UNDERWRITING and Risk Classification Work Group [sent a letter](#) to the NAIC Life Insurance and Annuities (A) Committee on state regulatory and legislative actions taken as a result of the COVID-19 pandemic that impact underwriting for life insurance. ▲



PENSION NEWS



Public Plans and COVID-19 Issue Brief Released in Conjunction With Pension Webinar

THE PENSION PRACTICE COUNCIL hosted a Dec. 15 webinar, "[The Impact of COVID-19 on Retirement Plans](#)" that covered the short- and long-ranging impacts of COVID-19 on pension plans and their sponsors.

A Public Plans Committee issue brief, [The Impact of the COVID-19 Pandemic on Public Pension Plans](#), released in conjunction with the webinar, noted that while long-term

impacts are more uncertain, in the near term the most significant impacts to public pension plans are likely to be driven by the economic disruption caused by the pandemic.

It also notes that while the pandemic's impact on public pension plans is still emerging, it has the potential to affect plan contributions, investment returns, and demographic experience, and that state and local governments are exploring measures to balance their budgets, which may directly or indirectly affect pension contribution levels.

The severity of the impact of the pandemic is likely to vary significantly by plan, depending on the economic disruption in the plan's geographic region and the exposure of the plan's members to COVID-19, the issue brief states.

Webinar Covers Key Pandemic-Related Pension Issues

Webinar presenters were Eric Keener, chairperson of the Retirement System Assessment and Policy (RSAP) Committee;

Issue Brief

The Impact of the COVID-19 Pandemic on Public Pension Plans

DECEMBER 2020

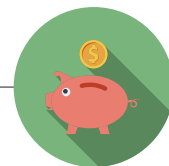
Todd Tauzer, chairperson of the Public Plans Committee; and Christian Benjaminson, chairperson of the Multiemployer Plans Committee. Senior Pension Fellow Linda K. Stone moderated.

Stone began by acknowledging the financial hardship and loss of life brought by the pandemic before focusing on its impact on retirement plans. Her

overview of current capital market environment, future market expectations, and demographic impacts on all plan types set the stage for the presenters on the specifics of single-employer, multiemployer, and public plans.

Keener covered single-employer plan concerns around how the dramatic volatility and asset drops at the end of the first quarter have been countered by a steady movement upward. Benjaminson followed with a look at multiemployer plans, noting the pandemic's impact has also differed by industry, as hours of service and unemployment, employer withdrawals, and bankruptcies can significantly affect plan funding. Tauzer presented on the ramifications of the pandemic for the thousands of public plans across states and localities, noting their extreme variety in financial health, cost, and stability.

For a more detailed recap of the webinar, see the fall issue of [The Retirement Report](#), published this month. Webinar [slides and audio](#) are available free to logged-in Academy members. ▲



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Social Security Issue Briefs Examine Immigration, Assumptions

THE SOCIAL SECURITY Committee recently published two issue briefs:

▲ [Immigration and Social Security](#) discusses the effects of immigration on the finances of the program. An increase in immigration would have the effect of stabilizing the size of a country's working population in an environment where birth rates are declining.

▲ [Assumptions Used to Evaluate Social Security's Financial Condition](#) looks at actuarial assumptions used by the Social Security Administration to make projections for and evaluations of the program's financial condition.

The fall issue of [The Retirement Report](#), published this month, includes a Q&A with committee Chairperson Amy Kemp on these and other issues being looked at by the committee. ▲

Webinar Looks at Capital Markets and Return Expectations

A DEC. 10 PENSION WEBINAR, "[Setting Investment Return Expectations in an Evolving Capital Market Environment](#)," offered a variety of viewpoints from presenters and methodologies for developing and assessing investment return expectations. Academy volunteer Evan Inglis moderated, and presented the first segment on asset pricing and the impact of pricing on returns and return forecasting.

Investment professionals Shaum Shrinivas and Phil Kivarkis built on that foundation, walking through processes for developing capital market assumptions. Academy volunteer Jerry Mingione summarized a composite of forecasts from a variety of models.

The Q&A that followed included discussions about the effects of Federal Reserve policies and rapid technological advancement. Archived [slides and audio](#) are available free to Academy members. ▲

Intersector Group Releases Notes From PBGC Meeting

THE INTERSECTOR GROUP [released the notes](#) of its November meetings with the Pension Benefit Guaranty Corporation (PBGC). The group asked for more information from the PBGC on topics including multiemployer plans; end of year events such as mergers, spin-offs, and annuities; standard terminations; and distress terminations. ▲

PENSION BRIEFS

- ➔ **Judy Kermans** and **John Monroe** joined the Public Plans Committee.
- ➔ **Katie Brown** joined the Social Security Committee.

RISK MANAGEMENT BRIEFS

- ➔ **Emily Bartel, Scott Brown, Jonathan Delutio, Mengting Zhou Kim, Michael Lundquist, Roosevelt Mosley, Monique Nilsen, Kirsten Pedersen, Marianne Purushotham, Andrea Rome, Julia Romero, Sougata Roy, Leslie Vernon, JJ Xu, Eric Xu, and Ross Zilber** joined the Data Science and Analytics Committee.
- ➔ **Nathan Luketin** joined the IFRS 17 Work Group.
- ➔ **Dana Hunt, Monique Nilsen, Sougata Roy, and Ariel Weis** joined the ERM/ORSA Committee.