



## Envision Tomorrow 2024 a Success

**E**NVISION TOMORROW, the Academy’s successful 2024 annual meeting, put a spotlight on high-level key issues just a few weeks before the presidential election. The meeting, with the theme “Exploring a World of Risk,” examined topics including the global risk environment, climate change, longevity and aging, financial inclusion, state regulatory trends, Medicare & Medicaid, artificial intelligence (AI), and Social Security. It also featured a general session on the Academy’s commitment to professionalism as a self-regulated profession.

The Oct. 15–16 event at the Grand Hyatt Hotel in Washington, D.C., featured President Lisa Slotznick’s address, with President-Elect Darrell Knapp also taking the stage. The Academy’s presidential and Board of Directors leadership transition will take place in a virtual event on Nov. 13.

General sessions were led by opening keynote speaker, former NATO Supreme Allied Commander Gen. Wesley Clark, who gave an address on global political and security risks. Second-day keynote speaker Leroy Nunery offered his insights into financial inclusion issues in the actuarial profession and insurance industry. [C-SPAN](#) was on hand to film a well-attended retirement session on the future of Social Security.

Other general sessions included stakeholders examining relevant issues—a renowned panel of experts explored AI’s opportunities and risks; “A View From the States” featured NAIC President Andrew Mais and CEO Gary Anderson; AARP Chief Public Policy Officer Debra Bailey Whitman talked about longevity and related public policy impacts; and a professionalism session on self-regulation featured self-regulation expert Justin Connor and actuarial professionalism experts, including Slotznick and Knapp.

Breakout sessions included casualty, health, life, retirement, and research panels covering everything from climate change and extreme weather to the Affordable Care Act, annuities, and options for shoring up Social Security’s long-term financial stability.



Academy President Lisa Slotznick & Incoming President Darrell Knapp

The Academy also bestowed its annual awards—the Jarvis Farley Service Award; the Robert J. Myers Public Service Award; four Outstanding Volunteerism Awards; the Award for Research; and the Rising Actuary Awards, presented to nine recipients who will be profiled in the upcoming November/December issue of *Contingencies*.

In addition to the NAIC, officials from the following governmental organizations attended and/or presented at the meeting: the Social Security Administration, the Office of Personnel Management, the U.S. Department of Health and Human Services, the Government Accountability Office, the Congressional Budget Office, the Wisconsin Office of the Commissioner of Insurance, and the Center for Consumer Information and Insurance Oversight.

Also attending were representatives of other actuarial and affinity organizations including the American Society of Enrolled Actuaries, Canadian Institute of Actuaries, Casualty Actuarial Society, Conference of Consulting Actuaries, Society of Actuaries, South Asian Network of Actuaries, and The Actuarial Foundation. ▲

Photos: See the Envision Tomorrow photo spread, pp. 6–7, and watch a short video showcasing scenes from the event.

## AI Session Covers Risks, Opportunities

**A** GENERAL SESSION ON AI noted the need for an ethical and transparent framework to prevent a multitude of potential harms, both to the environment and people, especially the most vulnerable. Panelists examined some of the challenges associated with responsibly and ethically governing AI’s use.

The session was moderated by Academy Board member Dorothy Andrews, chairperson of the Data Science and Analytics Committee. Panelists were former Maryland Insurance Commissioner Kathleen Birrane, with DLA Piper; Miranda Bogen, director of the Center





for Democracy & Technology’s AI Governance Lab; Andrew Clark, co-founder and CTO, Monitaur.ai; Civic Hacker founder Jurnell Cockhren; Actuarial Standards Board (ASB) Chairperson Kevin Dyke, chief regulatory actuary, Michigan Dept. of Insurance; and Kimberly Sapre, with Milliman.

Panelists discussed things that could find their way into AI, including everything from race aspects in medicine and social justice issues to risks in generative AI, or GenAI—the latter of which was the subject of a recent Academy Committee on Professional Responsibility cross-practice [discussion paper](#) and [professionalism webinar](#).

**Diverse voices**

Andrews said in an interview following the panel she wanted to bring other voices into the session to broaden the focus of the AI conversation.

“It’s important to take a socio-technical approach,” she said. “Which means not just looking at the numbers—you have to involve people, consider social policies, and think about all the influences that have an impact on some of these AI outcomes. It can’t be measured solely with a formula—that’s why you really need people who specialize in taking a social science approach to understanding the impact of AI.”

She noted that much of what AI learns is from humans—“AI didn’t learn this on its own; it’s learning it from us. Real, authentic created data is actually more responsible and not indicative of so much bias ... if we can change our behavior to become better human beings, we’ll have an opportunity to impact data in a positive way that AI learns from.”

**ASB perspective**

“Hearing from the panelists was the most fascinating part of the session for me,” Dyke said in an interview following the session. “Understanding that there are so many facets of AI, and thinking about the effects of things that are not actuarial-specifically related ... we can learn a lot from how other professions and organizations are using AI and looking at its risks.”

