

Professionalism Webinars Examine New USQS, ABCD and Ethical Questions

THE ACADEMY HOSTED two webinars in December that offered attendees a look at the revised U.S. Qualification Standards (USQS) and the Actuarial Board for Counseling and Discipline (ABCD)—providing much-needed professionalism continuing education (CE) before year-end.

The Dec. 17 webinar was the latest in the Academy's popular professionalism webinar series on ethical questions posed to the ABCD. "[More Tales From the Dark Side](#)" looked at cases and requests for guidance (RFGs) that have been brought before the ABCD, and featured ABCD Chairperson David Driscoll and members Albert Beer and Godfrey Perrott. **Note:** The Academy is aware of technical problems that occurred during this webinar. The full webinar recording is now available free of charge via the [Academy website](#). We apologize for any inconvenience.

Then on Dec. 20, "[The Amended U.S. Qualification Standards](#)" featured Committee on



Perrott (left) and Beer prepare for the Dec. 17 webinar

Qualifications (COQ) Chairperson Katie Campbell, Vice Chairperson Lisa Slotznick, and COQ member and Academy Past President Tom Terry. Immediate Past President Tom Campbell moderated, and the webinar was hosted by Brian

Jackson, Academy general counsel and director of professionalism.

Visit our [professionalism webinars webpage](#) for archived materials—and remember, reviewing recorded webinars can fulfill CE obligations. ▲

Dig Deeper

Interested in learning more?

- ▲ Read the [Code of Professional Conduct](#)
- ▲ Check out the amended [U.S. Qualification Standards](#)

Pension Issue Brief Examines Life Expectancy

THE PENSION COMMITTEE released an issue brief, [Interpreting Pandemic-Related Decreases in Life Expectancy](#), which looks at the issue of life expectancy in the context of newly published Centers for Disease Control and Prevention (CDC) provisional life expectancy estimates—particularly those in the CDC's Vital Statistics Surveillance Report that show the average life expectancy of Americans declined by a year and a half in 2020, primarily due to the impact of COVID-19.

The issue brief states that this headline number can be misleading. The CDC report uses "period" life expectancy, which assumes that the COVID-19 mortality experience of 2020 would continue for every year going forward. While this measure may be useful for

year-over-year comparisons in normal times, it tends to exaggerate the effect of nonrecurring events.

"Cohort" life expectancy is how most people think about life expectancy, as it is an estimate of the actual number of years that an individual may live, reflecting expected future conditions. The temporary impacts of increased deaths due to COVID-19 in 2020 and into 2021 will have a much smaller effect on cohort life expectancy, as it is assumed that those effects will lessen over time.

The [Actuaries Longevity Illustrator](#), sponsored jointly by the Academy and the Society of Actuaries, can help individuals estimate how long they might live, the issue brief states, noting that actuaries are well positioned to help bring clarity to understanding of longevity and life expectancy.

3

Academy Hosts P/C Opinion Seminar

3

P/C Loss, Life & Health Law Manuals Available

7

'Professionalism Counts'—Self-Regulation Q&A

9

Health Equity Work Group RFI Deadline Is Jan. 14

2022

JANUARY

25 "Funding Public Pension Plans—Theory and Practice," pension webinar

26 "Life Public Policy Update," life webinar

Academy NEWS Briefs

2022 Dues Reminder

A REMINDER THAT 2022 MEMBERSHIP DUES are due on Jan. 1. To renew your membership online today, please [log in to the Academy website](#). Learn more about how the Academy's efforts in professionalism and public policy enhance and deepen member service and value with "[The Meaning of Your Membership](#)," which highlights the many mission-critical aspects of the Academy's work undertaken in 2021. ▲

'Magic School Bus' Gains Sponsorship

THE ACADEMY'S *The Magic School Bus Takes a Risk: A Book about Probability* gained a sponsorship—the Bermuda International Long-Term Insurers and Reinsurers presented copies of the book to students in Bermuda as part of its 10th anniversary celebration. [The Royal Gazette](#), [Bernews](#) and [Bermuda Re/insurance](#) magazine covered the event. Companies interested in similar outreach can take advantage of the opportunity to partner with the Academy and sponsor the book, which introduces grade-school children to the work actuaries do and shares how math can take them on amazing journeys. [Click here](#) to learn more about sponsorship opportunities. The minimum order is 5,000 copies. ▲



Recently Released

THE LATEST *Contingencies* web exclusive—"What the Hack?"—explores cyber risk, cybercrime, and cybersecurity, addressing the current state of play of the cyber threat landscape and how insurers are keeping up with ever-evolving capabilities of motivated hackers—and the role actuaries play in pricing and mitigating threats. Also, be sure to listen to the interview with



WEB EXCLUSIVE: What the Hack?

