

View from the Capitol

TERRORISM DRAMATICALLY ALTERED the early agenda of the 107th Congress, which began the year focused on a variety of domestic issues that by year's end were going nowhere fast.

President Bush's administration was making progress advancing two of its top legislative priorities—education reform and tax relief—when Sen. Jeffords' May departure from the Republican Party shifted majority control of the Senate to the Democrats. Still, the president's tax cut proposal was enacted into law in June. Eight weeks later, the Academy held an educational briefing for congressional staff on pension provisions of the new law, which increases annual benefit and contribution limits for employer-sponsored retirement plans and increases disclosures

in pension plan conversions.

After Sept. 11, however, attention shifted abruptly from other domestic issues to homeland security and foreign policy. In November, the House passed legislation establishing a federal backstop to cushion the impact of potential future terrorist attacks on the insurance industry. Senate leaders worked to reach agreement on a separate terrorism reinsurance plan, but efforts to negotiate a compromise failed, partly due to disagreement over tort reform provisions included in the House bill, but also because of a failure to reach consensus on an economic stimulus package. Steve Lehmann, the Academy's vice president for casualty issues, submitted written testimony in October for hearings of both the Senate Banking Committee and House Financial Services Committee.

The issue remains on the agenda for 2002, with passage a top priority for insurance industry advocates. The General Accounting Office is studying how a lack of affordable terrorism insurance might affect the U.S. economy. Officials from the Bush administration have said that evidence of economic disruption will be need-

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Actuarial UPDATE

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Focus on Fair Value

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Academy Washington Forum

It's slated for May 16. Read about it now **PAGE 8**

A TALK WITH THE NEW ASB CHAIR

Hewing to a Strong Standard

BILL KOENIG, the new chairperson of the Actuarial Standards Board (ASB), became an actuary by accident and good fortune.

As a high school freshman in Illinois, he was asked to sit for a statewide mathematics exam. Unable to answer some of the more difficult questions, he passed the time looking through the exam book and discovered the exam had been co-sponsored by the Society of Actuaries.

"That piqued my interest," Koenig remembers. "I didn't even know what an actuary was."

Later, when asked what career he wanted to pursue, Koenig would say that he planned on being an actuary — an answer, he now admits, designed as much to flummox those who didn't know what an actuary was as it was to indicate decided interest in the field. It wasn't until he was majoring in mathematics at the University of Illinois, Koenig says, that he decided to make good on his threat and began seriously considering a career in actuarial science.

Now a senior vice president and chief See **KOENIG**, Page 4

FEBRUARY

- 1 Academy Life Capital Adequacy Subcommittee meeting, Orlando, Fla.
- 3 Academy Pension Practice Council meeting, Washington
- 4 Academy Pension Practice Council visits Capitol Hill, Washington
- 5 Academy Health Liquidity Work Group meeting, Chicago
- 11-12 SOA provider contracting trends seminar, Tempe, Ariz.
- 12 Academy Health Practice Council visits Capitol Hill, Washington
- 13 Academy Social Insurance Committee meeting, Washington
- 25 Academy Capitol Hill briefing on SOA post-retirement risk study

MARCH

- 7-8 ASB meeting, Washington
- 7-8 CAS ratemaking seminar, Tampa, Fla.
- 7-8 SOA executive compensation plans seminar, Toronto
- 10-13 Enrolled Actuaries meeting, Washington (Academy, CCA)
- 14 Academy Committee on Professional Responsibility meeting, Washington
- 16-20 NAIC spring meeting, Reno, Nev.
- 17-22 IAA meeting, Cancun, Mexico
- 21 Life Financial Reporting Committee meeting, New York

APRIL

- 11 Academy Executive Committee meeting, Washington
- 19 CIA pension seminar, Montreal

MAY

- 5 Academy Pension Practice Council meeting, Savannah, Ga.
- 6 Academy Pension Committee meeting, Savannah, Ga.
- 5-8 ASPA business leadership conference, Lake Tahoe, Nev.
- 16 Academy Washington Forum, Washington
- 17 Academy Board of Directors meeting, Washington
- 21 Academy Casualty Practice Council meeting, San Diego
- 19-22 CAS spring meeting, San Diego
- 30-31 SOA spring meeting (life), Colorado Springs, Colo.