“We see that the use of AI is becoming more pervasive in society, and awareness is increasing, too. The good part of that awareness is we’re recognizing the risks associated with it—it’s not just a turnkey solution to an automation problem,” he said. “I also liked being able to share how the ASOPs [actuarial standards of practice] stand up to emerging issues like AI,” including ASOP No. 23, *Data Quality*; ASOP No. 41, *Actuarial Communications*; and ASOP No. 56, *Modeling*. ▲

## Academy Presents Annual Service, Recognition Awards

*The Academy presented its annual service and recognition awards at Envision Tomorrow.*

**Farley Award**

Al Bingham, a former Academy vice president of both health and professionalism, received the Jarvis Farley Service Award—a lifetime achievement award that honors a member whose volunteer efforts on behalf of the Academy have made significant contributions to the advancement of the profession. Bingham served in more than 35 Academy service roles; as health vice president, he led the Academy’s objective actuarial input during passage of the Affordable Care Act (ACA), and as professionalism vice president he helped strengthen standards that guide the profession’s work.

Referencing the extensive work at the time of the ACA’s passage—for which he thanked Academy Senior Fellow Cori Uccello in particular —Bingham said that “Academy input, comments, and recommendations provided critical expertise from our profession that addressed problems and improved what became the final version of that legislation. And the Academy continues to provide that critical expertise on a wide range of policy issues today, in health and other practice areas.” He added that “the work we do—that you do—in the Academy, on projects large and small, matters.”





Andersen



**Myers Award**

Fred Andersen, chief life actuary with the Minnesota Department of Commerce, received the Robert J. Myers Public Service Award for his exceptional leadership in addressing high-profile life insurance challenges in the development of critical life insurance actuarial guidelines. His Academy volunteer service has included contributions to the ASOP No. 18 Task Force and the Economic Scenario Implementation Work Group.

In accepting the award, Andersen thanked former Academy Life Vice President Laura Hanson, who helped draft Actuarial Guideline XLIX (AG 49). “Thanks to the efforts of Laura and others representing the Academy, we’ve been able to rein in the Wild West on these products, and consumers are getting more realistic materials when deciding to purchase life insurance products,” he said. He also cited the assistance of Rhonda Ahrens (who received an Outstanding Volunteerism Award) for her help on long-term care issues and in drafting Actuarial Guideline LI (AG 51). “The Myers Award reflects the work all actuaries do, not just regulators,” Andersen said. “We’re all involved in public policy; we all deal with pressure; we all often times have to be the voice of reason; and we all have a long-term outlook.”

**Outstanding Volunteerism Awards**

Four members received this year’s Outstanding Volunteerism Awards (OVAs):



Ahrens

▲ **Rhonda Ahrens** received an OVA in recognition of her exceptional leadership and dedication in preparing Knowledge Statements related to the life appointed actuary and by leading her team through facilitating important discussions with regulators. Ahrens has also been a regular presenter at the annual Life and Health Qualifications Seminar.



Behrens

▲ **Nancy Behrens**, who is the Academy’s incoming vice president of professionalism and education, was recognized for her leadership as chairperson of the Committee on Education, which has developed vital frameworks and outlines to create supplemental materials for future Academy members. She also played a key role in assisting the Membership Requirements Subcommittee draft new Academy membership requirements.



Iarkowski

▲ **Michelle Iarkowski** received an OVA for her contributions as vice chairperson of the Committee on Property and Liability Financial Reporting, as a longtime faculty member for the P/C Loss Reserve Opinions Seminar, an active member of the ASB’s Casualty Committee and its ASOP No. 36 Task Force, and for addressing key concerns with the NAIC in P/C reserving trends.



Sheppard

▲ **Becky Sheppard**, who moderated a health session at the meeting, was recognized for her service as co-chairperson of the Health Equity Committee. Her leadership in organizing impactful workshops and symposiums, co-leading the benefits design workstream, and representing the Academy in health forums has helped advance the Academy’s mission on health equity issues.



**Rising Actuary Awards**

The Academy also honored nine members with the Rising Actuary Award:

- ▲ **Emma Casehart**, Allstate Insurance Co.
- ▲ **Joe Dorocak**, Mount Sinai Health System
- ▲ **Tina Kang**, Prudential
- ▲ **Kirsten Knutson**, Blue Cross of Idaho
- ▲ **Christopher Lombardi**, WTW
- ▲ **Margo MacKenzie**, Ernst & Young
- ▲ **Isabelle McCullough**, Axis US Specialty Services
- ▲ **Amanda Muhlbaier**, Pacific Life Insurance Co.
- ▲ **Silver Zhou**, Venerable

Now in its third year, the Rising Actuary Awards recognize members 35 or younger or credentialed in the last five years. Read more about these actuaries on their way up in the profession in the November/December issue of *Contingencies*. ▲



Slotznick (center) with the 2024 Rising Actuary Award recipients

**Award for Research—Doron Samuelli**



Samuelli (left) receives the Award for Research

**A USTRALIA-BASED** Doron Samuelli received the Academy’s Award for Research, now in its second year. The award recognizes work by an early-career scholar contributing significantly to an actuarial perspective on a public policy issue of interest to U.S. actuaries and public policymakers, and includes a \$7,500 honorarium.