Norman Niami, chairperson of the Academy's Cyber Risk Task Force, who offers his on-the-ground perspectives on this timely topic.

The Fall/Winter [HealthCheck](#) offers a reminder of the Jan. 14 deadline for comments to the Health Equity Work Group's (HEWG) request for information on its work assessing

whether and how actuarial practices and methods affect health disparities. Also covered in this issue, the HEWG released two discussion briefs. The Annual Meeting and Public Policy

Forum included several plenary and breakout sessions on health issues, the Medicaid Committee released a COVID-19 issue paper, and recent legislative and regulatory activity.

The Fall/Winter ASB [Boxscore](#) covers

recent Actuarial Standards Board (ASB) activity, including the ASB's adoption of revisions to Actuarial Standard of Practice (ASOP) Nos. 2, 3, and 22. It also reports on the incoming and outgoing members of the ASB, committee assignments, and a look ahead at the ASB's upcoming work in early 2022. ▲

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 P/C Loss Reserve Opinions Seminar

THE ACADEMY hosted a successful Seminar on Effective P/C Loss Reserve Opinions—a two-day hybrid event held Dec. 6–7, with in-person sessions held in Chicago—that provided participants with information on the requirements and instructions for P/C actuaries working on reserve opinions. Sessions covered qualifications, reserve ranges, risk of material adverse deviation, relevant actuarial standards of practice (ASOPs), and responsibilities and record-keeping. Interactive online discussions on case studies allowed remote participants to engage with and ask questions of the presenters. ▲



Seminar attendees prepare for a session

Academy P/C Loss Reserve, Life & Health Valuation Law Manuals Available for Order

TWO ACADEMY law manuals are now available for order: The *P/C Loss Reserve Law Manual*, published annually, is 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 is available for immediate order—[place your order today](#).

The *Life and Health Valuation Law Manual*, published annually, contains

updated 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 soon. [Place your order today](#). ▲

IN THE NEWS

A subscriber-only newsletter from the National Institute on Retirement Security reported on the Academy's [The 80% Pension Funding Myth](#) issue brief.

[Think Advisor](#) published a short profile of Academy President Maryellen Coggins in which she discusses the Academy's public policy work.

[Advisor Magazine](#) and [Carrier Management](#) reported on the newly revised USQS.

[South China Morning Post](#) cited data from the [Actuaries Climate Index](#) (ACI), jointly sponsored by the Academy and other actuarial organizations. [Portail de L'Assurance](#) (Canada; French language) also wrote about the ACI.

A *KNSS-AM* (Wichita, Kan.) radio segment cited research from the Academy on longevity risk as a factor in retirement planning. ▲

Public Employment Opportunity

THE UTAH INSURANCE DEPARTMENT is seeking a Health Insurance Actuary to “direct and enforce actuarial functions related to health insurance.” The person in the position will apply advanced actuarial science, mathematical, and statistical methods for the review and approval of reports, financial statements, and rate filings, among other tasks. For more information and to apply, [click here](#).

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

EXPAND your knowledge. **SHARPEN** your skills.
EARN vital continuing education.
ATTEND one of the Academy's signature events in 2022.

Annual Meeting and Public Policy Forum
Life and Health Qualifications Seminar

SEMINARS

PBR Boot Camp: Basic Training and Beyond for
Principle-Based Reserving Implementation

Seminar on Effective P/C Loss Reserve Opinions

PROFESSIONALISM WEBINARS

Held quarterly, these webinars are
a popular resource for essential
information and CE credits.

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.

