Academy Presents at NAIC Summer Meeting

Academy Volunteers presented in early August at the NAIC Summer 2019 National Meeting in New York City, addressing life, health, casualty, and professionalism topics.

At the Academy-hosted professionalism breakfast on Aug. 3, Academy President Shawna Ackerman, President-Elect nominee and Committee on Qualifications member Tom Campbell, Actuarial Standards Board Chairperson Kathy Riley, and Actuarial Board for Counseling and Discipline member Godfrey Perrott presented and fielded questions from regulators. They also gave professionalism updates to NAIC’s Life Actuarial Task Force, Health Actuarial Task Force, and Casualty Actuarial and Statistical Task Force.

Academy volunteers also presented to the NAIC’s Life Actuarial Task Force (LATF), Health Actuarial Task Force (HATF), and Casualty Actuarial and Statistical Task Force (CASTF), and attended other NAIC group meetings.

Presentations to LATF included:
- Annuity Reserves Work Group Chairperson Ben Slutsker gave an update on fixed annuity principle-based reserves.
- Standard Valuation Law (SVL) Interest Rate Modernization Subgroup Chairperson Chris Conrad presented an update on SVL.
- Life Experience Committee Chairperson Mary Bahna-Nolan gave an update on accelerated underwriting data elements on behalf of the Joint Life Experience Committee and Society of Actuaries.

Academy Representatives Attend IABA Meeting

Academy Representatives attended the International Association of Black Actuaries’ (IABA) annual meeting Aug. 1–3 in Houston. Academy President-elect D. Joeff Williams, along with General Counsel and Director of Professionalism Brian Jackson and Assistant Director of Membership Kasha Shelton, represented the Academy.

“The Academy always enjoys attending the IABA’s annual meeting, which is a great opportunity for its members to get together and interact with their peers and other members of the profession,” Williams said. “I’ve enjoyed attending in the past few years and appreciated being a part of the energy and excitement of this meeting.”

Williams (right) speaks with an IABA meeting attendee

Ackerman (left) with Kathy Odomirok, chairperson of the Academy’s Committee on Property and Liability Financial Reporting, at NAIC
T HANK YOU TO ALL THE ACADEMY MEMBERS who cast their votes in the online election for the four candidates for open regular director positions on the Academy Board of Directors. Voting wrapped up in late August with a slightly higher percentage of members voting than in last year’s election, with 12.28% of those voting who were eligible. The newly elected directors will be Kenneth Kasner, Barbara Klever, Frank Todisco, and Aaron Weindling. All of the terms will begin after the Academy’s Annual Meeting of the membership on Nov. 5.

Annual Meeting—Early Discounts Available Through Sept. 13

THERE ARE ONLY a few weeks left to get an early discount on registration for the Academy’s 2019 Annual Meeting and Public Policy Forum, to be held Nov. 5–6 in Washington, D.C. Our premier annual two-day event will allow attendees to earn continuing education credit and experience how actuaries make a difference on public policy/professionalism.

In addition, plenary sessions will examine the challenges that women face in achieving a secure retirement and test your professionalism acumen during an interactive game show. Also, Pennsylvania Insurance Commissioner Jessica Altman will discuss health issues, and political satirist, commentator, and author P.J. O’Rourke will give the opening plenary address at the two-day event.

Learn more about the event and to see what’s on the agenda, including breakout sessions in property/casualty, health, life, and pension practice areas. Be sure to register by Sept. 13 to obtain your discount—register today.

Recently Released

T HE SUMMER ISSUE of The Retirement Report includes a Q&A with Jason Russell, chairperson of the Multiemployer Plans Committee, on highlights of the Academy’s recent multiemployer plan briefings on Capitol Hill and related issues. Also in the issue, more coverage of the multiemployer briefings, a Capitol Forum webinar looks at national retirement policy, and a pension webinar covers return expectations.

The August HealthCheck covers updates the Academy made at the NAIC Summer 2019 National Meeting; comments on the proposed actuarial standard of practice, Setting Assumptions; and legislative and regulatory activity that may affect health actuaries’ work.
Academy Moves Forward Representing the U.S. Profession Internationally

IN FURTHERANCE of the Academy’s updated international strategy to represent the U.S. profession’s interests more directly with supranational organizations, the Academy sent comments Aug. 15 directly to the International Association of Insurance Supervisors (IAIS) in response to the IAIS’ public consultations requests related to the Supervisory Material and to the Holistic Framework for Systemic Risk in the Insurance Sector.

