

Ken Kent Tapped to be Academy President-Elect

KEN KENT, a highly respected actuary who has held many volunteer roles in service to the Academy, has been nominated as the next Academy President-Elect, as announced by D. Joeff Williams, chairperson of the Academy's Nominating Committee.

Ken was vice president, pension (2003–05); vice president, professionalism (2014–16); chairperson of the Para-Actuary Task Force (2014–16); chairperson of the Public Plans Subcommittee (2008–11); chairperson of the Joint Committee on the Code of Professional Conduct; and has been a member of many other committees and task forces, including the Critical Review of U.S. Actuarial Profession.

Ken also received the 2017 Jarvis Farley Award which recognized his extensive record



Ken

of accomplishments and well-deserved reputation for integrity and commitment to service to the profession through his volunteer roles. He is also finishing a three-year term as a member of the Actuarial Board for Counseling and Discipline

(ABCD), a position from which he will resign before becoming president-elect at the close of the Annual Meeting of the Academy members this fall.

"I am honored to be nominated to serve as president-elect of the Academy," he said. "My years of serving the profession as a volunteer have been dedicated to the mission of the Academy in maintaining actuaries' reputation as a profession recognized at the highest level of integrity to all the public we have the opportunity to represent. I have had the privilege of working with and learning from many of the Academy's leadership over the past 20 years and endeavor to continue their legacy of maintaining and advancing the Academy's position as the national association for all U.S. actuaries."

SEE **KENT**, PAGE 11

Nominations Open for Academy's Service and Volunteerism Awards

NOMINATIONS ARE OPEN for the Academy's 2021 [distinguished service and volunteerism awards](#). Service is the heart of the Academy and its mission, and these awards recognize the substantive and noteworthy work being accomplished by actuaries in their volunteer work for the Academy.

As the **June 25 deadline** approaches, now is an excellent time to help recognize a fellow Academy member who has made a difference for the public and the U.S. actuarial profession through Academy volunteer service, by nominating her or him for one of the Academy's prestigious awards:

▲ The [Robert J. Myers Public Service Award](#) honors an actuary who made an exceptional contribution to the common good, specifically through a single noteworthy public service achievement or a career devoted to public service. [Submit a nomination here](#).

▲ The [Jarvis Farley Service Award](#) is an award presented to an actuary whose volunteer efforts

on behalf of the Academy have made significant contributions to the advancement of the profession throughout his or her volunteer service. [Submit a nomination here](#).

In addition to these two singular awards, the Academy also recognizes its extraordinary volunteers who have gone above and beyond in the last year and made a difference to our work through their volunteer work.

▲ The [Outstanding Volunteerism Awards](#) honor Academy volunteers who have made noteworthy contributions during this past year. The Academy recognizes the exceptional efforts of volunteers across all practice areas for their work in public policy and professionalism. [Submit a nomination here](#).

The deadline for nominations is **June 25**. The awards will be presented in conjunction with the Academy's 2021 Annual Meeting and Public Policy Forum this fall. More information about this year's annual event will be released soon. ▲

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Coming in June:
PBR Boot Camp

3

Pension Practice Council
Capitol 'Hill Visits'

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Webinar Examines
Health Equity

9

'Professionalism Counts'—
Q&A on Professionalism
for the Solo Actuary

2021

JUNE**7–9** [PBR Boot Camp](#) (virtual event)**AUGUST****3** Pension webinar: “[Multiemployer Plan Provisions in the American Rescue Plan Act of 2021 \(ARPA\)—Discussion of Recently Issued Regulations](#)”**NOVEMBER****15–18** [Life and Health Qualifications Seminar](#), Arlington, Va.

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

Review Your Membership Profile

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

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

Academy NEWS Briefs

Still Time to Register for June's Virtual PBR Boot Camp

THE ACADEMY'S [Virtual PBR Boot Camp](#) is right around the corner—there's still time to register for this event that will cover a full range of principle-based reserving (PBR) life and annuities topics designed especially for those who may be relatively new to PBR. The agenda will provide comprehensive information on PBR requirements now that PBR is fully implemented, as well as an opportunity to earn valuable continuing education credit in a convenient format.

