Pension Practice Council Event Looks at U.S. Retirement System

More than 50 people attended in person the Pension Practice Council’s retirement policy discussion forum July 27 in Washington, D.C. “Modernizing the U.S. Retirement System—Aligning Policy With Reality” included discussion on bridging the gap between Americans’ lifetime retirement income needs and a retirement system that hasn’t kept up with demographic, economic, personal savings, and other developments in recent decades. The event was streamed live on the Academy’s Facebook page, where nearly 400 individuals watched the forum during the event. “Traditional retirement policy needs to be revisited and updated with an eye toward addressing longer lives, an aging society, employer concerns over fiduciary and financial risks, increased individual responsibility for managing retirement income, and other challenges facing current and future retirees,” said Academy Vice President of Pension Josh Shapiro, who greeted forum attendees at the National Press Club. “The Academy stands ready to contribute its expertise in an effort dedicated to helping realign public policy with today’s retirement realities.”

The forum speakers were Steve Goss, chief actuary of the Social Security Administration; J. Mark Iwry of The Brookings Institution; Steve Goss, at podium, with Lucas, Iwry, Goldman, and Vernon at the forum

July 31 Deadline for Pension ASOPs Comments

The July 31 comment deadline for Actuarial Standard of Practice (ASOP) No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions; No. 27, Selection of Economic Assumptions for Measuring Pension Obligations; and No. 35, Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations, is fast approaching. The Actuarial Standards Board (ASB) welcomes and relies on comments received as a part of its rigorous standards-setting process when revising, approving, and adopting ASOPs. The modifications to ASOP Nos. 4, 27, and 35 are the result of a comprehensive process, which included several opportunities for comment by the actuarial community, including a 2014 Request for Comments on ASOPs and Public Pension Plan Funding and Accounting as well as a subsequent 2015 public hearing held on proposed ASOPs applicable to actuarial work regarding public plans. Both open forums led to the development of the 2016 Pension Task Force report, which provided recommendations that the ASB Pension Committee utilized in making revisions to the pension standards.

The ASOPs exposure and comment period, which opened on April 18, was announced and frequently referenced since April in the ASB Boxscore, issues of Academy publications This Week and Actuarial Update, and through the Academy’s social media outlets. Comments are posted on the ASB website to encourage transparency, so that all who comment can read input others are offering on exposure drafts for the ASB’s consideration. Commenting is the most effective way to give the ASB input on proposed new ASOPs and revisions.

Please note: All comments received (other than unattributed or anonymous comments) will be posted in their entirety on the ASB website as soon as possible following their receipt. All comments will appear without editing of any kind. It is important for transparency that all comments provided to the ASB are made available. Comments will remain on the ASB website at least until final action is taken on the ASOP in question.
Academy NEWS Briefs

Academy Releases Volunteer Survey

The Academy in late July released its Annual Volunteer Survey, which members use to indicate interest in volunteering for many Academy committees, including the Actuarial Standards Board and the Actuarial Board for Counseling and Discipline. Volunteers are essential to the Academy’s work to provide objective and independent actuarial analysis to serve the public and the profession—many thanks in advance to all who take the time to complete the survey and volunteer for your profession. The survey, available in the members-only section of the Academy website, is open through Tuesday, Aug. 7. ▲

Public Employment Opportunity

The U.S. Department of Labor’s Employee Benefits Security Administration (EBSA) has a public employment opportunity for a senior actuary with a health and welfare benefit specialty. Among other duties, the position would provide actuarial support related to EBSA’s regulation and supervision of association health plans. The Washington, D.C.-based position is within EBSA’s Office of Policy and Research, which provides policy analysis, economic research, and tracking of all benefits-policy-related developments and activities. Position information is available via USAJobs by clicking here (general public) or here (qualified federal employees, veterans, or individuals with disabilities). The application deadline is Aug. 1. ▲
**Election Set for August; Watch for Your Email**

Academy members should look for an email in August from Intelliscan, our election vendor, announcing that the online election of regular directors for the Academy Board is underway. That email will be preceded by a preliminary notification—these emails with voting information will come from academy2018@intelliscaninc.net; please add this address to your safe senders list and/or check your junk-mail folder to make sure you have received it. The election period will run for two weeks.