As noted in the letter, “Just as insurance markets differ markedly from one another internationally, so do national requirements for the qualification of actuaries.” In addition to providing general comments, the Academy provided several technical suggestions—clarifications and additions—for improving Insurance Core Principle (ICP) 16.

Panel Presents on Climate Indexes at Statistical Meeting

THE ACADEMY ORGANIZED a panel that presented late last month on “Assessing Climate Risks” at the American Statistical Association’s 2019 Joint Statistical Meetings in Denver. Steve Jackson, the Academy’s assistant director for research, was joined by Academy members Steve Kolk, a member of the Extreme Events and Property Lines Committee, and past Academy Casualty Vice President Rade Musulin, in discussing the current status and future prospects of the Academy co-sponsored Actuaries Climate Index and the Actuaries Climate Risk Index, as well as the Australian Actuaries Climate Index and other actuarial climate indexes.

Two non-actuarial environmental statisticians were also on the panel—Peter Soussounis, director of climate change modeling at AIR Worldwide, and Michael Wehner, senior staff scientist at the Lawrence Berkeley National Laboratory and a lead author of the Intergovernmental Panel on Climate Change (IPCC) Climate Assessments and the U.S. National Climate Assessments.

Public Policy Outreach

Jackson also presented an overview of the Academy’s research initiative—including its goals, infrastructure, and projects—at the Actuarial Research Conference Aug. 15 in Indianapolis. The conference is hosted by a rotating set of universities each year, and the Academy was a co-sponsor this year for the first time.

IN THE NEWS

An editorial citing Academy analysis of the potential effects on Social Security’s financial condition of removing the taxable earnings limit ran in several Pennsylvania community newspapers—The Reading Eagle, The Reporter (Lansdale), The Times Herald (Swarthmore), and The Mercury (Exton).

PlanSponsor published a recap of the national retirement policy Capitol Forum webinar hosted by the Academy this month.

ThinkAdvisor cited the Academy’s November 2016 congressional testimony on the federal long-term care (LTC) insurance program in a story about LTC insurance.

The Berkshire Eagle (Mass.) cited Academy analysis of the multiemployer pension crisis in a story on multiemployer legislation passed in July by the House of Representatives.

ThinkAdvisor cited the Long-Term Care (LTC) Combination Product Valuation Work Group’s presentation at the NAIC Summer 2019 National Meeting in New York City in a story on regulators’ discussion of LTC hybrid products.

October Professionalism Webinar Set—“Reliance: ‘...A Little Help From My Friends’”

The Academy’s third professionalism webinar of the year—“Reliance: ‘...A Little Help From My Friends’”—to be held in October, will focus on the Actuarial Standards Board’s (ASB) approaches to reliance in actuarial standards of practice and offer mini-case studies in all practice areas. Presenters will be Academy President Shawna Ackerman and ASB members Cande Olsen and Barbara Snyder. Erica Kennedy, the Academy’s assistant director of professionalism (actuarial standards), will moderate. The webinar will be held on Wednesday, Oct. 16, from noon to 1:30 p.m. EDT. Register today.

Actuaries Climate Index
Winter 2018–19 Data Released

The Academy and co-sponsoring U.S. and Canadian organizations have updated the Actuaries Climate Index (ACI) with data from the winter of 2018–19, with the 1.00 value for the season contributing to an upward trend in the average ACI value for winter.

Taking the new data into account, the average of the last five winter ACI values was higher than the average for the five winters ending in 2017–18. The increase in average winter values is one factor driving the ACI’s five-year moving average to new highs. The moving average increased by 0.08, from 1.02 to 1.10, the largest quarter-to-quarter change over the period studied, January 1961 through February 2019.

“Since last quarter, the ACI moving average increased by the largest amount during the 59-year period covered by the index, making this five-year period the greatest outlier so far in terms of frequent extreme weather and sea level change,” says Doug Collins, chair of the Climate Index Working Group.

Subcommittee Members Comment on LTC Insurance

Members of the Long-Term Care (LTC) Reform Subcommittee submitted comments following their discussion with the Federal Interagency Task Force on LTC insurance earlier this year. These comments reiterate and expand on their original discussion including addressing regulatory hurdles to innovation.

