



Anker Is New Academy President

ACTUARIES AS THE ARCHITECTS of financial security.

It's a fine phrase and an important vision, says Bob Anker, and by the year 2020 (a short time frame in actuarial terms) it will probably be the reality.

"It is tempting to think of the new vision and mission as a new beginning," Anker, the Academy's new president, said in a luncheon speech at the Academy's annual meeting, held Oct. 29 in Washington. "In fact, it's not. For the Academy it serves to clarify and focus progress already well begun."

That includes improved service to members, greater effectiveness on issues, and progress in building the reputation of the profession.

But there are other things that can be done to accelerate that progress, Anker said. These include revamping the Academy's budgeting process, conducting more strategic planning, developing decision models to be used when the Academy takes public policy positions, and further embedding professionalism into the activities of all the Academy's practice councils.

"Professionalism is at the core of what we do and has never been more important in these times, when cynical views of professions dominate the business and opinion pages of the media and unforeseen economic conditions strain the security of products we have de-



Academy President Bob Anker receives the gavel from Immediate Past President Dan McCarthy at the annual meeting.

signed and clients we have served," Anker said.

With the Academy's direct experience on professionalism issues, Anker suggested it is incumbent on the Academy to use its expertise to help actuarial organizations on an international level.

As the new president, Anker presented the Jarvis Farley Service Award to Burt Jay (see story, Page 7).

The Academy luncheon also featured remarks from Anker's predecessor, Dan McCarthy.

Using poker terminology, McCarthy said he was often mindful, during his year as Academy president, that the dealer calls the game but that you also have to play the hand that is dealt you.

See [ANKER](#), Page 8

Actuarial UPDATE

Inside

Media Moment

Ron Gebhardtbauer live on CNBC—again . . . [PAGE 2](#)

Academy Report Card

A look at action in each practice council for the second half of 2002

- Casualty [PAGE 4](#)
- Life [PAGE 4](#)
- Financial Reporting [PAGE 5](#)
- Health [PAGE 5](#)
- Pension [PAGE 6](#)
- Professionalism [PAGE 6](#)

Jay Honored

Burt Jay received the Jarvis Farley award at the Academy's annual meeting [PAGE 7](#)

Year-End Report

AS 2002 WINDS DOWN, each of the Academy's practice councils is busy wrapping up work on its top priorities for the year.

For a final accounting of what has turned out to be a busy and productive year, turn to the Academy's half-year report card, beginning on Page 4.

Highlights include the publication of issue briefs and monographs on a number of emerging issues, including the potential impact of defined contribution health plans on health care costs in this country, terrorism, technical issues associated with fair value accounting, and permanent alternatives to the 30-year Treasury rate.

The Academy also continued to provide assistance to the NAIC in a number of areas, including assisting in an advisory capacity on the use of credit scores in personal lines underwriting and issuing a final report concluding that the 2001 CSO mortality table is appropriate for nonforfeiture and tax purposes.

DECEMBER

- 3-4 Academy leadership meeting, Washington
 4 Academy COPLFR meeting, Linthicum, Md.
 4-5 SOA beginning risk management seminar, New York
 5-6 SOA advanced risk management seminar, New York
 5-6 SOA underwriting risk management seminar, Tampa, Fla.
 5-6 NAIC Life and Health Actuarial Task Force meeting, San Diego
 7-10 NAIC winter meeting, San Diego
 8-10 SOA new business operations profitability seminar, Colorado Springs, Colo.
 9-10 SOA 2001 CSO seminar, Lake Buena Vista, Fla.
 9-10 SOA facilitating new business process seminar, Colorado Springs, Colo.
 13 Academy congressional policy sessions, New York
 16-17 ASB meeting, Washington
 18 Academy Life Financial Reporting Committee meeting, Washington
 19 Academy Social Insurance Committee meeting, Washington

JANUARY

- 8 Academy Council on Professionalism meeting, Washington
 23 Academy Board of Directors meeting, Washington
 26-29 SOA long-term care insurance seminar, Las Vegas

FEBRUARY

- 2 Academy Pension Practice Council meeting, New Orleans
 3 Academy Pension Committee meeting, New Orleans
 20-21 SOA seminar on underwriting, San Antonio, Texas