We encourage members to take part in electing the newest leaders of the Academy who will help us fulfill our mission to serve the public and the U.S. actuarial profession. For more information, visit the Academy Board Election Center.

**Academy Comments to NAIC**

**CASTF Attestation Proposal**

Past President Mary D. Miller sent a letter on behalf of the Academy July 25 to the NAIC on NAIC’s Casualty Actuarial and Statistical Task Force’s (CASTF) current attestation proposal. While lauding the direction the proposal takes in recognizing the role of Boards of Directors to appoint qualified actuaries, the letter states that there remain areas of duplication as well as omissions from what a company should obtain from their actuary, that the exposed version dropped the previous statement regarding the availability of the Academy’s attestation form as a possible way to meet such a requirement, and that there is no mention of the form the attestation should take.

“This lack of detail will not be helpful to appointed actuaries or to company Boards and both would benefit from some model of what they should be requesting, receiving, and providing,” the letter states, noting the Academy form was developed to meticulously align with the exact wording of the U.S. Qualification Standards (USQS) to neither increase nor reduce the specific requirements. “Without such guardrails, there will be a greater burden on the regulator who would then need to make sure that whatever language is used by the appointed actuary to attest does not in any way modify the requirements of the USQS,” it states.

**Letter on Continued Competence Exposure Draft**

Miller also submitted a letter to the NAIC on July 20 with extensive comments from the Academy responding to an exposure draft that CASTF issued to share a proposal from a joint task force of the Casualty Actuarial Society/Society of Actuaries regarding CASTF’s “Continued Competence” charge—a significant proposal that would affect many actuaries. The proposal addresses how the two education societies would “recertify” their basic education credentials to meet the recommendations of the NAIC’s outside consultant that it is necessary that their certification programs contain some demonstration of “continued competence” and be time limited. The Academy’s comments identified many concerns with the proposed approach.

**CASTF Exposure Draft on Three-Year Experience Requirement**

CASTF has requested the Academy’s help to make known to appointed actuaries that CASTF also has an exposure draft out for comment that would affect how appointed actuaries demonstrate they meet the “Three-Year Experience Requirement” contained in the USQS. The three-year experience requirement that all appointed actuaries must meet is one of the three components of qualification (in addition to meeting the separate basic education and additional continuing education) to be necessary to sign statutory statements of actuarial opinion. The Academy previously submitted a letter to CASTF on this topic in March that we continue to believe is a timely and appropriate comment.

The Academy plans on expanding and supplementing those comments through the recently exposed proposal before the comment deadline of Aug. 10. Despite there having been no complaints of which we are aware of an appointed actuary asserting he/she has the requisite experience when he/she did not, the approach CASTF is proposing would add specific learning objectives and required attributes to what kind of experience is required and, as far as we can tell, will not in any way improve the NAIC’s (or a company’s Board of Directors) ability to identify who is, or is not, qualified to be an appointed actuary. If you are an appointed actuary, you may want to examine the exposure drafts and file comments yourself before the comment deadline passes, as this will be an essential way in which the NAIC hears directly from appointed actuaries who actually have real-world experience in what it means to be qualified.
‘Magic School Bus’ Orders Continue to Roll In

COPIES OF THE ACADEMY-SPONSORED Magic School Bus Takes a Risk: A Book about Probability, have been popular since its release in June, with more than 1,600 ordered. The custom-designed book for the Academy shows grade-school children how actuaries use math skills to bring them on amazing journeys, telling the story of an adventurous field trip led by Ms. Frizzle, where children join Aunt Maxine, an actuary. The Academy donated copies of the book to all Grades 3–5 students in Washington, D.C., public schools, and has taken large and small orders since then. Individual copies and group orders are available for the budding mathematicians in your life, and the Academy also welcomes corporate sponsorships.

Next Month—Academy Hosting IFRS 17 Seminar to Offer Implementation Tools

ARE YOU WORKING ON IMPLEMENTING International Financial Reporting Standard 17 (IFRS 17)? Interested in learning how others are preparing for this new accounting standard? Join us in August for the Seminar on Implementing IFRS 17 for Long-Duration Contracts. The agenda was designed for life financial reporting actuaries who will implement the new accounting standard, giving you a dedicated opportunity to explore IFRS 17 and how it may impact your work. Space is still available for this seminar, which will be held Aug. 29–30 in Washington, D.C.—the room block deadline is Aug. 9. Register today.