Samuelli received the award for co-authoring the research paper, “Counteracting dishonesty strategies: A field experiment in life insurance underwriting,” published in the *Journal of Behavioral Decision Making* in April 2023.

The experiment, which examined strategies to counteract dishonest self-reporting of smoking status by life insurance applicants, found that certain messaging by life insurance company agents after applicants’ initial interview responses resulted in a small but statistically significant increase in honest self-reporting. ▲



Slotznick gives her presidential address

**Presidential Address: Lisa Slotznick Highlights Importance of Communication**

**I N HER ADDRESS**, Academy President Lisa Slotznick highlighted the Academy’s 2024 Election Issues Clearinghouse that covers key topics including risk, climate change, Medicare, artificial intelligence (AI), and Social Security.

“In whatever way the election unfolds, the Academy will continue to play a significant role in providing our profession’s expertise to policymakers and regulators, rooted in nonpartisan and objective actuarial science and principles,” Slotznick said.



She also offered a historical perspective of the Academy. “The founders of the Academy were truly visionary in establishing an organization that makes explicit the connection between our profession’s work and the affairs of our national life,” Slotznick said. “They had the insight that the systems that actuaries work on are of great consequence to our fellow Americans.

“Actuaries are not just scientists, but also communicators, even storytellers. There is no point to our work as actuaries or as the Academy unless we are able to communicate clearly what we mean in an understandable way,” she said.

“Just as significantly, [the founders recognized] that the time had come for a service organization of the whole U.S. actuarial profession dedicated to telling the story of how our work is connected to the interests of our fellow Americans,” Slotznick said. “When we tell that story well, it resonates and stirs their engagement.

“Our best work products are clear and in plain language so that the Academy’s audience—often non-actuaries with limited subject matter knowledge—are able to understand,” she added.

Slotznick also thanked outgoing Academy Board members whose service will end in November, with the presidential and leadership transition—Dorothy Andrews, Chris Carlson, Maryellen Coggins, and

### TAF ‘All for Math’ Campaign

During her presidential address, Lisa Slotznick drew attention to the Academy’s support for Actuarial Foundation’s (TAF) All for Math campaign, which brings actuaries into the process of educating students about math and the tools to consider an actuarial career. Visit TAF’s [All for Math webpage](#) to get involved.

Annette James. (James, who has been a member-selected director, will continue serving on the Board as health vice president, a two-year term.)

Slotznick also cited the Academy’s testimony and participation before groups like the NAIC and the National Council of Insurance Legislators, and the annual “Hill visits” to Capitol Hill offices and agencies to engage with federal and state policymakers and stakeholders.

“Our relationships with other actuarial organizations and affinity groups, our exploration of and continuing education on bias, the encouragement of a diversity of viewpoints and members and volunteers who reflect them, and our new Academy Learning portal launched just a few months ago, keep us moving forward,” she said. ▲

## Professionalism Session Examines Self-Regulation

**I**N THE CLOSING GENERAL SESSION, “On the Winds of Change: An Exploration of Successful Self-Regulation in a Complicated World,” Justin Connor, executive director for the Center for Industry Self-Regulation, gave an overview of the history of self-regulation in the United States, how it works, and the different forms it can take.

“Building and retaining the trust of the public ... is the essential building block for all forms of self-regulation,” Connor said. A disciplinary or accountability process is also essential to protect the public from any potential abuse of the inherent information asymmetry that exists between practitioners and the public.

Self-regulation often brings improved accountability, compliance, and buy-in by regulated entities, as well as rules and standards written and enforced by those who have the most relevant knowledge, Connor said, adding that because self-regulated professions and industries can respond to developments more quickly, they tend to produce more flexible, tailored solutions. He also noted that self-regulation often fosters greater innovation: “Countries that have opted for much more top-down, command and control approaches usually end up not being a hub of innovation and development,” he said.

Connor also examined some of the downsides of self-regulation, which can include conflict of interest, regulatory capture, weaker standards and rules, lack of enforcement, and limited transparency and consumer input. In addition, self-regulation has greater potential for anti-competitive behaviors. All of these pitfalls can destroy the credibility of the industry or profession—and the public’s trust in it.

He explained that self-regulation usually functions on one of two levels: the individual professional or the industry level. At the industry level, three types of self-regulation exist: by a trade



association or industry group (such as the movie rating system under the Motion Picture Association); by an independent third party (such as the Better Business Bureau’s National Advertising Division, which upholds standards of truth and accuracy in advertising); or with legally delegated authority (such as the Financial Industry Regulatory Authority, to which Congress has delegated the authority to discipline members, subject to the review by the U.S. Securities and Exchange Commission).

Turning to trends affecting self-regulation today, he noted that pressure for more effective and transparent regulation is growing in the United States and globally. In the U.S., three recent Supreme Court decisions have reshaped the law governing agencies and regulation and may result in a greater emphasis on self-regulation in the future.