Interested in a particular topic? Take advantage of our daily rates, which allow you to attend the session with content relevant to you and your work. Working as part of a team? Take advantage of our group rates. The seminar will take place June 7–9. [Register now.](#) ▲

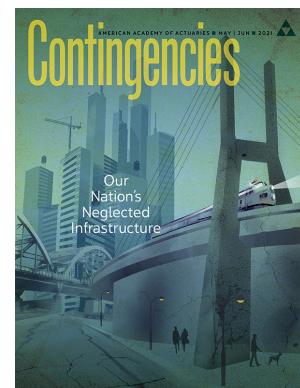


Registration Open for November's LHQ Seminar

REGISTRATION IS OPEN for the Academy's [Life and Health Qualifications Seminar](#), which will again be held in person this year in Arlington, Va. (just outside Washington, D.C.) on Nov. 15–18. This event is the most efficient way to obtain either needed basic education or relevant continuing education (CE) credit necessary to qualify to issue actuarial opinions for either the NAIC Life and Accident & Health (A&H) Annual Statement or the NAIC Health Annual Statement. Always popular and highly regarded, this event usually sells out. Discounted registration rates are available through July 31—[register today for the best rates.](#) ▲

Recently Released

THE MAY/JUNE ISSUE of *Contingencies* builds a case for infrastructure investment. The cover feature story, “Our Nation's Neglected Infrastructure,” grades the current state of U.S. infrastructure—while some improvement has occurred in recent years, more work remains to be done. And get ready to go vertical in “What's in Your Airspace?”—the skies are about to get a lot more crowded. Plus, a President's Message, “May the Fourth,” from Academy President Tom Campbell on how the Academy built and maintains the infrastructure of professionalism that the profession relies on; and an Up to Code piece on following the ASOPs.



The Spring *HealthCheck* covers the Health Practice Council's (HPC) “Hill visits”; the Health Equity Work Group's (HEWG) first discussion brief and an “Actuary Voices” podcast with HEWG Chairperson Annette James; an issue brief on long-term care insurance and COVID-19; and the HPC's comments to federal agencies on COVID-19, Medicaid, and the Affordable Care Act.

The Spring *Life Perspectives* has an inside look by Donna Claire, chairperson of the PBR Implementation Work Group and chairperson of the VM-22 Subgroup, at the Academy's *VM-22 In Brief* document. Also in the issue, previews of the upcoming PBR Boot Camp, recent Life Practice Council work group comments to the NAIC, and life-practice federal and state legislative and regulatory activity. ▲

Academy NEWS

Pension Practice Council Conducts Virtual ‘Hill Visits’

PENSION PRACTICE COUNCIL (PPC) volunteers and Academy staff virtually visited with congressional offices and federal agencies May 10–11, discussing a number of key pension topics pertaining to Social Security, multi-employer pension plans, lifetime income, and retirement security, generally.

Almost 20 Academy volunteers took part in about two dozen meetings with U.S. House and Senate offices and committee staff members, and with representatives from federal agencies including the Treasury Department, Labor Department, the Congressional Budget Office, and the Government Accountability Office.

“The hill visits provided an excellent opportunity for the PPC to highlight recently published and upcoming Academy publications and to discuss a number of recent legislative and regulatory developments,” said Tim Geddes, the Academy’s vice president, pension.

Social Security Committee Chairperson Amy Kemp said it was “a



Geddes



Kemp



Keener

great experience to meet with congressional staff and discuss possible Social Security reforms. It was interesting to hear more about the reform provisions being proposed, and about the congressional process. The Social Security Committee looks forward to providing its continued nonpartisan, objective, and independent analysis of such efforts to Social Security public policymaker stakeholders.”

“The nonpartisan work the Academy

does is really valued on the Hill, especially by members and staffers who are working on the retirement risk and financial security public policy issues actuaries have specialization in,” said Retirement System Assessment and Policy Committee Chairperson Eric Keener. “It’s a great reminder that the PPC and its committees can provide meaningful input on provisions that to improve retirement policy and outcomes in the U.S.” he said. ▲

Academy Submits Letter to NAIC Special Committee on Race and Insurance

ACADEMY PRESIDENT TOM CAMPBELL submitted a [comment letter](#) to the NAIC Special (EX) Committee on Race and Insurance on its proposed charges regarding certain P/C and life insurance/annuities issues being considered by the committee during 2021. ▲

Update on Academy Executive Director Search

EXECUTIVE SEARCH FIRM Korn Ferry has begun the search for the Academy’s next executive director. Those interested can find more information on the [Korn Ferry website](#). ▲

2019 Myers Award Recipient Zimmerman Retiring From IRS

CAROLYN ZIMMERMAN, a past recipient of the Academy’s prestigious Robert J. Myers Public Service Award, retired this month from her service as actuary with the Internal Revenue Service (IRS) after almost 16 years. In her role with the IRS, she was instrumental in maintaining communication between regulators and the actuarial profession on important emerging pension regulatory concerns to the profession.