MARCH

- 8-11 NAIC spring meeting, Atlanta
 16-19 Enrolled Actuaries meeting, Washington (Academy, CCA)
 20-21 ASB meeting, Washington
 21 CAS leadership meeting, Philadelphia
 27-28 CAS ratemaking seminar, San Antonio

MAY

- 8 Academy Board of Directors meeting, Washington
 9 Academy Washington Forum, Washington
 18 Academy Pension Practice Council meeting, Washington
 18-21 CAS spring meeting, Marco Island, Fla.
 19 Academy Pension Committee meeting, Washington
 29-30 SOA spring meeting, Washington

JUNE

- 16-17 ASB meeting, Washington
 18 CIA Board meeting, Victoria, B.C., Canada
 18 CIA professionalism workshop, Victoria, B.C., Canada
 19-20 CIA annual meeting, Victoria, B.C., Canada
 21-25 NAIC summer meeting, New York
 23-25 SOA spring meeting, Vancouver, B.C., Canada

JULY

- 27 Academy Pension Practice Council meeting, Seattle
 28 Academy Pension Committee meeting, Seattle
 28-29 CAS risk and capital management seminar, Washington

SAVE THE DATE!
 ACADEMY WASHINGTON FORUM
 MAY 9, 2003

Academy NEWS Briefs

Gebhardt'sbauer Live on CNBC—Again

THE ACADEMY'S SENIOR PENSION FELLOW, Ron Gebhardt'sbauer, made his second appearance in weeks on CNBC's "Business Center" on Nov. 7. Triggered by IBM's announcement that it was transferring 19.3 million shares of stock to its pension plan to shore up an expected shortfall, program host Ron Insana asked Gebhardt'sbauer to discuss the effect of pension investment shortfalls on the balance sheets of major companies with defined benefit plans.

Gebhardt'sbauer is becoming a regular on the popular evening program, having appeared in September to talk about trends in pension plan administration.

"Ron does a great job of expressing complex actuarial ideas in language that most people can understand," said Noel Card, the Academy's director of communications. As the number of media inquiries increase, Card added, the Academy has ratcheted up its ability to respond quickly. "From the initial phone call to the red light going on in the studio, we only had a few hours to prepare,"



Card said. "But we were ready, and Ron did a superb job handling a tough live interview."

Speak now If you have comments on the proposed [ASOP Determining Health and Disability Liabilities Other Than for Incurred Claims](#), you need to make them before Dec. 15. The proposed standard applies to actuaries when they are determining health and disability liabilities (other than liabilities for incurred claims) associated with health benefit plans or risk-sharing arrangements.

CASUALTY NEWS



The Workers' Compensation Subcommittee wrote a [letter](#) to a House-

Senate conference committee about a federal backstop for potentially large workers' compensation losses from future terrorist attacks. The subcommittee also wrote a comment [letter](#) and [follow-up](#) to the International

Actuarial Association (IAA) suggesting that proposed IAA guidelines of actuarial practice for social security programs should exclude the U.S. workers' comp market.

► The Committee on Property and Liability Financial Reporting wrote a letter to the Casualty Actuarial Society Committee on Reserves, commenting on its project to update the Statement of Principles Regarding Property and Casualty Loss and Loss Adjustment Expense Reserves.

WEB INTERFACE



Notice something different? In an effort to simplify your access to issue briefs, letters, and other Internet resources, we've created a special page on the Academy's website listing web addresses for Academy documents mentioned in *Update* articles. Whenever you see a keyword underlined in blue, go to www.actuary.org/update/index.htm. There you can click on the link that will take you directly to that document.

HEALTH NEWS



In a [letter](#) to the Equal Employment Opportunity Commission (EEOC),

the Health Practice Council's EEOC-ADEA and Retiree Health Work Group outlined issues that

could complicate the implementation of methods for addressing the Erie County ruling stating that the Age Discrimination in Employment Act of 1967 applies to retirees, not just active employees.

PENSION NEWS



The Pension Committee wrote a [letter](#) to the IRS about proposed

rules to eliminate certain optional forms of benefit payments from defined benefit plans.

► The Social Insurance Committee has updated two [issue briefs](#), *Raising the Retirement Age for Social Security* and *Social Security Benefits: Changes to the Benefit Formula and Taxation*.