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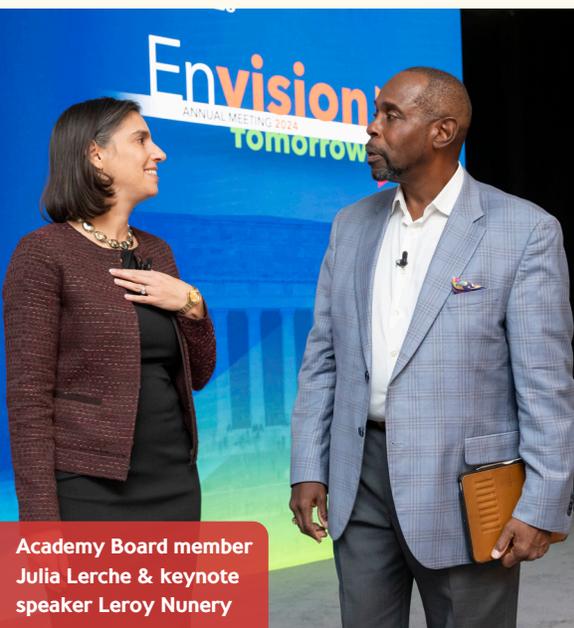
Gen. Wesley Clark (left) chats with (L-R) Academy Past President Dave Sandberg, Canadian Institute of Actuaries Executive Director Michel Simard & Academy Senior Director of Professionalism Brian Jackson



(L-R) ABCD Vice Chairperson William Hines with Academy Past President Bob Beuerlein, President-Elect Darrell Knapp, and Past President Maryellen Coggins



Special guest Ben Franklin joins the reception—with (L-R) Academy Board member Lena Black, past Retirement VP Eli Greenblum, and Past President Tom Terry



Academy Board member Julia Lerche & keynote speaker Leroy Nunery



AARP's Debra Bailey Whitman signs her book following the longevity session



AMERICAN ACADEMY  
of ACTUARIES

**AI: Seizing  
Opportunities and  
Governing Risk**



**Dorothy  
Andrews**  
PH.D., MAAA, ASA,  
CSPA



**Kathleen  
Birrane**  
J.D.



**Miranda  
Bogen**



**Andrew  
Clark**



**Jurnell  
Cockhren**



**Kevin  
Dyke**  
MAAA, FCAS



**Kimberly  
Sapre**  
DMSc, PA-C,  
CAQ-EM, DFAAPA



The AI general session, led by Academy Board member Dorothy Andrews



Office of Personnel Management CMO Dr. Christa-Marie Singleton & AI session panelist Jurnell Cockhren



Featured professionalism speaker Justin Connor (second from right) with (L-R) incoming Professionalism & Education VP Nancy Behrens, ABCD Vice Chairperson William Hines, outgoing Professionalism & Education VP Tim Geddes & President Lisa Slotznick



Academy Executive Director Bill Michalisin (left) & NAIC CEO Gary Anderson



Life Practice Council volunteer Ann Delaney asks a question at the longevity session



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Connor concluded by saying that given the complexities of today’s challenges combined with the significant legal challenges to traditional and self-regulation, it is imperative “for business to step up to the plate, to act responsibly, and do its part through demonstrating leadership and building trust with consumers through leveraging the historic power of industry self-regulation.”

A wide-ranging panel discussion led by Academy Vice President of Professionalism and Education Tim Geddes followed. Panel members—incoming Vice President of Professionalism and Education Nancy Behrens, Actuarial Board for Counseling and Discipline (ABCD) Vice Chairperson William Hines, Academy

President Lisa Slotznick, and President-Elect Darrell Knapp—touched on reliance in actuarial work, gray areas surrounding technological changes, the value of the MAAA, and how actuaries can protect self-regulation.

Asked how actuaries can protect self-regulation of their profession, Hines said that being familiar with the Code of Professional Conduct, the U.S. Qualification Standards, and the actuarial standards of practice (ASOPs) is an important first step. Knapp said that while it may be uncomfortable, reporting poor practice was important, and he encouraged actuaries to comment on ASOP exposure drafts to contribute to keeping the profession’s standards strong. ▲

## Global Risks With Gen. Wesley Clark

**F**ORMER NATO Supreme Allied Commander Gen. Wesley Clark gave the opening keynote address on global political and security risks, citing everything from foreign adversaries to newfound concerns about AI and cyber threats. He opened his talk by saying to the audience, “You have far more influence on public policy and the direction of this nation than you can ever believe. Your calculations ... in the insurance business, [and] in government, is really powerful.”

He said the U.S. faces potential threats from nations like Russia, China, North Korea, and Iran, and without making a prediction, noted that “everybody in the world is paying attention to this [U.S. presidential] election.”