Prior to the IRS, Zimmerman had a distinguished career as a pension consulting actuary and has long been a dedicated Academy volunteer, including service as member and chairperson of the Academy’s Pension Committee. She is also secretary of the federally established Joint Board for the Enrollment of Actuaries, with which she has been active over many years of her public service.

The Academy thanks Zimmerman, the 2019 recipient of the Myers Public Service Award, for her outstanding service both to the public and to the profession. ▲



Zimmerman

Webinar Examines Health Equity

Work Group Releases New Discussion Brief

THE ACADEMY'S Health Equity Work Group (HEWG) hosted a May 24 webinar, "[Health Equity: An Actuarial Perspective](#)," which offered an important discussion of issues involving health disparities facing our country and an update on the work group's efforts to address those concerns.

Wayne Rawlins, M.D., MBA, a national expert on health equity and vice president and chief medical officer of WellSpark Health, offered a definition of health equity and described drivers of health disparities and strategies to address them. He was followed by a panel discussion with HEWG Chairperson Annette James and Vice Chairpersons Bela Gorman and Stacey Lampkin, with Academy Senior Health Fellow Cori Uccello moderating.

Presenters discussed the work group's goals and work thus far, including the March discussion brief, [Health Equity From an Actuarial Perspective: Questions to Explore](#). The work group also released a new discussion brief, [Health Equity From An Actuarial Perspective: A Deeper Dive Into Health Plan Pricing](#), that focuses on questions related to pricing health insurance products and is part of a series to identify areas that may affect health equity.

"Health disparities and the resulting health inequities are a drag on our economy, limit our ability to compete in the global marketplace, lessen our quality of life, and decrease the ability of more and more people to achieve the American dream," Rawlins said in his remarks which provided the framework for discussion.

He gave a review of health care disparities and cited a 2018 report that showed the impact of such disparities in the U.S. health care system. Rawlins also outlined social determinants of health, which include socioeconomic factors such as income, education, and family support systems; physical environment; health behaviors including tobacco and drug/alcohol use, diet, and exercise; and health care access.

"There is strong evidence in the medical literature that social determinants of health significantly impact health outcomes—therefore, addressing [them] is important for improving health and reducing longstanding disparities," Rawlins said. He went on to make the observation that a lack of access to technology particularly impacted on communities of color during the COVID-19 pandemic, and that "actuaries are in a unique



position to identify the impact on cost and health outcomes due to the influence of health care disparities."

HEWG panelists outlined why actuaries care about health equity, including a commitment to identify and express issues on behalf of the public interest.

"Health actuaries work side by side with health care professionals and decision-makers who rely on health actuaries to provide informed advice," James said. "Actuarial principles can provide solutions to reduce health disparities and improved health outcomes."

Lampkin said the work group's continued work will help answer such questions related to health equity as those involving benefit design, provider contracting and network development, managing population health, and likely areas of overlap including the use of historical data, risk stratification and risk adjustment. Gorman spoke to illustrative pricing examples, including geographic rating areas, and benefit design factors.

Presenters also addressed questions from webinar attendees. [Slides and audio](#) are available free to Academy members. ▲

NOTICE OF REINSTATEMENT

The following was posted to the Academy's [Public Discipline page](#) on May 14, 2021.

Please note: There are two actuaries with the same first and last name in New York. The subject actuary who was originally disciplined and has now been reinstated is not Michael Lawrence Frank of Aquarius Capital.

Academy Issues Reinstatement Notice

The American Academy of Actuaries announced that the following reinstatement action became effective on May 14, 2021.

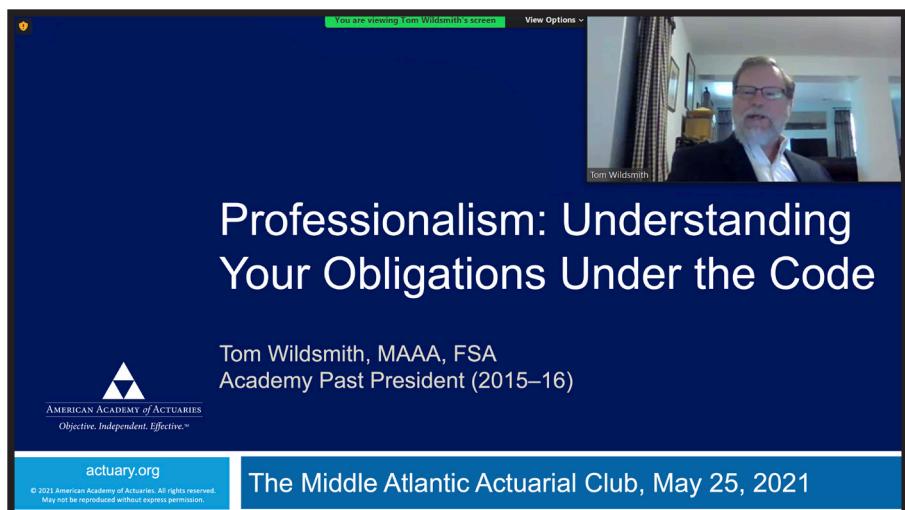
The Board of the American Academy of Actuaries ("Academy"), acting in accordance with its Bylaws, has approved Michael W.