Corey Berger, Matthew Billas, Marcie Gunnell, James Lescoe, David Mike, Tony Pistilli and Emma Yunshi joined the Prescription Drug Work Group.
PRECEPT 10 IS DIFFERENT from all the other precepts in the Code of Professional Conduct (Code) in that much of its purpose is to provide a framework in which actuaries, who may sometimes be competitors, can work together courteously and cooperatively to provide Principals, intended users, and the general public with high-level and trustworthy actuarial service.

The courtesies actuaries extend to each other as professionals are an important element of this cooperation. Simple courtesy improves efficiency and communications. Lack of courtesy can negatively affect clients and their impression of the actuarial profession. But extending courtesy and cooperation to competitors, rivals, or even someone coming to take your job can be challenging, to say the least.

That may be why Precept 10 has more annotations than any other Precept and presents the longest text of any Precept of the Code. The material covers some of the stickier situations you may find yourself in as an actuary—discussing differences of opinion with another actuary, discussing with the Principal your difference of opinion with another actuary, and cooperating with another actuary who may have been brought in to replace you (or vice versa).

All these situations require tact, courtesy, and cooperation. In order to promote a high level of professional courtesy and enhance and preserve professional relationships, Precept 10 sets forth the profession’s expectations for communication in difficult situations.

In order to promote a high level of professional courtesy and enhance and preserve professional relationships, Precept 10 sets forth the profession’s expectations for communication in difficult situations.

expands on this idea, explaining that because actuaries often estimate uncertain events, there is frequently “a range of reasonable methods and assumptions, and two actuaries could ... both using reasonable methods and assumptions ... reach different but reasonable results.” Although some actuaries may find such conversations difficult, starting with the fact that you realize actuaries faced with the same facts may arrive at different conclusions may smooth the way for a productive discussion.

The need for civil and productive discussions under trying circumstances can also occur when a Principal decides to consult with a new or additional actuary. Though this may be upsetting, Precept 10 informs that an actuary’s professional obligation to a Principal does not cease with the termination of the employment relationship. Regardless of how or why that relationship was terminated, the actuary’s responsibilities to the Principal have a continuing professional obligation and that actuary must cooperate with the new actuary in the Principal’s interest. So if your Principal has hired another actuary to either consult on an assignment or take it over entirely, it is your professional responsibility to cooperate in supplying “relevant information, subject to receiving reasonable compensation for the work required to assemble and transmit pertinent data and documents.”

Though the Actuary need not provide any items of a proprietary nature, there’s no exception for refusal to provide work product because of unresolved compensation issues unless such refusal is in accordance with a pre-existing agreement with the Principal. It is a good idea to provide any information you are asked for promptly, as a lengthy delay in such cooperation has itself been found to be a violation of the Code. And, of course, failing to provide requested information is also a Code violation, as illustrated by a recent Academy discipline notice.

While you may occasionally find yourself in a situation where calm, courteous communication and cooperation may seem a tall order, focusing on the underlying reason for the professionalism tenets laid out in the Code may help: to provide the Principal and—by extension, the ultimate end-users of the Principal’s products—high-quality actuarial services that they can rely upon.

Footnotes
1 ASOP No. 1, Introductory Actuarial Standard of Practice, Annotation 10-10.
2 ASOP No. 1, Section 2.10.
3 Ibid. 4 Discipline notice, March 29, 2011.
5 Discipline notice, Aug. 29, 2018.
IN THE FIRST HALF OF 2019, the Academy welcomed 258 new members. Their average age was 31, and about a third were women.

The majority of the new members, 160 (62 percent), are employed by an insurance organization or organizations serving the insurance industry. There were 90 (35 percent) working as consulting actuaries, while five were miscellaneous, and one each identified as government, other, or no category.

Health was the most popular area of practice (85; about one-third), followed by life (67; 26 percent), property/casualty (72; 28 percent), pension (19), and risk management (7), while eight listed “other” or no category.