Fulbright Specialist Opportunity in Slovenia

THE U.S. DEPARTMENT OF STATE sponsors a Fulbright Program that has issued an open call for a Fulbright Specialist in an Actuarial Mathematics Project in Slovenia for a several-weeks stay in January 2019. At the request of the non-governmental organization promoting the opportunity, the Academy is sharing this information so that any of our interested members can apply. The deadline to apply is Aug. 1; click here for more information and requirements.

Pension, continued from page 1

Steve Vernon of the Stanford Center on Longevity; and Lori Lucas, CEO of the Employee Benefit Research Institute. Hoping to generate interest in a wide range of ideas, attendees from congressional offices, government agencies, non-profit organizations, and academia were able to have an open dialogue about the current U.S. retirement system—what’s working, what isn’t, and legislative and regulatory options to update and improve the system; visit the Academy’s Facebook page to view a replay.

Goss set the stage for the forum with opening remarks framing how the current and future benefits provided by Social Security fit in the bigger retirement income picture, and describing Social Security’s financial condition. Lucas detailed key trends that have led to “gaps” between retirement policy and secure retirement income, and moderated Q&A.

An Academy position statement released last fall, “Retirement Income Options in Employer-Sponsored Defined Contribution Plans,” illustrates how actuarial principles can potentially be applied for improved lifetime income outcomes in a retirement system that has largely shifted to defined-contribution plans.

“Making policymakers aware of the options to bring the retirement system up-to-date, with careful consideration of the potential implications for retirees, taxpayers, and other stakeholders, is a priority for the Academy and could help our society better meet lifetime income needs going forward,” Shapiro said.
THE ACTUARIAL STANDARDS BOARD (ASB) recently adopted new Actuarial Standard of Practice (ASOP) No. 54, Pricing of Life Insurance and Annuity Products, and a final revision of No. 17, Expert Testimony by Actuaries.

ASOP No. 54 applies to actuaries when performing actuarial services with respect to the pricing of life insurance and annuity products when a product is initially developed or when charges or benefits are changed for future sales. The standard does not apply to any changes made on in-force policies.

A first exposure draft was issued in March 2016, for which 17 comment letters were received. The ASB approved a second exposure draft in June 2017, for which six comment letters were received. Comments from both exposure drafts were considered in making changes reflected in the final ASOP. The standard will be effective for any actuarial services performed on or after Dec. 1, 2018.

The revision of ASOP No. 17 applies to actuaries who are qualified as experts under the evidentiary rules applicable in a forum when they provide testimony in court hearings, dispute resolutions, depositions, rate hearings, legislative hearings, or other similar proceedings. The exposure draft was issued in April 2017, and 11 comment letters were received and considered in making changes that are reflected in the final ASOP.

Notable changes to the revision include rewording section 1.2, Scope, to provide additional guidance regarding the circumstances under which the standard applies and clarifying the definition of “expert.” The standard will be effective for all expert testimony provided by the actuary on or after Dec. 1, 2018.

IN A STORY DISCUSSING NEW UNCERTAINTIES in Affordable Care Act (ACA) insurance markets, the Wall Street Journal quoted Academy Senior Health Fellow Cori Uccello on the Centers for Medicare & Medicaid Services’ (CMS) decision in early July to suspend risk adjustment collections and payments under the ACA.

(In late July, CMS announced a final rule that the risk-adjustment program will resume, pending notification in the Federal Register. Read the Academy alert.)

“We’re now in the midst of the 2019 rate-filing process and it’s not clear how the risk adjustment program will be operating,” Uccello said. Kaiser Health News also highlighted the Journal story. The Academy published an issue brief in June on drivers of 2019 health insurance premiums.
Recently Released

In the July/August issue of Contingencies, the cover story, “A Long Stroll Through Avoca Cemetery,” takes readers on an actuarial study of a small-town burial ground — and pauses for a few meditations and meanderings along the way. Other feature stories include “Model Behavior,” which details how a modern modeler can add value and drive effective business decisions, and “Data Disasters,” which invites readers to learn from history and provides case studies in analytic decision-making. Plus, Academy President Steve Alpert’s message on the actuarial profession’s ongoing conversation with the public.