Frank's application for reinstatement to the Academy after his one-year suspension of membership for materially failing to comply with professional standards that govern competence, actuarial practice, communication, and control of work product - specifically, Precepts 1, 3, 4, and 8 of the [Code of Professional Conduct](#). ▲

Speakers Bureau Outreach

AS PART OF THE ACADEMY'S Speakers Bureau outreach, several Academy volunteers made presentations that highlighted the Academy's support for the profession this month:

- ▲ Academy Past President (2015–16) Tom Wildsmith delivered a presentation, “Professionalism: Understanding Your Obligations Under the Code,” to the Middle Atlantic Actuarial Club’s virtual meeting on May 25. The presentation kicked off with the question “What does it mean to be a professional?” and explored why and how the Code of Professional Conduct defines the obligations U.S. actuaries have as professionals. Several club board members joined Wildsmith at the conclusion of the presentation for an insightful discussion of professionalism case studies.
- ▲ Academy President Tom Campbell delivered a “Professionalism Update from the Academy” to the Actuaries Club of Philadelphia’s Virtual Spring Meeting on May 20. Campbell provided a review of the professionalism infrastructure housed in the Academy, and highlighted recent areas of activity of the Council on Professionalism and the Committee on Qualifications. He also provided attendees with a high-level update on actuarial standards of practice developments and the latest statistics and trends on matters brought before the Actuarial Board for Counseling and Discipline—both requests for guidance and cases.
- ▲ Also on May 20, Pension Practice Council (PPC) member and Public Plans Committee Chairperson Todd



The screenshot shows a video conference interface. In the top right corner, there is a small video window showing a man with a beard and glasses, identified as Tom Wildsmith. The main screen has a dark blue background with the American Academy of Actuaries logo at the top left. The logo consists of three triangles forming a larger triangle, with the text "AMERICAN ACADEMY of ACTUARIES" and the tagline "Objective. Independent. Effective." Below the logo, the website "actuary.org" is displayed. At the bottom of the screen, a blue bar contains the text "The Middle Atlantic Actuarial Club, May 25, 2021".

Professionalism: Understanding Your Obligations Under the Code

Tom Wildsmith, MAAA, FSA
Academy Past President (2015–16)

Tauzer presented a pension track session at the Actuaries Club of Philadelphia’s Virtual Spring Meeting. The session addressed the potential implications of the COVID-19 pandemic for pension plans, with a focus on public pension plans as outlined in the Academy issue brief, [The Impact of the COVID-19 Pandemic on Public Pension Plans](#), released in December. Tauzer also discussed recent PPC work, including new issue briefs and other Academy resources helpful to staying current on public policy developments affecting pensions.

- ▲ Academy Past President (2013–14) Tom Terry discussed “Emerging Professionalism Issues in 2021” in a presentation to the Actuaries’ Club of Boston/Actuaries’ Club of Hartford & Springfield joint virtual Spring 2021 Meeting on May 12. Among the topics covered were different approaches to regulation or self-regulation of

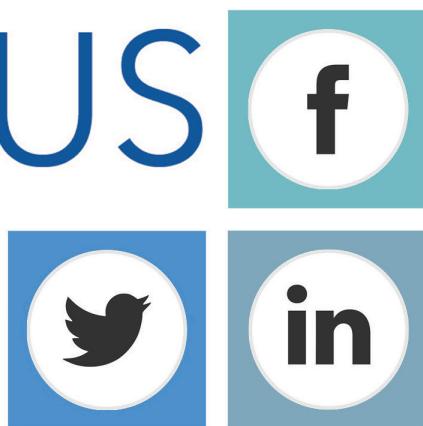
actuarial professions globally and in the U.S., the resilience and continued applicability of the professionalism foundation housed in the Academy during times of change or crisis, and the top ethical challenges facing U.S. actuaries.

- ▲ Council on Professionalism member Mike Ward presented virtually a “Professionalism Update from the Academy” to a general session of the Actuarial Society of Greater New York on May 3. The presentation provided an overview of the professionalism infrastructure housed in the Academy and gave updates on a wide range of activities such as the recent exposure of the U.S. Qualification Standards, and high-level look at recently effective, exposed, and soon-to-be-effective actuarial standards of practice (ASOPs). Ward also engaged the audience remotely with polling questions. ▲

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Stay on top of the latest news about our public policy and professionalism work that affects your practice.