Elizabeth J. Alleman
Nickolas A. Alvarado
Katherine C. Anderson
Lance D. Anderson
Nicholas A. Anderson
Gabe Anthony
Andrew P. Atkinson
Yong Hao Bai
Maja Bakija
Geena M. Baldi
Dustin Baran-Plotkin
Brian C. Barker
Michael J. Barr
Jordan T. Bernhardt
Maxwell E. Berube
Shalaka M. Bhat
Kenneth J. Bischel
Jodi A. Black
Paul C. Blain
Laura K. Blair
Jonathan C. Boggess
Christian M. Boughner
Jonathan J. Boyles
Joshua D. Bracewell
Claudia C. Brebner
Kerry Brown
Laurel S. Brown
Michael P. Brunner
James L. Burgess
Jessica Calafell
Lauren M. Campbell
Minyu Cao
Douglas C. Carey
Nicholas E. Carey
Sarah K. Cast
Joanna L. Cetinkaya
Alice Chan
Joshua S. Chee
Sara Chen
Barry C. Cheung
Sumeeti Chheda
Edward Chu
Jonny M. Chung
Sung Hun Chung
Marisa C. Cianci
John F. Cipolla
Scott C. Cremens
Charles L. D’Angelo
Rachel M. D’Annee
Benjamin D. Dahliberg
Mason A. DeLalla
Matthew DeLuca
Anna V. Demuync
Katherine S. Dennis
Yiwen Diao
Marisa A. DiMare
Blake J. Doane
Joshua A. Dombrowski
Joseph M. Dorocak
Benjamin J. Duggan
Joseph E. Dumas
Nicholas D. Easley
Eduardo Espinola
Gregory A. Faltenovich
Benjamin L. Faught
Amanda A. Fenwick
Jesse P. Finkel
Gershon H. Firestone
Jeremy W. Fleischer
Ross Freitag
Nicholas Frongillo
Gabriel Garcia
Frederick J. Gard
Roberto Garibaldi
Bezares
Myiah L. Gauntlett
Anthony Genova Jr.
Amanda K. Glish
Bryan J. Goldman
Lowell P. Good
Matthew J. Goodrich
Arenas G. Gower
Janessas A. Gramson Sanchez
Paul T. Greffet III
Caitlin E. Grice
Joseph F. Griffin
Andrew B. Groth
Marc-Etienne Guay
Brittin J. Gunnoe
Dean Guo
Kofi A. Gyameh
Garrett K. Hahn
Edgar B. Harrell
Kamal A. Harris
Ajmal A. Haseeb
Suzanne E. Henderson
Joseph R. Henton
Alexandra M. Herink
Brad C. Herman
Brad R. Heywood
Daniel T. Hillary
Pui Man Ho
Clay W. Holman
Anthony J. Hovest
Jonathan L. Hoyt
De Hu
Zhuoyu Hu
Yanbo Huang
Lauren Hunka
Tyler J. Hutchison
Thinh Huynh
Hyoeun Jang
Justin M. Jarbola
Daniel A. Jaspers
Emily B. Jenkins
Yang Jing
Jillian E. Kalk
Miho Kamei
Brian M. Kaminsky
Ujea A. Kang
Mallory A. Kern
William A. Keyer
Christine T. Kho
Thomas D. Kirkland
Emily F. Klare
Nicholas J. Klinka
Courtney A. Kozlak
Charles P. Kraus
Joseph F. Kraynak
Kyle W. Kusy
Kimberly A. Lake
Sarah M. Langford
Jean-Philippe Larochelle
Brian W. Larsen
Lingwai Lau
Chiu Tang Law
Kaitlin A. Lawson
Sarah M. Longford
Alexander M. Lewis
Hao Li
Xiangning Li
Yun Li
Anji I. Li Zhao
Jiachen Liang
Fangxi Lin
Feiying Liu
Kristen M. Long
Alec Loudenback
Zi Xiang Low
Yi Luo
Simin Ma
Stella Y. Ma
Matthew R. Madia
Nima Malboubi
Caitlin E. Manahan
Tarun Manikata
Timothy F. Mankowski
Matt J. Mars
Jeremy L. Matson
Jordan M. McClane
Ryan M. McCulley
Juline McDonald
Patrick R. McEnery
Jared T. McKinney
Matthew P. Meade
Tracey L. Mikulewicz
Spencer H. Miller
Dennis Murashko
Matthew W. Murray
Joshua J. Newkirk
Khoa P. Nguyen
Jakob M. Nolan
Corrina G. Olson
Jason W. Oswald
Leonard F. Palata
Robert A. Patronaggio
Diego M. Perea
Jonathan D. Plumb
Simon R. Poole
Prem Prakash
Bryant W. Prieur
Michael P. Quercia
Waleed Rahim
Trey P. Reese
Adam D. Reiner
Abby J. Relph
Patrick J. Renken

CONTINUED ON PAGE 7
Register Today

NOVEMBER
Life and Health Qualifications Seminar
NOV. 10–14, 2019 | ARLINGTON, VA.
Acquire the necessary qualifications to sign statements of actuarial opinion for NAIC life and health annual statements.
(SOA) Preferred Mortality Committee.