IN THE NEWS

► In a segment of his “One by One” television show, commentator John McLaughlin recently quoted genetic information [testimony](#) that was given by [David Christianson](#), a member of the Academy’s Life Products Committee, before the National Conference of Insurance Legislators this summer.

► A *Washington Post* article on shrinkage in the value of corporate pension funds quoted [John Ehrhardt](#), a consulting actuary with Milliman USA in New York.

► The Academy’s 2001 [monograph](#) *Overview of Asbestos Issues and Trends*, was quoted in an article in the *Pittsburgh Post-Gazette* on asbestos litigation and compensation.

► [Ron Gebhardt](#), the Academy’s senior pension fellow, was quoted in a *Kansas City*

Star article about choosing between lump sums and annuities in defined benefit (DB) pension plan payouts. He was also quoted in a *Long Island Newsday* article that cited the Academy’s plan for a hybrid DB plan that allows workers to direct their own investments.

► A *BusinessWeek Online* article on rising health care costs quoted [Steve Cigich](#), a consulting actuary with Milliman USA in Brookfield, Wis.

ON THE MOVE

► [Susan Patschak](#) has joined ACE Limited in Hamilton, Bermuda, as chief actuary. She succeeds [John Burville](#), who has retired. Patschak was formerly a consulting actuary at Tillinghast-Towers Perrin.

► [Jim Toole](#) has been appointed managing director for the life and health division of Odell and Associates in Winston-Salem, N.C. He was formerly a consulting actuary with Milliman Latin America in Denver.

► [Greg Swanson](#) and [Kevin Watts](#) have joined The Todd Organization in Portland, Ore., as executive benefit consultants. Both formerly were senior consultants with MCG Northwest.

► [Paul Zeng](#) has been appointed chief actuary of Haier New York Life Insurance Co. Ltd. in Shanghai, China. He was formerly an actuary with New York Life in New York.

► [Sujata Sanghvi](#) has been appointed chief actuary of PacificSource Health Plans in Eugene, Ore. She was formerly acting chief financial officer and chief actuary for Harvard Pilgrim Health Care in Wellesley, Mass.

JOB CONNECTION

The following jobs were recently posted in the new *Contingencies* job bank:

The Department of Defense Office of the Actuary, in Virginia, seeks an actuary to assist in valuation of pension, post-retirement medical, and other fringe benefit programs available to military personnel.

The Pension Benefit Guaranty Corp., in Washington, seeks an FSA, ASA/EA, or EA in its Corporate Finance and Negotiations Department.

Development Alternatives, Inc., in Maryland, seeks candidates for a short-term technical assignment in Mongolia establishing a system to set premiums and insurance reserves as well as a system to analyze the solvency of insurance companies.

Tempted? For further information, and more listings, go to the Contingencies job bank. New jobs in both the public and private sectors are added on a daily basis. All postings remain active for 30 days.



DON'T WAIT UNTIL THE LAST MINUTE TO START THINKING ABOUT CONTINUING EDUCATION. It takes more than a minute to acquire the knowledge and skills you need to keep current in your area of practice. Make a resolution to include continuing education as a regular part of your professional life. And enjoy the holidays.

Joe Sutliff

CASUALTY



Casualty Practice Council

Casualty Vice President: **JAN LOMMELE**

Casualty Policy Analyst: **GREG VASS** (vass@actuary.org, 202-785-7865)

TERRORISM/EXTREME EVENTS

- ▶ **Federal/state proposals:** The Academy will monitor and comment when appropriate on actuarial issues related to terrorism risk. **Status: Ongoing**
- ▶ **Primer:** The Academy is developing a primer on extreme event risk. **Status: To be completed summer 2003**

P/C FINANCIAL SOUNDNESS AND RISK MANAGEMENT

- ▶ **Solvency-based regulation:** The Academy continues to monitor NAIC work on this issue, including enterprise risk management. **Status: Ongoing**

RISK CLASSIFICATION

- ▶ **Credit scoring:** The Academy assisted the NAIC in an advisory capacity as it examined the use of credit scores in personal lines underwriting. **Status: Completed**

MEDICAL MALPRACTICE

- ▶ **Monograph:** The Academy is developing a paper on medical malpractice. **Status: To be completed summer 2003**