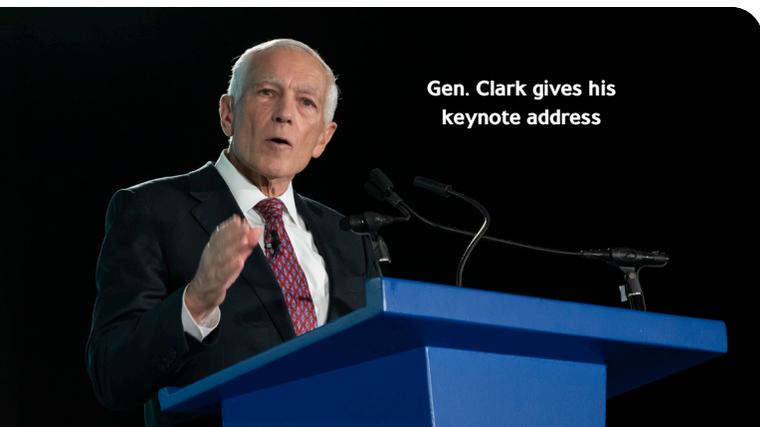
Clark also cited climate risks, noting billions of dollars in damages caused by hurricanes Milton and Helene, as well as wildfires in the West, and noted that “actuaries are well aware of the risks” from cyber threats.

“In Congress, for years we tried for years to get cyber legislation passed to make companies more responsible,” he said, noting the more widespread availability and value of cyber insurance.

Regarding AI, Clark said that actuaries “are on the frontier” of risks in that area. “Nobody should put AI in without insurance,” he said, adding that insurance calculations are important with the new technology.

Clark also cited CRISPR in the context of the COVID-19 and other potential future pandemics as a potential risk.

“We have to understand the way of dealing with new communications,” he added, including such things as potentially restricting use of data to protect individuals. “If we’re going to move forward on issues like climate change, AI, disease, and cyber ... we’ve got to get consensus and bring this country together,” he said. ▲



Gen. Clark gives his keynote address

## Leroy Nunery on Financial Inclusion

**I**N AN OCT. 16 LUNCHTIME plenary session, Leroy Nunery spoke on the benefits and challenges of expanding insurance and financial literacy, growing the pipeline of STEM students and professionals, and how a lens of “under-representation risk” can help the insurance sector and actuarial profession meet the challenge.

Nunery, president of Evolution Advisors LLC and founder & principal of Plüs Ultré LLC, offered anecdotes from his own background in introducing the topic of financial inclusion.



Nunery speaks on financial inclusion



“Ultimately, financial inclusion means ... your ability to be connected enough—regardless of your race, gender, ethnicity, or religion—to a system that will allow you to prosper,” Nunery said, adding that it involves “not only opening the gates, but showing people the way.”

He said that underwriting property insurance is currently difficult in some areas of the country, which can lead to problems with inclusion. “How people think about and spend their money is huge,” Nunery said. “It costs all of us if we are not included in the

system—we’re going to pay for it one way or another.”

Nunery also cited the work of The Actuarial Foundation in bringing in STEM students—those studying science, technology, engineering, and math—to the insurance and actuarial career pipeline, which has shown good results with its first groups of students.

“They’re going to be in this room soon,” he said. “If you give people the ability, the ladder and the scaffolding to reach this stage in life, they’ll succeed.” ▲

## NAIC Perspectives—‘A View from the States’

**A** N OCT. 15 GENERAL SESSION, “Bridging the Insurance Gaps: A View From the States,” featured NAIC President and Connecticut Insurance Commissioner Andrew Mais, who gave opening remarks, followed by a discussion with NAIC CEO and former Massachusetts Insurance Commissioner Gary Anderson, moderated by Academy Life Vice President Jason Kehrberg.

Borrowing the London Underground catchphrase “Mind the Gap,” Mais talked about the need to close potential gaps in insurance and retirement coverage. “It’s not just for the engineer running the train; it’s for everyone riding the train,” he said. “You don’t close the coverage gaps all at once. It’s a process and requires work.

“When we talk about gaps, we’re not only referring to actuarial risk, although that’s certainly a central part of the conversation,” he said. “The gaps we face are broader, and they span the entire insurance ecosystem.”

Mais also cited the vital role that actuaries play. “Regulators, actuaries, and [insurance] industry leaders must concentrate our effort to ensure that no one is left unprotected ... we need your expertise.” In the panel discussion, he added that actuaries “have an incredible amount of knowledge and are willing to share it with us, as regulators.”

To a question about identifying and inviting actuaries for their expertise, Anderson said “the best argument should win the day,” which requires the best information. “I think it stands to reason that if you’re a regulator, you want all the information, and that includes



Mais (right) with Kehrberg (left) & Anderson

the actuarial field” in identifying and pricing risk, which can be challenging, he said.

Anderson also cited the New Avenues to Insurance Careers Foundation, set up as a separate entity by the NAIC in 2022, which came out of a meeting with about 80 interns in Iowa and led to providing scholarships and internship opportunities to college students in underserved communities to help them obtain skills relevant to insurance business and regulation. ▲



## Longevity Session Features AARP’s Debra Bailey Whitman

**T**HE OCT. 16 OPENING SESSION, “Shaping the Future: Changing Longevity from a Risk to an Opportunity,” featured AARP Chief Public Policy Officer Debra Bailey Whitman, who presented on longevity issues and held a “fireside chat” discussion with Academy Board member and incoming Health Vice President Annette James on longevity and potential policy impacts.