[ACTUARY.ORG/CALENDAR](https://actuary.org/calendar)



AMERICAN ACADEMY of ACTUARIES

Objective. Independent. Effective.™



Member Spotlight

Christopher Chernick

EACH MONTH, the Academy has been introducing you to an actuary who shares insights about their professional lives, as well as a glimpse into their personal lives. Visit the [Member Spotlight page](#), part of the Academy's "Professionalism First" hub. This month's Member Spotlight profiles Christopher Chernick, a pension actuary and member of the Pension Assistance List (PAL).

What led you to become an actuary? And what attracted you to the profession?

I graduated C.W. Post College in 1974 with a degree in mathematics. I was going to go for a teacher certificate when I saw an ad in The New York Times for an actuarial assistant at George B. Buck Consulting Actuaries. I called the agent, secured an interview, and at the interview was given a simple mathematics test. That led me to a career as an actuary and administrator that has spanned 47 years and counting.

Describe a professionalism-related challenge that you have faced in your career. How did you handle it?

I was not a fast-track actuarial exam taker like many of my colleagues, and with the first two exams under my belt, I stalled. Then in the mid-'80s I started to take the Enrolled Actuary exams and after a few tries passed both of them and became an Enrolled Actuary. At Buck Consultants they would only promote ASAs and FSAs for many years. After many years of hard and successful work we convinced our management to explore alternate career paths. They did that and we became what was known as senior actuarial manager which was equivalent to the assistant consulting actuary level—which was a huge accomplishment.

What advice do you wish you were given when you were at the beginning of your career?

To be a successful actuary today (as it was in my day), you have to have the right combination of book knowledge and business sense. Today you also need technical knowledge to use the electronic tools of today and to really succeed you have to find the cutting edge of the next-generation automation process, either being on the ground building or recognizing the best investment.

Tell us about a time where your actuarial expertise influenced an important decision in your workplace.

In the mid-'80s, we were doing termination re-establishments. We had to assemble data, submit to insurance companies, and review bids and recommend to the client. I developed a common form for assembling the data that was widely used by the organization.

What is one of the biggest lessons you've learned in your career?

To be flexible, committed, and honorable. These qualities will carry you far.

Would you like to share anything else with aspiring or new actuaries, or those interested in volunteering for the Academy?

Do the best job you can do always, and be friendly and helpful to others—it might take a long time, but the good work is recognized and you will go far.

Share a little about yourself. What are some of your hobbies or other personal interests?

In my early 60s, I started running; last year I ran my first half marathon on a virtual basis and this fall I ran a live half marathon. I run a local support group for depression and bipolar disorder. I love to bake, and I bake cookies every week for the group. I also love to garden and travel. During the pandemic I did grocery shopping for elderly people in the community that could not get to the food market because the town bus had been discontinued and I started to deliver cookies to them and people in the neighborhood, a good way to get to know them. ▲

If you are an Academy volunteer and would like to be considered for a future Member Spotlight, [please complete this questionnaire](#).

Professionalism Outreach

THE ACADEMY'S PROFESSIONALISM OUTREACH continued this month with William Hines, a member of the ABCD and of the Council on Professionalism and Education, who presented virtually on Dec. 15 to the Iowa Actuaries Club on "Self-Regulation and the ABCD." He provided insights into the principles, framework, and operation of self-regulation for the U.S. actuarial profession, and how the ABCD plays a critical role in this context. Hines also discussed the kinds of cases and requests for guidance that come before the ABCD and walked virtual attendees through case studies of how different professional scenarios look through a disciplinary lens. ▲

PENSION BRIEFS

- ➔ **Stephen Breeding** is chairperson of the Pension Accounting Resource Group.
- ➔ **Lee Gold** is vice chairperson of the Retirement System Assessment and Policy Committee.
- ➔ **Jim Whelpley** joined the Pension Practice Council.
- ➔ **Bill Hallmark** joined the Public Plans Committee.

DISCIPLINARY NOTICE

The Academy issued a Notice of Public Discipline on Dec. 15, 2021.

The Academy issued a Notice of Public Discipline regarding Theodore F. Andersen, effective Dec. 15, 2021. A Disciplinary Committee of the American Academy of Actuaries, acting in accordance with the Academy's bylaws, has reviewed the findings and a recommendation from the Actuarial Board of Counseling and Discipline regarding Theodore F. Andersen.