FEDERAL CHARTERS

- ▶ **Federal legislation:** The Academy will monitor proposed federal charter legislation affecting P/C insurers. **Status: Ongoing**
- ▶ **Education:** The Academy offered an educational session on the possible effects of federal charters on P/C actuarial practice at the November CAS meeting. **Status: Completed**

AUTO INSURANCE

- ▶ **Pay-as-you-drive:** The Academy **commented** on pay-as-you-drive risk classification and its relation to standards for the EPA. **Status: Completed**

SOLVENCY

- ▶ **Actuarial opinion survey:** The Academy is surveying recent insolvencies and their relation to the loss reserve opinions rendered prior to insolvency. **Status: To be completed this winter**
- ▶ **Loss reserve opinion report:** The Academy will describe what statements of actuarial opinion should be expected — and not expected — to cover. **Status: To be completed spring 2003**

LIFE



Life Practice Council

Life Vice President: **STEPHEN PRESTON**

Life Policy Analyst: **STEVE ENGLISH** (English@actuary.org, 202-785-7880)

MORTALITY TABLES

- ▶ **CSO implications:** The Academy completed its [report](#) to the NAIC's Life and Health Actuarial Task Force, concluding that the table is appropriate for nonforfeiture and tax purposes. The report also discusses the impact of cash value safe harbors on term products, policyholder funding, dividend distributions, and UL maximum COI rates. **Status: Completed**

RESERVING AND SOLVENCY

- ▶ **Standard valuation law:** The Academy is working on the development of a new standard valuation law for statutory reserving and solvency while also developing short-term solutions. **Status: Ongoing**
- ▶ **New VAGLB requirement:** Actuarial guideline MMMM, originally drafted by the Academy, was adopted by the NAIC's Life and Health Actuarial Task Force and the (A) Committee. The guideline provides an interpretation of the NAIC's model standard valuation law for VAGLBs and is intended to be temporary. **Status: Completed**

FINANCIAL REPORTING ISSUES

- ▶ **FAS 133:** The Academy compiled a [collection](#) of frequently asked questions about Financial Accounting Standard No. 133. **Status: Completed**
- ▶ **AICPA letter:** The Academy responded to the AICPA on its proposed statement of position on accounting and reporting by insurance enterprises for certain nontraditional long-duration contracts and for separate accounts. **Status: Completed**
- ▶ **Purchase GAAP monograph:** This monograph, a joint project of the Life Financial Reporting Committee and the Financial Reporting Council, will discuss GAAP accounting. **Status: Ongoing**

FINANCIAL SERVICES INTEGRATION

- ▶ **Monograph:** The Life Products Committee continues to work with the Financial Reporting Council to develop a monograph on the federal regulation of insurance and the role of the actuary in insurance regulation. **Status: Ongoing**



Financial Reporting Council

Financial Reporting Vice President: **PATRICIA TEUFEL**
 Financial Reporting Policy Analyst: **ETHAN SONNICHSEN** (sonnichsen@actuary.org, 202-785-7866)

BANKING AND FINANCIAL SERVICES REFORM

- ▶ **Optional federal charter monograph:** With significant input from the other practice councils, this monograph will compare the various optional federal charter proposals, with a focus on the role of actuaries. **Status: To be completed this month**
- ▶ **Hill briefing:** A Capitol Hill briefing on optional federal charters will be held in conjunction with the release of the monograph. **Status: To be completed this winter**
- ▶ **Risk-mapping project:** The Academy is working with the NAIC to develop common definitions of risk for banking and insurance. **Status: Ongoing**
- ▶ **Banking vs. insurance risk monograph:** The Academy is developing a monograph to compare the differences between banking and insurance risk. **Status: To be completed this winter**

- ▶ **Accounting oversight reform:** The Academy is monitoring and, as necessary, responding to the implementation of the Sarbanes-Oxley Act of 2002. **Status: Ongoing**

INTERNATIONAL ACCOUNTING STANDARDS

- ▶ **Common standards:** The Academy is participating in international discussion of common accounting and actuarial standards and has provided comments on the IASB's draft SOPs on insurance contracts. **Status: Ongoing**