Whitman cited perspectives on longevity, technology, financial security, and the evolving landscape of technology and science, including a chapter from her recent book (and a question often posed to actuaries), “How long will I live?”

Offering personal anecdotes about her own family’s history, Whitman said that genetics plays about a 20% factor in longevity, along with health care, also at 20%, while social determinants account for the other 60%. Other things include strong personal relationships and having a positive perception of aging.

Whitman (right) and James in the longevity session



James noted health disparities, which have been examined in the work of the Academy’s Health Equity Committee.

Whitman said that underserved communities often have health disparities, with reduced positive outcomes. “We can’t just raise the life expectancy of people at the top; we actually need to address the issues at the bottom if we’re going to change” U.S. life expectancy.

She praised the Academy’s work around investments in health care across all populations, citing social, environmental, and

other factors. “We also talk about the pillars of health care to keep ourselves sharp” as people get older, she said—including good sleep, diet, exercise, social connection, and getting your hearing checked.

Whitman also cited the “three-legged stool” of financial security: savings, Social Security, and pension/retirement plans. “We really need to shore up all of these stools in order to make sure that people aren’t balancing on a pogo stick as they retire,” she said. ▲

## Breakout Sessions

**PRACTICE-AREA BREAKOUT SESSIONS** offered perspective on some of the biggest issues in the casualty, health, life, risk management, retirement, and research areas. Speakers, panelists, and attendees discussed many topics over the course of the two-day meeting, interacting in person and with virtual attendees.

## Research

### Insights From Behavioral Economics

**Moderator:** Pension Committee Chairperson Grace Lattyak

**Panelists:** Doron Samuel, Behaviour; Mingli Zhong, Urban Institute; Tyler Welch, University of Wisconsin.

The panel presented research demonstrating the value of insights from behavioral economics for applications across a wide range of practice areas, including Award for Research recipient Samuel’s

(see p. 4). Zhong’s paper gave evidence of behavioral tendencies in retirement savings that suggests how state retirement saving plans might be best structured. Welch’s work on access to health insurance reveals connections between Social Security claiming and access to health insurance, with important implications for policies in both arenas. This set of well-crafted research only begins to suggest the range of applications for work adjacent to actuarial studies, and can provide important insights for both actuaries and policymakers.

## Casualty

### Identifying and Measuring the Impact of Mitigation Solutions for Extreme Weather Events

**Moderator:** Norman Niemi, MAAA, FCAS; Member, Research Committee; Interested Party, Casualty Practice Council; Past Chairperson and Member, Committee on Cyber Risk; Member, Casualty Committee, Actuarial Standards Board

**Panelists:** Howard Kunst, MAAA, FCAS, CCRMP, Member, Extreme Events Committee, American Academy of Actuaries; Ian Giammanco, Ph.D., Managing Director of Standards & Data Analytics; Lead Research Meteorologist, Insurance Institute for Business & Home Safety

This session looked at how mitigation efforts anticipating hurricanes, wildfires, and other natural catastrophes can protect property from damage providing a positive financial effect for policyholders and insurers. Panelists covered a range of events, including the recent Hurricanes Milton and Helene, which caused billions of dollars in damage over multiple states, and Niemi noted tornadoes that moved east across Florida in Milton’s path.

Both Giammanco and Kunst talked about evolving building codes in light of wildfire risk, including a discussion of building codes.



Kunst (right) with Giammanco (left) and Niemi

### Florida and California Reforms and Their Impact on the P&C Insurance Market

**Moderator:** David Heppen, MAAA, FCAS, Risk & Regulatory Consulting, LLC

**Panelists:** Amy Bach, Executive Director, United Policyholders; Rex Frazier, President, Personal Insurance Federation of California; Brian Donovan, MAAA, FCAS, Chief Actuary, Citizens Property Insurance Corporation



Climate change's effect on property insurance was the focus of this session, which looked at the property insurance market in two states facing significant climate risk-related challenges.

In Florida, several strong hurricane seasons in a row, mixed with laws that made claims ripe for litigation, led to an increased dependence by homeowners on Citizens Property Insurance Corp., the provider of last resort in the state. However, reforms passed two years ago have led to a reduction in lawsuits. "There is reason to be optimistic," said Brian Donovan, Citizens' chief actuary.

Meanwhile in California, the growing prevalence of wildfires has increased property insurance rates, but the Golden State only ranks 20th as of 2021, noted Rex Frazier, president of the Personal Insurance Federation of California. While the reform process has been slow, he is encouraged by recent introduction of a "Sustainable Insurance Strategy" that will allow insurers to use probabilistic modeling and factor in reinsurance costs as part of the rate filing process, as long as insurers agree to increase their presence in so-called distressed areas.