Based on the decision of the Disciplinary Committee, the Academy suspends Mr. Andersen from membership for a period of five years for materially failing to comply with Precepts 1, 3, and 4 of the *Code of Professional Conduct* in connection with work he performed concerning a small private pension plan.

Read the complete [Notice of Public Discipline](#).

THIS YEAR IN SOCIAL MEDIA



On Facebook, you liked our photos and updates from the Annual Meeting and Public Policy Forum and the news about the *Magic School Bus* being back in stock.



On LinkedIn, you liked scrolling through our Annual Meeting and Public Policy Forum supplement, seeing our Executive Committee in action, and congratulating Maryellen Coggins as the new Academy president.



On Twitter, you retweeted our posts about our request for information, our latest web exclusive for *Contingencies*, and Robert Costa as our Annual Meeting and Public Policy Forum keynote speaker.



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.

Self-Regulation—Your Questions Answered

THE NOV. 11 PROFESSIONALISM WEBINAR, “[Self-Regulation and the Actuarial Profession](#),” engaged the audience in an enlightening discussion about how every actuary has a role to play in self-regulation by adhering to the Code of Professional Conduct, the U.S. Qualification Standards (USQS), and actuarial standards of practice (ASOPs). As there were more questions than the presenters could answer during the webinar, some of the additional ones are answered here.

When you are talking about “practice area” in the USQS, do you mean casualty, life, health, and pensions, or narrower topics like “workers’ compensation reserving”?

Both the 2008 and 2022 USQS state that “areas of practice are Casualty, Health, Life, and Pension.”

Is a webinar an organized event for the purpose of continuing education (CE)?

Participating in live webinars that include the participation of actuaries from different organizations is considered an organized activity under the USQS, as you can interact with the presenters and actuaries from other organizations through the webinar platform by, for example, asking questions. Recorded webinars would be considered an “other” activity, as they do not allow you to interact with other actuaries or professionals in real time.

Does law supersede the professionalism requirements embodied in the Code? What should I do if there is a conflict?

The Code defines Law as “statutes, regulations, judicial decisions, and other statements having legally binding authority” and states, “Where requirements of Law conflict with the Code, the requirements of Law shall take precedence.”

ASOPs, too, give precedence to Law. ASOP No. 1, *Introductory Actuarial Standard of Practice*, states, “Where requirements of law conflict with the guidance of an ASOP, the requirements of law shall govern.” If you deviate from the guidance given in an ASOP to comply with Law, you should disclose that in your actuarial report.

I thought I heard that Precept 2 applies to statements of actuarial opinion (SAOs) in the U.S. I don’t see anything in the Code about the U.S. Could you please clarify?

Precept 2, Annotation 2-1, states, “It is the professional responsibility of an Actuary to observe applicable qualification standards that have been promulgated by a Recognized Actuarial Organization for the jurisdictions in which the Actuary renders Actuarial Services and to keep current regarding changes in these standards.”

If you are rendering actuarial services in the United States,

the USQS are the applicable qualification standards. If you render actuarial services outside the U.S., you must comply with the qualification requirements in the jurisdiction where the SAOs are being rendered. If that jurisdiction has no qualification standards, you must still comply with Precept 2, which states that an actuary shall perform Actuarial Services only when qualified to do so.

Many actuaries perform actuarial services with input from supporting actuaries. Must the actuary who issues an SAO ensure that all support actuaries have met the USQS? For example, if a support actuary has not quite met the continuing education (CE) requirements for the prior year, must the senior actuary refrain from issuing an SAO that includes input from that support actuary?

There are two sets of issues in this scenario—those concerning the support actuary and those concerning the senior actuary.

If the support actuary is credentialed, they are subject to the Code and, through Precept 2, to the USQS. So, if the “input” provided by the supporting actuary includes “an opinion expressed by an actuary in the course of performing Actuarial Services and intended by that actuary to be relied upon by the person or organization to which the opinion is addressed,”¹ the supporting actuary must meet the USQS requirements before providing the senior actuary that “input.” An actuary who has not completed CE requirements for the current year is not qualified to issue an SAO.

Although the Code does not explicitly require senior actuaries to ensure that their support actuaries meet the USQS, Precept 13 requires all actuaries with knowledge of an apparent material violation of the Code to either resolve the apparent violation through discussion with the other actuary or disclose such violation to the ABCD. So, it is a good idea for senior actuaries to ensure that staff actuaries meet the USQS requirements, including CE.