Honor their commitment
to making a difference with
nominations for the

ACADEMY'S SERVICE AWARDS

Each year, Academy members have the opportunity to nominate peers or mentors to receive its service awards.

THE ROBERT J. MYERS PUBLIC SERVICE AWARD
honors exceptional contributions to the common good.

THE JARVIS FARLEY SERVICE AWARD

recognizes exceptional contributions to the actuarial profession through Academy volunteer service.

THE OUTSTANDING VOLUNTEERISM AWARD

honors Academy volunteers who have made a single, noteworthy volunteerism contribution in the past year.

The deadline to submit your nominations is June 25, 2021.



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Member Spotlight

Alan K. Putney

EACH MONTH, the Academy has been introducing you to an actuary who shares insights about their professional lives, as well as some glimpse into their personal lives. Visit the [Member Spotlight page](#), part of the Academy's "Professionalism First" hub. This month we profile Alan K. Putney, chairperson of the current ASOP No. 29 Task Force and a member of the Actuarial Standards Board's Casualty Committee.

When and why did you decide to become an actuary?

I decided to explore the career during my senior year in college. It seemed like a great way to make a living with a math degree without needing to get a masters or doctorate degree. I have always enjoyed solving problems, and this career is built on solving complicated business problems.

Describe one of the professionalism challenges you faced early in your career. How did you handle it?

I worked with municipal liability coverage during the middle and late 1980s, when the industry experienced an insurance crisis with skyrocketing municipal lawsuits and availability & affordability issues in the insurance marketplace. I had to both support

hefty rate increases in regulatory filings and work with my company's underwriters to find areas where we could still write the business with some measure of confidence. We were trying to walk the line between stability and responsiveness, but sometimes that line had been totally washed away by the tide of recent events.

What aspect of being an actuary do you enjoy the most?

I enjoy working with a team of professionals to solve complicated business problems. Sometimes it's a team of actuaries working on a new tool or a complicated analysis. Other times it's with underwriters, a finance team, or a claims area that asks for help to solve a problem that is keeping them from moving forward.

Tell us a little about yourself. What do you do for fun?

I love solving puzzles (crosswords, sudokus, cryptics, etc.) and playing games (card games, board games, computer games). The first thing I look for in a new issue of *Contingencies* is the puzzles. I also play some golf with friends and take daily walks with my wife. We have done a fair amount of traveling over the past 30 years, and we are looking forward to resuming that after the pandemic is tamed.

What advice would you give to someone who is just beginning their career as an actuary?

Get your credentials, learn to work with others, jump into new things, and challenge yourself. You will never grow without doing these things. ▲

NOVEMBER Life and Health Qualifications Seminar

REGISTER TODAY
www.actuary.org/calendar

Nov. 15-18, 2021
ARLINGTON, VA

Acquire the necessary qualifications to sign statements of actuarial opinion for NAIC life and health annual statements.

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COPR Releases 'Professionalism for the Solo Actuary' Paper

THE COMMITTEE on Professional Responsibility (COPR) released a new professionalism discussion paper, *Professionalism for the Solo Actuary*. The ideas and suggestions offered in the paper are intended to assist solo practicing actuaries or actuaries practicing in small firms with respect to situations that they may encounter in providing actuarial services. For more on the development of this paper, see "Professionalism Counts," page 9. ▲



ASB Adopts ASOP No. 11 Revision

THE ASB ADOPTED A REVISION of ASOP No. 11, now titled *Treatment of Reinsurance or Similar Risk Transfer Programs Involving Life Insurance, Annuities, or Health Benefit Plans in Financial Reports*. The ASOP provides guidance to actuaries when performing actuarial services with respect to financial reports that reflect reinsurance programs that involve life insurance, annuities, or health benefit plans. It is effective for actuarial services performed in connection with financial reports issued on or after Dec. 1, 2022. ▲

Spring ASB 'Boxscore' Released

THE ACTUARIAL STANDARDS Board's (ASB) Spring *Boxscore* covers the adopted revision to Actuarial Standard of Practice (ASOP) No. 11; a revision to ASOP No. 18, *Long-Term Care*; the ASB's annual report; a look ahead at future ASB activity, including its upcoming June meeting; and a status report on ASB committee activity. ▲

PROFESSIONALISM BRIEFS

➡ **Allison Wielobob** joined the Council on Professionalism as a liaison member from the American Society of Enrolled Actuaries (ASEA).