## Health

### Broadening the Focus: Incorporating Indirect Costs/Savings and Non-Financial Outcomes in Actuarial Analysis

**Moderator:** *Becky Sheppard, MAAA, FSA; Co-Chairperson, Health Equity Committee, American Academy of Actuaries*

**Panelists:** *Neeraj Gandotra, M.D.; Chief Medical Officer, Substance Abuse and Mental Health Services Administration (SAMHSA); Rachele Hendricks-Sturup, DHSc, Research Director, Real World Evidence at Duke-Margolis Institute for Health Policy; Christa-Marie Singleton, MD, MPH, FACPM, Chief Medical Officer, U.S. Office of Personnel Management (OPM); Mike Thompson, MAAA, FSA, Former Chairperson, Medicare Subcommittee, American Academy of Actuaries Health Practice Council*

This breakout session focused on how adding or enhancing benefits, along with other indirect costs and nonfinancial considerations, may impact health spending and outcomes through a health equity perspective.

Panelists used mental and behavioral health as an example, examining the latest data on mental health and substance abuse, discussing integrated care, and providing examples of incorporating indirect cost/savings and non-financial outcomes into actuarial analysis.

For more on this session, see the upcoming Fall *HealthCheck*.

### Integration of Care for Dual-Eligible Beneficiaries Across Medicare and Medicaid

**Moderator:** *Julia Lerche, MAAA, FSA; Board Member and Chairperson, DEI Committee, American Academy of Actuaries*

### Cost Drivers in Property and Casualty Insurance

**Moderator:** *Rich Gibson, MAAA, FCAS; Senior Casualty Fellow, American Academy of Actuaries*

**Panelists:** *David Snyder, Vice President, International Policy, American Property Casualty Insurance Association; William Wilt, President, Assured Research, Inc.*

Panelists explored the state of the property and casualty insurance market, examining key cost drivers and pressure points. The session delved into affordability, availability, and the effects of public policy initiatives. Notably, the panelists discussed the potential impact of recent extreme weather events and provided thoughts on how various key factors might affect property and casualty insurance.



Health outcomes session panelists

**Panelists:** *Tim Engelhardt, Director, CMS Medicare-Medicaid Coordination Office (MMCO), Centers for Medicare & Medicaid Services (CMS); Eric Rollins, Principal Policy Analyst, The Medicare Payment Advisory Commission (MedPAC); Kirstin Blom, Policy Director, Medicaid and CHIP Payment and Access Commission (MACPAC)*

Medicare and Medicaid experts discussed the dual-eligible beneficiaries—those beneficiaries who qualify for both Medicare and Medicaid—with a focus on state and federal policies impacting health care delivery for that unique population.

MedPAC and MACPAC panelists discussed the data book that both organizations collaborate on annually. They noted that 12.8 million beneficiaries were dually eligible and that these beneficiaries accounted for a disproportionate share of Medicare and Medicaid spending. They also discussed recent MACPAC and MedPAC work related to dual-eligible beneficiaries.



Englehardt noted that there is a financial misalignment between Medicaid Managed Care (MMC) and accountable care organizations (ACOs). His agency, MMCO, is interested in mitigating cost shifting among payers and is trying to create seamlessness across the various programs to improve care for dual-eligible beneficiaries.

## Regulating the ACA: What's New for 2025?

**Moderator:** Jason Karcher, MAAA, FSA; Chairperson, Individual and Small Group Markets Committee, American Academy of Actuaries

**Panelists:** Brent Plemons, Technical Advisor for Special Initiatives and Pricing, CCIIO; Jeff Wu, Deputy Director for Policy, CCIIO; Ayesha Anwar, Health Insurance Specialist, U.S. Department of Health & Human Services; Lindsey Murtagh, Director, Division of Regulation and Policy, Oversight Group,

CCIIO; Rogelyn McLean, Senior Advisor, CCIIO; Jacob LaGrand, Health Insurance Specialist, CCIIO

Representatives from the Center for Consumer Information and Insurance Oversight (CCIIO) provided updates on the recently released regulations governing the Affordable Care Act (ACA) markets and regulations for the 2025 plan year, and how these changes can affect actuarial practice.

Topics included an update on increased enforcement and transparency of health plans within the individual and small group markets; more of a focus on health equity; risk adjustment, including Risk Adjustment Data Validation (RADV); medical-loss ratios; cost-sharing reductions; actuarial value calculator; meaningful benefits; and updates to the Mental Health Parity and Addiction Equity Act.

## Life

### Financial Security: Annuities & Long-Term Care

**Moderator:** Linda Lankowski, MAAA, FSA; Chairperson, PBR Implementation Subcommittee, American Academy of Actuaries

**Panelists:** Brenda Cude, Ph.D., University of Georgia; Jim Szostek, Vice President & Deputy, Retirement Security at American Council of Life Insurers

Speakers discussed how certain life insurance and annuity products are used by the “middle market”—broadly defined as households with annual incomes between \$50,000 and \$200,000—to provide financial security in retirement and for future generations. They noted that life insurers and annuity carriers primarily market products to the upper-middle to upper class.