How can I get the Code of Professional Conduct booklet from the Academy?

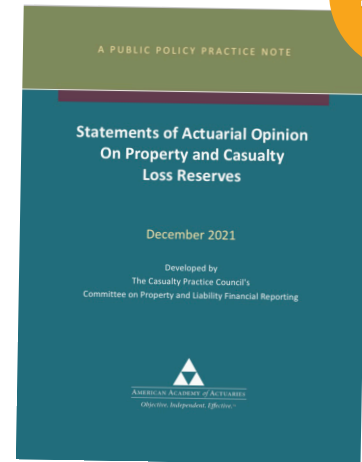
Academy members may request a pocket size printed copy of the Code via the [Academy website](#). ▲

¹ Definition of SAO in 2008 USQS. The 2022 USQS define an SAO as “an opinion expressed by an actuary who is subject to the Code of Professional Conduct by virtue of membership in a U.S.-based actuarial organization, where such opinion is expressed in the course of performing Actuarial Services and intended by that actuary to be relied up on by the person or organization to which the opinion is addressed.”



COPLFR Releases P/C Practice Note

THE COMMITTEE ON PROPERTY AND LIABILITY FINANCIAL REPORTING (COPLFR) released its annual practice note, [Statements of Actuarial Opinion on Property and Casualty Loss Reserves](#). This year's practice note has been updated for issuing 2021 opinions in 2022. It is intended to assist actuaries by describing practices commonly employed by actuaries working on Statements of Actuarial Opinion (SAOs) on loss and loss expense reserves in accordance with the National Association of Insurance Commissioners' (NAIC) Property and Casualty Annual Statement Instructions and also contains considerations related to COVID-19. Actuaries might also find this information useful in preparing actuarial work products for other audiences. ▲



Issue Brief Released on Workers' Comp, Opioids, and COVID-19

THE WORKERS' COMPENSATION COMMITTEE released an issue brief, [The Potential Impact of COVID-19 on the Opioid Epidemic](#), on potential impacts to injured workers, employers, and insurers associated with the opioid epidemic, and explores the effects on these stakeholders before, during, and after the COVID-19 pandemic.

It notes that in the height of the pandemic, injured workers lost access to key resources and guidance to prevent opioid dependency. Also, precautions for more hazardous industries were negatively impacted and insurers feared increased use of telemedicine could lead to more opioid prescriptions and less adherence to treatment programs. The issue brief further notes that post-pandemic, if claims frequency rises, medical providers and claims adjusters could be challenged to manage opioid use disorder with the same focus. ▲

Racial Equity Task Force Comments on Race & Insurance

CASUALTY VICE PRESIDENT Lauren Cavanaugh [presented](#) Dec. 1 to the NAIC's Special Committee on Race and Insurance (SCORI) Workstream 3 (Property and Casualty) on behalf of the Academy's Racial Equity Task Force (RETF) on the work RETF has completed and is currently doing; she also provided comments on proxy discrimination and disproportionate impact. ▲

CPC Presents to NAIC

CPC VICE CHAIRPERSON Dee Dee Mays and COPLFR Chairperson Derek Freihaut [presented](#) early this month to the NAIC's Casualty Actuarial and Statistical (C) Task Force on behalf of the CPC and COPLFR on recent publications and future work products expected for release in early 2022.

Gibson Presents to NAIC P/C Committee

Also this month, Senior Casualty Fellow Rich Gibson [presented](#) on behalf of the Automobile Insurance Committee to NAIC's Property and Casualty Insurance (C) Committee to provide considerations on the topic of automobile insurance refunds. ▲

P/C Public Policy Webinar Covers DE&I, COVID-19, Other Issues

THE ACADEMY'S Dec. 16 webinar, "[P/C Public Policy Update](#)," looked at recent property/casualty issues, including insurance regulatory developments surrounding diversity, equity & inclusion at the National Association of Insurance Commissioners (NAIC) and with state insurance departments; P/C risk-based capital (RBC); the impacts of COVID-19 on medical professional liability exposure; and a discussion on the past, present, and future effects of the opioid epidemic on workers' compensation insurance.