RISK-BASED CAPITAL

- ▶ **Joint RBC Task Force:** The NAIC has asked the Academy for further explanation and clarification of the differences between the formulas in its recent report comparing the various RBC formulas. **Status: Ongoing**

ACCOUNTING

- ▶ **Fair value monograph:** The [monograph](#) presented the Academy's views on technical issues associated with fair value accounting and analyzed methodologies for valuing insurance liabilities. **Status: Completed**

BEST ESTIMATES

- ▶ **Claim reserves monograph:** This [monograph](#) will analyze the methodologies within each practice area for developing best estimates for claim reserves. **Status: To be completed spring 2003**



Health Practice Council

Health Vice President: **JAN CARSTENS**
 Health Policy Analyst, Federal: **HOLLY KWIATKOWSKI** (kwiatkowski@actuary.org, 202-785-7871)
 Health Policy Analyst, State: **JOANNA OSSINGER** (ossinger@actuary.org, 202-785-6924)

MEDICARE

- ▶ **Medicare issue brief:** This [issue brief](#) examined the defined contribution (DC) approach to Medicare reform. **Status: Completed**
- ▶ **Prescription drug benefit:** A [white paper](#) considered adverse selection, drug utilization management, and risk sharing as elements to be addressed in any Medicare prescription drug benefit. **Status: Completed**
- ▶ **Medicare supplement insurance:** A report will update the Academy's 2000 study examining factors that may be affecting the cost of Medicare supplement insurance policies. **Status: To be completed this month**

- ▶ **Capitol Hill briefing:** An informational [briefing](#) was held on DC plans, including their possible impact on consumers and employers. **Status: Completed**

LONG-TERM CARE

- ▶ **Practice note:** A final version of a practice note is being written to help actuaries price long-term care insurance. **Status: To be completed spring 2003**
- ▶ **Risk-based capital:** A work group is studying risk-based capital formulas for the long-term care insurance industry. **Status: To be completed summer 2003**

TERRORISM/EXTREME EVENTS

- ▶ **Monograph:** This monograph will address the impact of terrorism/extreme events on group medical and nonmedical coverages. **Status: To be completed this month**

HEALTH INSURANCE RATE FILING

- ▶ **Closed-block spirals:** A task force is studying the individual health market and possible solutions to closed-block spirals. **Status: Ongoing**

DEFINED CONTRIBUTION HEALTH PLANS

- ▶ **Issue brief:** The second in a series, this issue brief will address the impact that consumer-driven plans may have on costs, including a discussion of equity issues and adverse selection. **Status: To be completed this month**

LIQUIDITY OF HEALTH ENTITIES

- ▶ **Liquidity study:** A work group is creating tests to help health companies determine if they are in, or may soon encounter, a liquidity crisis. **Status: To be completed this winter**

PENSION



Pension Practice Council

Pension Vice President: **JOHN PARKS**

Pension Policy Analyst: **HEATHER JERBI** (jerbi@actuary.org, 202-785-7869)

CASH BALANCE PLANS

- ▶ **Practice note:** The Academy is drafting a practice note for cash balance plans and FAS 87. **Status: Ongoing**
- ▶ **Whipsaw issue brief:** The Academy is working on an issue brief defining the whipsaw calculation and how it relates to cash balance plans. **Status: Ongoing**

PRIVATE PENSION PLANS

- ▶ **30-year Treasury interest rates:** The Academy published a [white paper](#) on permanent alternatives to the 30-year Treasury rate. **Status: Completed**
- ▶ **DB-401(k) issue brief:** The issue brief will illustrate how a defined benefit (DB) plan could be enhanced with 401(k) features. **Status: Ongoing**
- ▶ **Phased retirement:** At the request of the IRS, the Academy will comment on issues related to phased retirement in qualified DB plans. **Status: To be completed this month**

PUBLIC SECTOR PENSION PLANS

- ▶ **IRS testimony:** The Academy [testified](#) before the IRS on temporary regulations on treatment of COLAs and optional forms of benefits. **Status: Completed**