The speakers emphasized the importance of leveraging combination life insurance products that include long-term care benefits. They covered how life insurance and annuity products can be leveraged for use in retirement and noted that disparities in knowledge of life and annuity products result in diminished understanding and therefore less ownership. The speakers emphasized the importance of providing access and education on financial tools to populations who are largely left behind in the finance/insurance space.

### Solvency Regulation: How Did We Get Here?

**Moderator:** Maambo Mujala, MAAA, FSA, Member-Selected Director, American Academy of Actuaries

**Panelists:** Brian Bayerle, MAAA, FSA, Chief Life Actuary, American Council of Life Insurers; Nathan Houdek, Wisconsin Commissioner of Insurance; Stephen Smith, MAAA, FSA, Chairperson, C-1 Subcommittee, American Academy of Actuaries



Mujala (right) & session panelists

Speakers discussed how regulation related to life insurance company solvency has evolved and modernized in recent history. Steve Smith discussed Solvency II, trends related to risk-based capital, Academy workstreams to help regulators examine the risks associated with collateralized loan obligations (CLOs), and what the future holds for other securities.

Bayerle provided insight into what companies are doing to mitigate risk in the wake of these new securities and discussed the rise in ceding reinsurance business offshore and how companies and regulators are working to ensure that solvency is not impacted by this trend.

Commissioner Houdek provided insight into the “behind the scenes” of how state-based insurance regulation works. He also discussed how the solvency framework in the United States compares to solvency frameworks in Europe and in other jurisdictions, and he noted how the governmental entities work with other jurisdictions to manage the industry’s risk.



## Retirement

### Reforming Social Security Sooner Rather Than Later: What Will the Next Congress and President Face? What Are the Options?

**Moderator:** Amy Kemp, MAAA, ASA, EA; Former Chairperson, Social Security Committee, American Academy of Actuaries

**Panelists:** Stephen Goss, MAAA, ASA, Chief Actuary, Social Security Administration; Ron Gebhardtshauer, MAAA, FSA, Past Chairperson, Social Security Committee, American Academy of Actuaries and Board Member, Sexuality and Gender Alliance of Actuaries; Emerson Sprick, Associate Director, Economic Policy Program, Bipartisan Policy Center; Joel Eskovitz, JD, Senior Director, Social Security and Savings, AARP Public Policy Institute

Social Security experts, including Goss, discussed challenges with the popular program's financing gap and potential reform options. The timely session comes as the program faces a looming deadline: If changes aren't made by 2035, only 83% of scheduled benefits will be payable.

Panelists identified drivers of Social Security's financing gap, discussed various reform options including changes in revenue and benefits, and reinforced the value of key Academy public policy tools like the [Social Security Challenge](#), revised earlier this year.

Gebhardtshauer discussed key points from a 2023 Academy issue brief that indicated that earlier reform action would allow for any tax increases and/or benefit reductions to be phased in gradually, providing individuals with more time to plan and adjust to the changes.

#### A Return to Defined Benefit Pension Plans?

**Moderator:** Linda K. Stone, MAAA, FSA; Senior Retirement Fellow, American Academy of Actuaries

## Risk Management & Financial Reporting

### The Long, Hot Summer of 2024

**Moderator:** Rebecca Owen, MAAA, FSA, Consulting Actuary, ORCA, LLC

**Panelists:** Charlie Merz, MAAA, FSA, VP and Chief Actuary at Presbyterian Healthcare Services; Rebecca Owen, MAAA, FSA, Consulting Actuary, ORCA, LLC; David Torregrosa, Congressional Budget Office (CBO); Sheila Campbell, CBO



Goss (at podium) & Social Security session panelists

**Panelists:** Tim Geddes, MAAA, FCA, FSA, EA, Vice President, Professionalism and Education, American Academy of Actuaries; Chantel Sheaks, Vice President, Retirement Policy, U.S. Chamber of Commerce; Camille M. Castro, Senior Associate Participant and Plan Sponsor Advocate, Pension Benefit Guaranty Corporation

Panelists discussed whether the unfreezing of IBM's pension plan might signal a shift in employers adjusting their retirement plan strategy by returning to offer defined benefit (DB) pension plans.

Sheaks indicated that employers might have concerns about offering DB plans because of long-term cost commitments. Geddes—who previously served as the Academy's vice president, pension—provided a counterpoint, discussing some of the benefits of DB plans for employers and employees.

Some obstacles to widespread DB pensions were discussed, including a lack of awareness and education about what pensions offer, a potential lack of trust in financial institutions and government, and trepidations about future costs if employers introduce DB plans.

The session featured the financial impacts of extreme weather events, offering attendees plenty to consider. The session focused on the climatic events of the summer of 2024, which saw unprecedented heat waves, wildfires, floods, and windstorms. Panelists also analyzed recent weather data. They discussed the unequal effects climatic events have on vulnerable populations, both physically and financially. ▲