The July HealthCheck covered the Academy’s webinar on the Individual and Small Group Markets Committee’s issue brief on drivers of 2019 health insurance premium changes; the brief also was included in a presentation at the Society of Actuaries’ 2018 Health Meeting.

IN THE NEWS

A National Law Review story on recent developments of the Joint Select Committee on Solvency of Multiemployer Pension Plans cited the Academy’s April 18 testimony before the committee on “The History and Structure of the Multiemployer Pension System.”

Kentucky Health News, Tribune-Star (Ind.), and the Center for Health Journalism cited comments from Academy Senior Health Fellow Cori Uccello on association health plans (AHPs). A weekly Deloitte newsletter noted the Academy’s comments on the Department of Labor’s final rule on AHPs. A MarketWatch story cited the Individual and Small Group Markets Committee’s February 2017 issue brief on AHPs. The story was reprinted by Morningstar.


A letter published by Pensions & Investments cited the Multiemployer Plans Committee’s issue brief discussing the costs and risks associated with multiemployer loan programs, and the ways in which these programs could benefit troubled plans and their participants.

WealthManagement.com cited the Actuaries Longevity Illustrator, which is designed to provide users with perspectives on longevity risk—the uncertainty of how long a person and his or her spouse/partner might live. The tool was developed jointly by the Academy and the Society of Actuaries.

Annual Meeting and Public Policy Forum Update

Gain fresh perspectives on key issues this November at the Academy’s Annual Meeting and Public Policy Forum. Practice-area breakout sessions will include:

- Government-backed P/C insurance programs, climate risk and insurance, and insurance issues in the new sharing and gig economies;
- Pension-risk transfers, the impact of tax reform on reserves, and the experiences of companies that filed actuarial reports for 2017 under the principle-based reserving framework;
- The latest on multiemployer pension reform, what it means for a benefit to be guaranteed, and lifetime income issues; and
- Long-term care insurance experience, a dialogue with representatives of the Center for Consumer Information and Insurance Oversight, and exciting new research on health care reference pricing.

Other agenda highlights include an interactive game show developed by the Academy’s Committee on Professional Responsibility, a keynote address by political analyst Charlie Cook of the Cook Political Report, and a murder mystery to test your deduction skills during our Nov. 1 dinner.

Early registration rates remain open—register now and save.
New FAQ on Qualifications for Blended Opinions

The Committee on Qualifications has added a question and answer on blended opinions to the frequently asked questions (FAQs) on the U.S. Qualification Standards. The new FAQ No. 50 notes that an actuary fully qualified in one area of actuarial practice may acquire sufficient expertise in another area of actuarial practice through continuing education (CE), as long as the CE includes material in all areas of actuarial practice relevant to the statement of actuarial opinion (SAO) and material that relates specifically to the subject of the opinion. It also discusses qualifications for blended SAOs in which an actuary qualified in one practice area states reliance on an actuary qualified in the other practice area.

Notice of Public Discipline

The Academy issued a Notice of Public Discipline expelling Scott Allen, currently of Atlanta, Ga., effective July 20, for materially failing to comply with obligations under Precept 1 and Precept 9 of the Code of Professional Conduct. Notices are archived on the Academy’s Public Discipline page.

Mr. Allen pled guilty to charges of securities fraud and conspiracy to commit securities fraud in connection with an insider trading scheme. In furtherance of this scheme, Mr. Allen knowingly breached a duty of confidentiality to his principals in material violation of Precept 9. His actions have been determined to reflect adversely on the actuarial profession and undermine the profession’s responsibility to the public in violation of Precept 1 of The Code.

Take a Ride With the Academy’s Magic School Bus Book

The Magic School Bus Takes a Risk: A Book about Probability is a custom book in the acclaimed series that was sponsored by the Academy and donated to grades 3–5 in the Washington, D.C., public school system. It aims to show children that actuaries use math to bring them on amazing journeys. During an adventurous field trip led by Ms. Frizzle, the children join Aunt Maxine, an actuary, and explore how actuaries help people understand and lessen risk for their community. Order individual copies today for the budding mathematicians in your life.

We also welcome corporate sponsorships.

actuary.org/magicschoolbus
The 2008 USQS Turns 10
Thoughts from current Members of the Committee on Qualifications

TEN YEARS HAVE PASSED since the current edition of Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States (the USQS) took effect Jan. 1, 2008. The 2008 USQS is the culmination of several decades of effort; the Academy began issuing Qualification Standards in the 1970s. In the intervening years, many Academy volunteers have contributed to the development of the qualification standards and have responded to questions from members about the USQS. The current members of the Committee on Qualifications (COQ) thank all those who have come before them and offer some reflections on the significance of the USQS.