Panelists were Medical Professional Liability Committee Chairperson Alison Milford, Property and Casualty Risk-Based Capital Committee Chairperson David Traugott, and Workers' Compensation Committee Vice Chairperson Derek Jones. Casualty Vice President Lauren Cavanaugh moderated and presented on the recent efforts of the Casualty Practice Council's (CPC's) Racial Equity Task Force, and Milford and Jones presented on their committee's recent publications, [Medical Professional Liability: Considerations Stemming From the COVID-19 Pandemic](#) and [The Potential Impact of COVID-19 on the Opioid Epidemic](#) (see story, above). Traugott gave a brief introduction to RBC and an overview on upcoming property and casualty RBC committee developments. ▲



Reminder—Health Equity Work Group RFI Deadline Approaching

A REMINDER THAT THE Jan. 14, 2022, deadline is approaching to provide the Health Equity Work Group (HEWG) responses to its [request for information](#) (RFI), which solicits input to its work assessing whether and how health actuarial practices and methods affect health disparities. Submit comments to healthequityRFI@actuary.org; include the phrase “HEWG Request for Information” in the subject line and do not password-protect any attachments. Written comments may be sent via conventional mail to: Health Equity Work Group, American Academy of Actuaries, 1850 M Street NW Suite 300, Washington, DC 20036. Please contact Senior Health Policy Analyst Matthew Williams with questions—williams@actuary.org. ▲



HEALTH BRIEFS

- ➔ **Rina Vertes** is chairperson of the Medicare Committee.
- ➔ **Taylor Puisner** is vice chairperson of the Medicaid Committee and **Andy Gennarelli** is a member of the committee.
- ➔ **Cody Bush** joined the Individual and Small Group Markets Committee.
- ➔ **Gokce Yilmaz** joined the Health Equity Work Group.

CASUALTY BRIEFS

- ➔ **Lisa Slotznick** joined the Casualty Practice Council.
- ➔ **Gareth Kennedy, Daniel Linton, John Pierce,** and **Ben Turner** joined the Workers' Compensation Committee.

LIFE NEWS



Academy Comments to LATF on AIRG, LPC Activity

The Academy's Life Practice Council (LPC) provided input to the NAIC this month on several topics

AIRG Update

A [comment letter](#) was sent to the chairs of NAIC's Life Actuarial (A) Task Force (LATF) and Life Risk-Based Capital (E) Working Group, indicating an “as-is” availability of its economic scenario generator, the Academy Interest Rate Generator (AIRG), for regulators and interested parties wishing to modify the AIRG parameters as a basis for producing an updated model.

Former Academy Life Vice President Laura Hanson [gave an update](#) of Life Practice Council (LPC) activities to LATF as part of the NAIC 2021 Fall National Meeting.

AG & Adequacy Testing

An LPC ad-hoc task force [submitted comments](#) to LATF on a conceptual actuarial guideline (AG) regarding asset adequacy testing.

Academy Updates LATF on Life Practice Council Activity

Variable Annuity WG Comments on APF
The Variable Annuity Reserves and

Capital Work Group [submitted comments](#) to LATF on amendment proposal form (APF) 2021-11 regarding the proposed assumption disclosure requirements in VM-31.

C-2 Work Group Comments on Reserve Implications

The C-2 Longevity Risk Work Group submitted a [comment letter](#) to NAIC's Longevity Risk (A/E) Subgroup on reserve implications of expanding the scope of C-2 Longevity Capital to include longevity reinsurance contracts. ▲

Life Policy Webinar to Look at Mortality Factors, COVID-19

JOIN THE LIFE PRACTICE COUNCIL in January for the webinar, “[Life Public Policy Update](#).” Presenters will be Marianne Purushotham, a member of the Life Experience Committee; Amy Kemp, chairperson of the Social Security Committee; Chris Trost, chairperson, and Ryan Fleming, vice chairperson, of the C2 Mortality Risk Work Group; and Angela McNabb, National Association of Insurance Commissioners. They will examine mortality improvement; COVID-19 mortality as it pertains to Social Security; C-2 mortality; and a VM-50/VM-51 update. Continuing education credit will be available. The webinar will be held on Wednesday, Jan. 26, from noon to 1:30 p.m. EST. [Learn more](#). ▲