This Month in Social Media



On Twitter, we marked the achievements and contributions that Asian American and Pacific Islanders have made to U.S. society.

ASIAN AMERICAN &
PACIFIC ISLANDER

HERITAGE MONTH



On Facebook, we called attention to a new issue brief that details considerations employers might be taking in determining whether to participate in a Pooled Employer Plan.



On LinkedIn, we highlighted recent updates to our COVID-19 resource page, including Academy COVID-19-related analysis and webinar content, public policy and regulatory actions, and resources pertaining to insurance-related pandemic risk.

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.



Purple



Parks



Wong

Q&A: Professionalism and the Solo Actuary

A NEW PAPER FROM THE COMMITTEE on Professional Responsibility, *Professionalism for the Solo Actuary*, was published this month (see p. 8). *Actuarial Update* asked some of the contributing authors—John Purple, Kathleen Wong, and Shawn Parks—to find out more about their views on the challenges facing actuaries working on their own.

Where did the idea for this paper come from?

John Purple: From my days on the Actuarial Board for Counseling and Discipline (ABCD)—some of the complaints would be about a solo practitioner, who often wasn't keeping up with current practice. I would also get requests for guidance from regulators who were either the only regulator, or the only property/casualty regulator, in their state. They would call me for guidance because they didn't have anybody to bounce ideas off. So, I thought there might be a need to publish something for solo actuaries.

Who might find this paper most helpful?

Kathleen Wong: Actuaries who are solo practitioners, in small partnerships, or recently retired but still providing services. Another type of actuary that we didn't specifically mention in the paper is academics, who are often not working with other actuarial colleagues. I hope the paper will raise thought-provoking questions for such actuaries.

Shawn Parks: Any actuary in a work environment where they are not surrounded by other actuaries in the same area of expertise would be a target audience for this. I've been in different environments over the course of my career—I started out in a large company and had a lot of support, and then moved to a smaller company where I was somewhat isolated and actually took advantage of the "C" [counseling] part of the ABCD on occasion. I'm now working in a small consulting firm, doing a lot of networking with others to help bridge those areas where skill gaps might be.

What are some of the issues facing solo actuaries?

And what can they do to address them?

SP: Obviously, continuing education (CE) is one issue, specifically CE to meet the qualification standards for the specific type of work that they are engaged in. A lot of times we get caught up in checking the boxes without really looking at whether the CE is meeting our needs.

KW: In addition to formal CE, networking with actuaries in their practice area is important for solo actuaries to stay aware of what's going on in the field. I'll mention, too, that I'm one of the case studies on peer review in the paper. I had a lot of trouble with peer review when I started as a consultant, as I didn't have other people who were working in the same area. Even though peer review is not required, it's very helpful.

JP: I'd like to pick up on Kathy's comment because I felt peer review was very important. After I retired from the Connecticut

Department of Insurance, I worked as a consultant. We didn't let anything go out the door without complete peer review. Also, when I was at the insurance department, we would outsource some of our review work to consultants. Before making a contract with a sole practitioner, I wanted to know how they were going to get their work reviewed. It's very important for somebody who works alone to have a peer review process in place.

What resources would you recommend to solo actuaries to help overcome these challenges?

JP: Take every advantage of the ABCD's counseling aspect. They have really quick turnaround, and they have access to an expert in your area of work. People should use it more. I know they get over a hundred requests for guidance each year, but I'd like to see that be even more! The paper also will remind solo practitioners to occasionally take a step back, read the *Code of Professional Conduct* and the actuarial standards of practice related to their work, and double-check their qualifications.

KW: When you're starting an assignment, go back and look at the current standards of practice. That will give you valuable information on what you need to consider as you are doing the job.

SP: In the last year, remote learning opportunities, webinars, and meetings have become more widely available. For the solo actuary, that has been a positive development, because it has made keeping up with CE more viable.

All of you, at some point, have been in the position of a solo actuary. Drawing on your experience, what advice would you give to someone in this situation?

KW: Don't isolate yourself—maintain your network among other actuaries. I make an effort to go to meetings to talk with people and understand what's going on.

SP: I'm going to steal from the old real estate mantra. The most important thing is network, network, network—especially with other actuaries in similar situations. Also, never be afraid to admit your weaknesses or lack of expertise, particularly to yourself. It's better to let a potential assignment get away than find yourself in over your head.

JP: In addition to the traditional networking of going to meetings, volunteering for a committee earns you CE credit and connects you with people in your particular area of expertise. Joining a committee at the Academy or one of the other actuarial organizations can be a great benefit. ▲



LTC Public Policy Practice Note Released

THE HEALTH PRACTICE COUNCIL'S (HPC) Long-Term Care (LTC) Practice Note Work Group released a public policy practice note, [Long-Term Care Insurance](#), to provide information to LTC actuaries seeking to better understand considerations in evaluating experience, setting assumptions, valuation, and financial reporting.