The USQS was a watershed
Keith Passwater

The USQS was a watershed for many reasons. Perhaps the most important is that the USQS significantly broadened the applicability of pre-2008 qualification standards by introducing the term Statement of Actuarial Opinion (SAOs), defined as “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.” The pre-2008 qualification standards applied only to Prescribed Statements of Actuarial Opinion (PSAOs), which included statements made to comply with a law, regulatory requirement, or an ASOP. They did not apply to most actuarial opinions and the actuaries rendering them, which posed a risk not just to principals, who may have retained actuaries not subject to qualification standards, but also to the credibility of the profession. The 2008 USQS resolved this risk by expanding the definition of SAO—now, virtually all U.S. actuaries credentialed by any of the five U.S.-based actuarial organizations perform work that includes the issuance of SAOs and, therefore, are subject to the basic education and experience, and continuing education (CE) requirements of the USQS. This was an important change: Our credentials are only valuable if principals can be confident that those carrying actuarial credentials are qualified to render opinions.

The duty of qualification
Andrea Sweeny, COQ chairperson

The duty to be competent is the bedrock of professionalism. One of the reasons the USQS exists is to help ensure professional competence, which the Code of Professional Conduct requires of all credentialed actuaries rendering actuarial services in the United States. Section 1.1 of the USQS, Duty of qualification, reminds us of the Precept 2 requirement to perform actuarial services only when qualified to do so and in compliance with “applicable qualification standards” and that the duty to be qualified may require us “to obtain qualifications in addition to those set forth in the [USQS].” But, the USQS also provides a safe harbor: An actuary who complies with the USQS, in the absence of evidence to the contrary, is presumed to have met the duty of qualification imposed by the Code.

For newly credentialed actuaries
Hal Tepfer

It’s easy to forget that all credentialed actuaries weren’t always credentialed. New actuaries should be mindful of that as they start on the road of actuarial work. Newly minted actuaries’ first stop on that road should understand the requirements for issuing an SAO in the U.S. Fortunately, the USQS sets forth a roadmap that can help. The USQS outlines the basic education and experience requirements and highlights the CE an actuary needs to issue an SAO. And, like most maps, the SAO tells you where you’re going (what constitutes an SAO) while providing highlights along the way (examples). A new actuary gets a jump start: hours spent studying for exams in the year before issuing an SAO can be counted toward the 30-hour CE requirement. So, new actuaries can easily hit the actuarial road to SAOs!

Continuing Education: Providing actuarial value
Katie Campbell

The 2008 USQS raised the required number of CE hours from 12 to 30 annually and broadened the topics permitted as CE to keep our knowledge of practice, law, and methodology current. The USQS requires us to take “relevant” CE, which is defined as CE that broadens or deepens our understanding of one or more aspects of our work; expands our knowledge of practice in related disciplines that bear directly on our work; or facilitates our entry into a new area of practice. However, we shouldn’t take CE just to meet the requirements. CE is critical for an actuary to remain relevant and provide value to employers, clients, and ultimately the public by providing up-to-date and more informed analysis and recommendations. As professionals and members of a self-regulated profession, we have a responsibility to keep up with developments as professionals and members of a self-regulated profession.
CONTINUED FROM PAGE 8

Being qualified in a new area

Steve Rosen

As actuarial science, technology, and the regulatory and business environments have evolved, new practice areas, and areas of overlap in traditional practice areas, have emerged. Section 4 describes how you can become qualified in a new area of practice, whether that area is new to the entire profession, or simply new to you. To help actuaries with questions on this topic, the COQ has published frequently asked questions (FAQs) discussing what qualifications are needed to issue SAOs in two relatively new areas of actuarial practice and on changing practice areas. While you must meet basic education, experience, and CE requirements for each area in which you issue SAOs, you may be surprised to learn that some of your existing education and experience, combined with CE focused on the new area, may help satisfy the requirements for a new area of practice.