SOCIAL SECURITY

- ▶ **Individual accounts:** The Academy published a new [brief](#) on whether individual accounts should be voluntary or mandatory. **Status: Completed**
- ▶ **Revised issue briefs:** The Academy also published revised versions of [issue briefs](#) on indexing the normal retirement age, automatic adjustments to maintain Social Security's long-range actuarial balance, and changes to Social Security's benefit formula and taxation. **Status: Completed**
- ▶ **Updated paper:** An update is planned on a previously issued paper on issues surrounding Social Security individual accounts. **Status: To be completed this winter**
- ▶ **Stochastic modeling:** The Academy plans to write a new issue brief on the topic. **Status: To be completed fall 2003**

PROFESSIONALISM



Council on Professionalism

Professionalism Vice President: **ROBERT RIETZ**

General Counsel and Director of Professionalism: **LAUREN BLOOM**

(bloom@actuary.org, 202-785-7869)

ENHANCING COMMUNICATION ABOUT PROFESSIONALISM

- ▶ **Actuarial responsibilities:** The council took comments on a [white paper](#) it wrote on actuaries' responsibilities to the users of their work products and is incorporating them into a final version. **Status: To be completed this winter**
- ▶ **Newsletter articles:** The council continues to publish articles and cartoons on professionalism in the *Update* and newsletters of other actuarial organizations. **Status: Ongoing**
- ▶ **International practice:** The council is taking comments on its [white paper](#) on the application of standards in international practice. **Status: Ongoing**
- ▶ **Communications plan:** The council is finalizing speakers' kits on professionalism for distribution to actuarial clubs. **Status: To be completed this winter**
- ▶ **Qualification standards:** The Academy distributed and will be collecting comments on a discussion [draft](#) of a proposed change in the Qualification Standards. **Status: Ongoing**

- ▶ **Professionalism presentations:** The council continues to provide presentations on professionalism at meetings of North American actuarial organizations. **Status: Ongoing**

PRACTICE-BASED EDUCATION

- ▶ **Life and health seminar:** The third annual Life and Health Qualifications Seminar was held in November. **Status: Completed**

INTERNATIONAL ISSUES

- ▶ **Cross-border regulations:** The council is monitoring the progress of proposed federal regulations to include actuaries on the list of professions eligible for facilitated cross-border temporary entry under NAFTA. **Status: Ongoing**
- ▶ **Mutual recognition:** The council continues to oversee mutual recognition discussions and the Academy's membership in the IAA. **Status: Ongoing**

Burt Jay Receives Farley Award

BURT JAY became the 11th recipient of the Jarvis Farley Service Award at the Academy's Oct. 29 annual meeting in Washington.

"When I first met Burt Jay I immediately recognized and learned to appreciate his keen mind, his very good heart, and his dedication to the profession," said Bob Anker, the Academy's new president. Still, Anker said, after looking at Jay's record of more than three decades of volunteer activity, he was astonished "by the sheer quantity of times he has stepped up to the plate in service of the Academy and the profession."

Since he joined the Academy in 1967, Jay has worked on more than 90 Academy work projects and committees, including the Academy's Board of Directors as a regular member, as treasurer, and as a vice president. He currently serves as vice chairperson of the Financial Reporting Council; chairperson of the Committee on State Health Issues, the Accounting Policies and Procedures Task Force, and the Fair Value Task Force; and member of the Actuarial Standards Board General Committee.

It was as a new member of the Committee on Financial Reporting Principles in the 1970s, Jay said, that he first met Jarvis Farley. The committee was writing recommendations and interpretations (the forerunners to actuarial standards of practice) for actuaries who calcu-



From left, Dan McCarthy and Bob Anker congratulate Farley award recipient Burt Jay.

late GAAP statement actuarial items to comply with a brand-new audit guide on accounting for life insurance.

"When I was new to the committee, Jarvis was patient with me," Jay recalled of his early mentor. "He was one of the most articulate actuaries I've ever known, and this skill evolved into a great ability to persuade. He rarely lost an argument."

Jay also cited another early mentor, former Academy President Dale Gustafson, who not only hired him in his first permanent actuarial position at the Mutual of Omaha but also recruited him to work on his first Academy committee.

Jay retired this year as senior vice president and actuary for Mutual of Omaha, but he continues to serve as a consultant to the company. ▲

Stay Alert at Work!

You live and work in interesting times. You need to know about things as they happen. You should subscribe to Academy Alerts.