LTC Subcommittee Comments to NAIC

The LTC Reform Subcommittee also submitted a [comment letter](#) to the NAIC Long-Term Care (EX) Task Force regarding the April 9 exposure draft of the LTC Insurance Multi-State Rate Review Framework. ▲

HPC Financial Reporting and Solvency Committee Comments to NAIC

THE HPC'S FINANCIAL REPORTING and Solvency Committee sent a [comment letter](#) to the NAIC's Health Actuarial (B) Task Force regarding an exposure draft of a proposal to modify the definition of "actuarial assets" as used in the instructions for the Health Statement of Actuarial Opinion. The letter is a follow-up to an [April letter](#) commenting on a previous draft of the proposal. ▲

HPC Comments on Colorado Senate Bill

THE HPC SUBMITTED a [comment letter](#) on a revised draft of Colorado Senate Bill 21-169, recently approved by the Colorado Senate which states as its objective is to protect consumers from unfair discrimination in insurance practices. This letter follows up on previous HPC [comments](#) on the introduced version of the bill, and again focuses on the potential impact to health insurance. Comments on the original bill draft were also made by the Academy from the Casualty and Life Practice Councils. ▲

HEALTH BRIEFS

The Medicare and Medicaid Committees were recently elevated by the Board of Directors to be full committees. They were previously subcommittees under the parent Public Programs Committee, which was disbanded with thanks.

- ➡ **Julia Lambert** joined the Medicare Committee.
- ➡ **Elsily Aguayo, Sterling Felsted, Jennifer Gerstorff, Taylor Pruisner, and Jeff Yang** joined the Medicaid Committee.
- ➡ **Tim Murray** and **George Omondi** joined the Health Equity Work Group.

- ➡ **Derek Skoog** joined the Financial Reporting and Solvency Committee.
- ➡ **Jamala Arland** and **Ron Ogborne** joined the Long-Term Care/Disability Committee.
- ➡ **Steve Guzski** joined the Health Solvency Subcommittee.
- ➡ **Jack Pierce** joined the LTC Medicaid Subcommittee.



Webinar Covers NAIC Life Actuarial Issues, Economic Scenario Generator in Focus

THE LIFE PRACTICE COUNCIL (LPC) hosted "[Academy Life Practice Webinar: Spring 2021 Policy Update](#)" on May 5. Presenters were Mike Boerner, chairperson of the (NAIC's) Life Actuarial (A) Task Force (LATF), and Jason Kehrberg, chairperson of the LPC's Life Valuation Committee. Academy Life Vice President Laura Hanson moderated.

Presenters provided considerable information and insight on both the NAIC's life actuarial activity and LPC work and resources, as well as included a focused presentation on the latest developments on a proposed new NAIC Economic Scenario Generator (ESG) for use in regulatory reserve and capital calculations. [Slides and audio](#) are available free to logged-in Academy members. ▲



Life Webinar Looks at the Effects of COVID-19

THE ACADEMY'S MAY 25 Life Practice Council webinar,

["The Impacts of COVID-19 on the Life Insurance Industry"](#) looked at the pandemic's impacts on the life insurance industry and explored the possible near- and longer-term effects on life insurance. Panelists discussed the impact of COVID-19 on financial results, mortality experience, and considered possible impacts on life insurance operations including underwriting and pricing.

Presenters were Carmi Margalit, S&P Global Ratings; Carolyn Covington, SCOR Global Life Americas; and Catie Muccigrosso and Taylor Pickett, both with Reinsurance Group of America. Senior Life Fellow Nancy Bennett moderated. They discussed topics concerning 2020 financial results and observations, the impact of the novel coronavirus on mortality, and the overall impact of the pandemic on the underwriting process.

"With very few outliers, COVID[-19] was a manageable earnings event," Margalit said.

Takeaways included:

- ▲ The impacts of COVID-19 on the life insurance industry are still being assessed, and we do not yet know the long-term effects.
- ▲ The industry has been adaptable in handling the immediate consequences, and certain markets, such as the bond market, were



able to avoid a severe crash due to a quick fiscal and monetary stimulus.

- ▲ COVID-19 has had visible impacts on death benefit payouts, with 2020 seeing a 16% increase in death benefits paid.
- ▲ Pandemic-related deaths are lower for the insured population compared to the general population.
- ▲ While there is reason for increased optimism, the pandemic is not yet over, and we will continue to see additional impacts on the industry

and mortality rates from international exposure and international mortality. The industry has had enough capital buffers to navigate the impacts of COVID-19.