Look in the mirror test

D. Joeff Williams

You won’t find the phrase “look in the mirror test” in the USQS, but the concept is baked into the standard: Section 1.2 states that the USQS have been developed so that actuaries “can determine whether they are qualified to issue [SAOs].” But, remember, the look in the mirror test is not purely subjective. You have got to really examine—objectively—your own professional qualifications. Have you done the basic education? Have you completed relevant CE? Do you have the required experience? You need to make a judgment call about whether you meet the USQS and your obligations under the Code. You also need to be prepared to defend your conclusions: Section 6.2 requires an actuary to be prepared “to provide evidence of compliance with the Qualification Standards.” When you look in the mirror, the profession and the public are looking back at you, too.

Communicating with clients about your qualifications

Tom Campbell

The USQS recognizes the importance of communicating with clients about qualifications by stating that an SAO “should include an appropriate acknowledgement of qualification.” Competence is central in the professional relationship between the actuary issuing an opinion and the client relying upon it. If you have a regular engagement with a client, you may include the acknowledgement “in the cumulative communications with respect to each specific engagement or assignment,” rather than in each individual communication. The COQ has stated that in a long-term, ongoing relationship with a client or employer, it may be appropriate to acknowledge qualifications at least once a year. Clients place trust in an actuary’s expertise, so it’s important to acknowledge that you are qualified to earn that trust.

What to do when you have a question about qualifications

Janet Fagan

If you want to know whether you are qualified to issue a particular SAO, your first step should be to read the USQS and the FAQs on the U.S. Qualification Standards, published by the COQ. But, not every situation is cut and dry. If you have questions about the USQS or are unclear about how the USQS applies to your situation, the USQS expressly invites you to contact the COQ (which you can do through its online mailbox) or the ABCD. The COQ usually takes on questions that call for an interpretation of the USQS. If you prefer to discuss the details of your specific situation, requesting guidance from ABCD may be your best bet.

FAQs: Because you asked

Chad Wischmeyer

The USQS is a robust and comprehensive document, but questions can and do arise. Over the past decade, the COQ has received 30 to 40 questions about the USQS each year from actuaries in all practice areas and in a wide variety of professional settings. The COQ responds to every question. To promote consistent interpretation, the COQ develops FAQs for questions that are asked most frequently and/or have widespread applicability. These FAQs are published on the Academy website as a resource. Since 2008, the COQ has developed more than 50 FAQs covering topics such as SAOs, the General and Specific Qualification Standards, CE, and blended opinions. So why does the COQ issue FAQs? Because you asked.

How well the USQS has held up over time

Mary Bahna-Nolan

I am impressed by how the drafters of the 2008 USQS anticipated and addressed the dynamic qualities of actuarial practice. In the years since it was adopted, the USQS has met the unrelenting headwinds of change in actuarial science, technology, and the regulatory and business environments—and the foundation of professionalism has held firmly. While the COQ has answered questions about the USQS over the years, the committee has not found it necessary to open the USQS for revision. This is a testament to the quality and completeness of the USQS. When it does become necessary to change the USQS, Appendix 3 has a detailed outline of the procedures for the development, exposure, processing, and approval of a revision to ensure that the entire profession, and other interested stakeholders, can participate fully. Times may change, but the USQS is built to withstand the tests of time.

1, 2 Section 5
Paper Highlights Flood-Insurance Issues

The Extreme Events & Property Lines Committee submitted a paper to the NAIC highlighting regulatory questions that arise if the flood insurance market transitions from relying upon the National Flood Insurance Program (NFIP) to a greater role for private-market coverage. The letter was subsequently sent to state insurance commissioners as well as the P/C committee members of the National Council of Insurance Legislators.

The paper covers the purpose and scope of flood insurance under the NFIP; market issues, contracts and coverage, underwriting, rates and building standards; state guarantees; and reinsurance. It also offers highlights of the NFIP’s history since it was created in 1968, including the number of policies in effect since 1980.

CRS Report Cites Academy Monograph

Related, the Congressional Research Service this month released a report, Private Flood Insurance and the National Flood Insurance Program, which includes four references to the Academy Flood Insurance Work Group’s April 2017 monograph, The National Flood Insurance Program: Challenges and Solutions.

Catastrophe Modeling Monograph Offers Actuarial Insight

An Academy monograph released in late July looks at the growing use of catastrophe models and the important role they play in the expected expansion of the private sector’s role in the flood insurance marketplace. Uses of Catastrophe Model Output provides an overview of how catastrophe models have developed and demonstrates how catastrophe model output might be used in selected actuarial tasks.