Available as an annual paid subscription that starts each January, Academy Alerts provide timely information about legislative, regulatory, and judicial developments affecting the casualty, health, life, and pension practice areas and the actuarial profession as a whole, as well as updates on general insurance issues.

All subscribers, for instance, received details about the Sarbanes-Oxley Act of 2002 within hours of its passage. Similarly, all subscribers received regular updates on the progress of appointments to the accounting oversight board created by that legislation.

Pension subscribers received alerts on new IRS regulations on IRA distribution rules and the details of new pension reform legislation introduced by Reps. Rob Portman (R-Ohio) and Benjamin Cardin (D-Md.). Casualty subscribers received a heads-up when the Judicial Conference of the United States endorsed changing the rules for federal class-action lawsuits, and health subscribers were alerted when the Centers for Medicare and Medicaid Services issued a final regulation to establish the Medicare-Endorsed Prescription Drug Card Assistance Initiative and when federal legislation banning reunderwriting was introduced.

Information about becoming a subscriber was included in your November dues mailing. If you have questions or need further information, contact Eric Opanga, the Academy's legislative assistant (Opanga@actuary.org; 202-223-8196).





Former Academy President Steve Kern talks with Penny Farley, daughter of the late Jarvis Farley, at the annual meeting.

As the dealer, McCarthy said, he focused a lot of attention on raising the Academy's visibility among its members. As a result of his outreach, McCarthy said, "I'll have had the chance to speak to 25 to 30 groups of actuaries, ranging in size from a dozen to 150 people."

Other big issues during his tenure, McCarthy said, were international activities and revamping the Academy's governance in order to make the best use of its officers and leadership.

As for playing the hand that has been dealt, McCarthy said professionalism issues in the wake of Enron were paramount. "What has happened has changed the way people are thinking about professions," McCarthy said. "We are making sure that people under-

stand the role of the Academy."

One significant recent development, McCarthy said, has been the revival of the Academy's pension assistance list (PAL), a volunteer program to help consumers who have questions about their pension plans.

The PAL program is sending the message, McCarthy said, that "actuaries can be useful not only at the institutional level but also at the individual level."

Also speaking at the annual meeting was attorney Ian Volner, who gave a keynote address on professionalism and public policy in the post-Enron era.

During the annual meeting, three regular directors were elected to the board: Joseph Applebaum, a member of the Academy's Committee on Social Insurance; David Sandberg, chairperson of the Academy's Life Solvency and Risk Management Committee and a member of both its Life and Financial Reporting Councils; and John Schubert, vice chairperson of the Academy's Health Practice Council.

After the luncheon, the Academy's Council on Professionalism hosted a session on performing actuarial work with data that are not quite reliable. Panelists at the session were Bob Rietz, the Academy's vice president for professionalism issues; Lauren Bloom, the Academy's general counsel; and David Flagg and Dave Gustafson, members of the Council on Professionalism. ▲



The Actuarial Update

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NOMINATIONS SOUGHT FOR MYERS SERVICE AWARD



DO YOU KNOW AN ACTUARY WHO HAS MADE AN OUTSTANDING PUBLIC SERVICE CONTRIBUTION?

The Academy is looking for nominations for the 2003 Robert J. Myers Service Award, to be presented at the Academy's 2003 Washington Forum on May 9.

THE AWARD, named for the former chief actuary of Social Security, recognizes candidates with a single noteworthy public service achievement or those who have devoted careers to public service. The nominee may be a current or former government employee, the employee of an organization whose primary focus is government work, or an unpaid volunteer working at a philanthropic organization. Public work

completed by a paid consultant, by a member of an actuarial committee, or by someone who is an officer of an actuarial organization is ineligible.

You may send in a nomination by filling out and mailing or faxing the form below. Or e-mail your nomination to Tom Griffin, the Academy's senior staff attorney (griffin@actuary.org). All nominations are due March 1, 2003.

I nominate the following actuary for the 2003 Robert J. Myers Public Service Award:

How did this individual's public service make outstanding contributions to the public good? (Use a separate sheet of paper if necessary.)

Please print your name and telephone number (optional). Thank you.

Name Work phone

MAIL YOUR NOMINATION TO:

American Academy of Actuaries, Attn: Myers Award, 1100 17th Street, NW, 7th Floor, Washington, DC 20036
Or fax it to: 202-872-1948