- ▲ Annuity sales declined in 2020 overall due to the operational factors of COVID-19, including access to new and existing consumers.
- ▲ We will have more knowledge regarding the final trajectory of the pandemic on mortality considerations closer to the third quarter; however, this could be impacted if new strains of the virus become prominent.
- ▲ Many tools exist to facilitate the underwriting process, and there is much variability within any given tool. Underwriting practices must adapt as a result of the impacts of COVID-19 and revised guidelines must be created.

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

LPC Work Groups Comment to NAIC

SEVERAL LIFE PRACTICE COUNCIL (LPC) work groups sent comment letters to the NAIC in late May:

- ▲ The C1 Work Group sent a [comment letter](#) addressing the Life Risk-Based Capital Working Group (LRBC WG) exposure drafts of factors for bonds, highlighting areas that are both

material to the resulting factors and represent the greatest difference with the work group's updated factors.

- ▲ The C-2 Longevity Risk Work Group sent a [comment letter](#) to the LRBC WG on the April 30 exposure of longevity risk-based capital (RBC) factors.

- ▲ The Life Reserves Work Group submitted a [comment letter](#) to NAIC's Life Actuarial (A) Task Force on an amendment proposal form (APF 2020-10), which addresses inclusion of future mortality improvement into PBR valuation. ▲

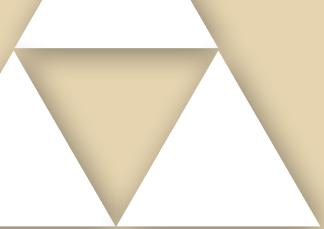
LIFE BRIEFS

- ➡ **Bruce Friedland** joined the Annuity Reserves and Capital Work Group.
- ➡ **Jonathan Heldmann** and **Chanho Lee** joined the Life Reserves Work Group.
- ➡ **Henry Yim, Tao Yuan, and Al Zlogar** joined the C-3 Phase I Subgroup.

Kent, continued from page 1

Ken—who works as a consulting actuary with Cheiron and has more than four decades of professional, managerial, and public service experience on retirement plans—has been involved as an Academy volunteer since 2001 and has also served as president of the Conference of Consulting Actuaries.

"Ken is a great example of a member who gives fully of himself," Williams said. "His long tenure of volunteerism and dedication to professionalism in particular speak to his spirit of service, and I'm confident he's going to be an exemplary leader of the Academy." ▲



Actuarial Update

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PENSION NEWS



PPC Releases Issue Brief on Benefit Guarantees

THE PENSION PRACTICE COUNCIL (PPC) released an issue brief, [*The Security of Pension Plan Benefits*](#), that discusses factors relevant to the security of typical employer-sponsored defined benefit pension plans in the United States.

Key points include:

- ▲ The security of a pension plan's benefits can depend on factors such as the plan design, funded level, asset allocation, plan sponsor, and other specific characteristics.
- ▲ There are many factors that stakeholders may wish to consider specific to the circumstances of a plan in evaluating the security of a plan's benefits.
- ▲ Policymakers considering legislative proposals that would affect retirement plans may benefit from reviewing the benefit security mechanisms now in place. ▲

Issue Brief Looks at Pooled Employer Plans

THE PPC'S Retirement System Assessment and Policy Committee released an issue brief, [*Pooled Employer Plans—Employer Considerations*](#). Pooled Employer Plans are a significant development that could reduce costs, complexity, fiduciary liability/risks, and administrative burdens for employers seeking to offer 401(k) retirement plans, and could simplify the process for smaller employers that do not currently offer such plans. ▲



PENSION BRIEFS

➡ **Claire Wolkoff** is vice chairperson and **Esther Peterson** is a member of the Retirement System Assessment and Policy Committee.

IN THE NEWS

A [*Plan Sponsor*](#) story quoted Pension Committee member Rachel Barnes from the April 27 webinar, "[*Risk-Sharing Plan Designs—Going Deeper \(Part 1\)*](#)," on new pension plan designs to minimize cost volatility and/or provide gain sharing. In a separate

[*Plan Sponsor*](#) story, Barnes described features of cash-balance pension plans.

The Academy's [*statement regarding CAS rescinded rate-making principles*](#) was featured in a [*Carrier Management*](#) story on the Casualty Actuarial

Society's recent decision to reinstate the principles. The story was reprinted by [*Insurance Journal*](#).

A [*BenefitsPro*](#) story focused on the Academy's new issue brief, [*Pooled Employer Plans—Employer Considerations*](#). ▲