Tax Work Group Publishes FAQs

THE TAX WORK GROUP published [updated FAQs](#) regarding certain insurance reserves held by insurance companies for the purpose of determining U.S. taxable income under the *Tax Cuts and Jobs Act of 2017*. ▲



Actuarial Update

COMMUNICATIONS REVIEW COMMITTEE

Cathy Murphy-Barron, Chairperson
Al Bingham
Tom Campbell
Lauren Cavanaugh
Sherry Chan
Maryellen Coggins
Seong-min Eom
Ken Kent
Al Schmitz
Benjamin Slutsker

EDITOR

Michael G. Malloy

ASSISTANT DIRECTOR OF COMMUNICATIONS | PUBLICATIONS

Eric P. Harding

DESIGN AND PRODUCTION

[BonoTom Studio Inc.](#)

DESIGNER

Christopher Specht

PUBLICATIONS AND MARKETING

PRODUCTION MANAGER

Laurie Young

American Academy of Actuaries

PRESIDENT

Maryellen Coggins

PRESIDENT-ELECT

Ken Kent

SECRETARY-TREASURER

Cathy Murphy-Barron

VICE PRESIDENTS

Al Bingham
Lauren Cavanaugh
Sherry Chan
Seong-min Eom
Al Schmitz
Benjamin Slutsker

EXECUTIVE DIRECTOR

Bill Michalisin

DIRECTOR OF COMMUNICATIONS

David J. Nolan

EXECUTIVE OFFICE

The American Academy of Actuaries
1850 M Street NW
Suite 300
Washington, DC 20036
Phone 202-223-8196
Fax 202-872-1948
www.actuary.org

Statements of fact and opinion in this publication, including editorials and letters to the editor, are made on the responsibility of the authors alone and do not necessarily imply or represent the position of the American Academy of Actuaries, the editors, or the members of the Academy.

©2021 The American Academy of Actuaries. All rights reserved.

Pension Webinar Examines Monetary Policy, Interest Rates

THE PENSION COMMITTEE'S Dec. 7 pension webinar—“[What's the Deal With Low Interest Rates? Are They Harming the U.S. Retirement System?](#)”—included discussion of the implications of low interest rates and recent monetary policy.

Presenters Evan Inglis and Jerry Mingione looked at how the past decade's low interest rates have been driven by systemic factors such as low growth, aging demographics, and an economic shift toward technology and services, as well as aggressive monetary policy, which has been a key driver of both low rates and high capital asset values and implications for employer-sponsored retirement programs. Senior Pension Fellow Linda K. Stone moderated.

Inglis walked through the effects of low

interest rates on stock prices, saying that “when asset prices go up, that means future returns are going to be lower, and low interest rates increase asset prices.” In discussing the increase in inflation, he said the “recent spike ... does seem to be accelerating the reversal of monetary policy or at least the slowing down of the monetary policy, the asset purchases that have pushed up prices so significantly, so that's the immediate concern or direct relationship to assets and asset prices and future investment returns.”

Mingione discussed the impact of interest rates on public and private defined benefit plans, defined contribution plans, Social Security, and on risk mitigation strategies, concluding with an expectation that invested funds will earn less and securing retirement will become more challenging. ▲

Pension Webinar to Look at Funding Plans

JOIN THE PENSION PRACTICE COUNCIL next month for the webinar, “[Funding Public Pension Plans—Theory and Practice](#).” Presenters Sherry Chan, Academy vice president, pension; Paul Angelo, a member of the Public Plans Committee; and Academy member David Lamoureux will highlight lessons learned, including in the Academy's issue brief on *The 80% Pension Funding Myth*; explore prudent funding practices; and explore considerations being made in the management of “surplus.” Public Plans Committee Chairperson Todd Tauzer will moderate. Continuing education credit and continuing professional education non-core credit under Joint Board for the Enrollment of Actuaries will be available. The webinar will be held on Tuesday, Jan. 25, from noon to 1:30 p.m. EST. [Learn more.](#) ▲



Stay on top of Academy events by visiting our [calendar](#).

Make plans to join us at these upcoming Academy events.

**JAN
25**

“[Funding Public Pension Plans—Theory and Practice](#),” pension webinar

**JAN
26**

“[Life Public Policy Update](#),” life webinar