- Life Practice Council (LPC) member Jason Kehrberg gave an update on the yearly renewable term field test.
- LPC member Donna Claire gave an update on activities of the Academy’s Principle-Based Reserve (PBR) Governance Work Group.
- Paul Navratil, chairperson of the Longevity Risk Task Force, provided an update on the task force and the Correlation Recommendation.

Health presentations included:

- Warren Jones, chairperson of the Academy’s Long-Term Care (LTC) Combination Product Valuation Work Group, presented at the NAIC’s LTC Actuarial Working Group meeting on the draft Long-Term Care (LTC) Combination Product Valuation Practice Note.
- Bob Yee gave an update on the LTC Combination Product Valuation Work Group at the same meeting.
- Academy Health Practice Council (HPC) member and Individual and Small Group Markets Committee Chairperson Barb Klever gave an update of HPC activity to HATF.

For a full wrap-up of the Academy’s NAIC meeting activity, including casualty, health, life, and cross-practice presentations, read the post-NAIC Academy alert.

Post-NAIC Webinar Covers Life Issues
The Academy’s Life Practice Council hosted a “Life Post-NAIC Update” webinar Aug. 23 looking at key issues from the meeting, including a recap of the LATF meeting and discussion of the task force’s timetable for the remainder of 2019; an update on the development of the YRT Field Test; a recap of the Life Risk-Based Capital Working Group meeting and its plans for the rest of the year; and other pertinent topics. The webinar was moderated by Dave Neve, the Academy’s vice president, life. Slides and audio are available free for logged-in Academy members. ▲

**Save the Date—PBR Boot Camp**

Learn what’s working from those who have been at the forefront of principle-based reserving (PBR) implementation, as the Academy will host its sixth PBR Boot Camp later this year. Registration will open soon.

**Dec. 9–11, 2019 / Austin, Texas**

**Group Comments on VM-51**

THE ACCELERATED UNDERWRITING Project Oversight Group of the Joint Academy Life Experience Committee and Society of Actuaries’ Preferred Mortality Oversight Group submitted an amendment proposal form (APF) and supplemental comment letter providing a revision to data elements in VM-51 to accommodate and differentiate individual underwriting and allow more robust mortality data for development of industry mortality tables. ▲

**LIFE BRIEFS**

- Sam Early joined the Life Practice Council
- Ryan Flemming joined the C2 Work Group
- Robert Egan, Terri Foster, Bruce Sartain, and Vincent Tsang joined the Annuity Reserves Work Group.
- Bruce Sartain and Vincent Tsang joined the Rater Modernization Work Group.
Capitol Forum Webinar Looks at National Retirement Policy

The Academy hosted a Capitol Forum webinar Aug. 14, “Toward a U.S. National Retirement Policy—A Dialogue on Key Elements for Success,” which looked at key issues involving U.S. retirement security and the increasing need for the establishment of a comprehensive national retirement policy that articulates guiding principles for the U.S. retirement system. Eric Keener, chairperson of the Retirement System Assessment and Policy Committee, moderated; presenters represented the Heritage Foundation, the New School for Social Research, and the Bipartisan Policy Center. Slides and audio are available for logged-in Academy members.

New Essential Elements Paper on Retirement Policy

Related, the Academy also released a new Essential Elements paper, “Creating a National Retirement Policy,” outlining the ways in which a comprehensive national retirement policy could potentially address concerns about retirement security in the United States. The Essential Elements series is designed to make actuarial analyses of public policy issues clearer to general audiences.

Committee Comments on Pri-2012

The Pension Committee submitted comments to the Society of Actuaries Retirement Plans Experience Committee regarding the Pri-2012 exposure draft. The committee cited “a number of substantial concerns regarding the data that was used to produce the proposed Pri-2012 tables and the methodology that was used to gather it,” and asked for certain clarifications and/or additional information and disclosures.