“Those who do not use models on a regular basis may find the paper especially useful. It provides a high-level view of how model output might be used but does not get into how models work or how they are developed and maintained,” P/C Extreme Events And Property Lines Committee Chairperson Kay Cleary said in an interview in the Academy’s Summer Casualty Quarterly, previewing the paper. “The question that is being answered is ‘How might an actuary use catastrophe model output?’”

Committee Seeks Volunteers for Wildfire Project

The Extreme Events and Property Lines Committee has formed a work group to look at issues related to wildfires, to be led by committee Vice Chairperson Andy Tran. “Losses from wildfires have risen sharply,” Tran said. “We intend to look at what happened in recent years and become better informed about the nature and extent of the risk.” Those interested in participating in the new work group must also join the Extreme Events and Property Lines Committee. If you are interested in this project, contact Academy Senior Casualty Policy Analyst Marc Rosenberg at rosenberg@actuary.org.

Seminar on Effective P/C Loss Reserve Opinions Dec. 6–7

The Academy will host its annual Seminar on Effective P/C Loss Reserve Opinions, Dec. 6–7, in Chicago. The two-day seminar will provide participants who prepare—or assist in preparing—annual statements of actuarial opinion on P/C loss reserves with information about the latest regulations and standards and included reviews of actuarial qualification standards and interactive case studies. In addition, the seminar will offer attendees the opportunity to:

- Gain an understanding of regulatory perspectives and expectations;
- Keep up to date on the latest regulations and standards;
- Earn valuable CE credit; and
- Network with your peers.

Register today.

Achille Sime has joined the P/C Extreme Events & Property Lines Committee.

Fall P/C Policy Webinar Sept. 25

The Academy will host a webinar, P/C Public Policy Update—Fall 2018, on Tuesday, Sept. 25, from noon to 1 p.m. EDT. Included will be P/C issues covered by the Academy at the NAIC Summer 2018 National Meeting in Boston in early August. More details will be released soon.
Post-NAIC Life Webinar Set for Aug. 24

THE ACADEMY WILL HOST a webinar recapping life issues from the upcoming NAIC 2018 Summer National Meeting on Friday, Aug. 24, from noon to 1:30 p.m. EDT. Also, look for a post-NAIC alert next month recapping the Academy’s activity from the NAIC meeting, which will be held Aug. 4–7 in Boston.

Life Groups Comment to NAIC, State Agencies

SEVERAL ACADEMY LIFE PRACTICE COUNCIL committees and work groups commented to the NAIC and federal and state governments in July:

- The Life Illustrations Work Group submitted a comment letter to the California Department of Insurance on Assembly Bill 2634, a life insurance bill introduced earlier this year.
- The Lifetime Income Risk Joint Task Force submitted a comment letter to Congress on the Lifetime Income Disclosure Act, offering suggested changes to companion House and Senate measures.
- The Annuity Illustration Work Group submitted a comment letter to the NAIC on proposed changes to the Annuity Disclosure Model Regulation #245.
- The C1 Work Group submitted a comment letter to the NAIC’s Investment Risk-Based Capital (E) Working Group on alternative C1 bond factors for different levels of statutory reserve offset.
- The Macroprudential Task Force submitted a comment letter to the NAIC’s Liquidity Assessment (EX) Subgroup on the considerations for a liquidity stress test.

AG43/C3 Phase II Work Group Comments

The AG43/C3 Phase II Work Group submitted three comment letters to the NAIC this month:

- The first was to the Variable Annuities Issues Working Group on proposed policyholder behavior assumptions.
- The second was on the May 31 exposure of the Variable Annuities Issues Working Group Framework.
- The work group also commented on the assumption governance for Actuarial Guideline 43.

LIFE BRIEFS

- Jeff Schlisnog is chairperson of the Life Financial Reporting Committee.
- Harold Luber has joined the AG 43/C3 Phase II Work Group.
- Ben Slutsker has joined the Annuity Reserves Work Group and the SVL Interest Rate Modernization Work Group.

RISK MANAGEMENT BRIEFS

- Marine Regnault has joined the ERM/ORSA Committee.
- Kyle Stolartz has joined the IFRS 17 Seminar Subgroup.