JUNE

- 8-11 NAIC summer meeting, Philadelphia
- 17 Academy Life Financial Reporting Committee meeting, Newark, N.J.
- 17-18 ASB meeting, Washington
- 24-26 SOA spring meeting (health, pension), San Francisco
- 25-26 SOA retirement issues symposium, San Francisco
- 27-28 CIA annual meeting, Halifax, Canada

JULY

- 28 Academy Pension Practice Council meeting, Santa Fe, N.M.
- 29 Academy Pension Committee meeting, Santa Fe, N.M.

PLANNING AHEAD?

Bookmark the complete calendar at www.actuary.org/calend.htm.

Academy NEWS Briefs

Reaching Out to Local Clubs

As part of an effort to have Academy leaders meet with more members at the grassroots level, Academy President Dan McCarthy has sent letters to 55 local actuarial clubs and affiliates offering to send an Academy officer to one of their meetings.

"We believe we can better carry out the Academy's mission if we broaden our two-way communication with actuaries in this country," McCarthy said. "Speaking at club meetings seems like a good way to do that." The Academy has always responded to requests to have an Academy officer attend meetings of local and regional actuarial organizations, Mc-

Carthy noted, but this is the first time the Academy has sought opportunities for such appearances.

McCarthy is already scheduled to attend several local meetings and plans to travel to at least 15 others this year. Clubs that are interested in scheduling a visit from an Academy officer should contact Angela Heim, the Academy's external relations and membership outreach manager (heim@actuary.org; 202-223-8196).

As a bonus, local clubs can schedule a joint appearance with officers from both the Academy and the SOA. Similar arrangements are being made with the CAS, McCarthy said. ▲

EA Meeting Make your reservations for the 27th annual Enrolled Actuaries meeting, sponsored by the Academy and the Conference of Consulting Actuaries, March 10-13 in Washington. Continuing education credits earned at the 2002 EA meeting can be applied to the enrollment cycle originally ending Dec. 31, 2001. For more information, go to www.cactuaries.com/meetings/ea2002.

Come to Cancun The 27th International Congress of Actuaries will meet March 17-22 in Cancun, Mexico. For more information go to www.ica2002.com.

The Academy's Membership Committee has two new members: Regina Berens, vice president and chief actuary at Scruggs Consulting in Wyckoff, N.J., and John Schubert, a senior consultant with PricewaterhouseCoopers LLP in Chicago.

The List Defined benefit plans are hot. Just ask Robin Givhan of the *Washington Post*, who added them to her annual New Year's compilation of what's in and what's out. What's on the way out? You guessed it: tech stocks.

CASUALTY NEWS



Asbestos Monograph: The Casualty Practice Council's Mass Tort Work

Group recently published *Overview of Asbestos Issues and Trends*, a brief history of personal injury claims arising out of asbestos exposure. For a copy, contact Heather Jerbi, the Academy's legislative assistant (Jerbi@actuary.org; 202-223-8196), or download it from www.actuary.org/pdf/casualty/mono_dec01asbestos.pdf.

► **Andrea Sweeny**, a principal at Casualty Actuarial Assistance LLC in Meriden, Conn., is the new chairperson of the Academy's **Committee on Property and Liability Financial Reporting**. She replaces **Patricia Teufel**, who is the Academy's new vice president for financial reporting issues. **Stuart Suchoff**, a principal at Milliman USA in Irvine, Calif., is the new chairperson of the **Committee on Property and Casualty Risk-Based Capital**, replacing **Michael McCarter**.

► A *Washington Post* article on **federal support for the insurance industry** in the wake of Sept. 11 quoted **J. Robert Hunter**, a consulting actuary and director of insurance for the

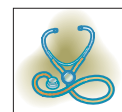
Consumer Federation of America in Arlington, Va., **Stephen Lowe**, a principal with Tillinghast-Towers Perrin in Hartford, Conn., and **Todd Bault**, a senior research analyst at Sanford C. Bernstein & Co. in New York.

► An article about **reinsurance markets** that ran in the Bergen County, N.J., *Record* quoted **Matt Mosher**, group vice president property-casualty for A.M. Best in Oldwick, N.J., on the boom in new business for insurance companies operating in Bermuda in the wake of the Sept. 11 attacks.

► A *Chicago Tribune* article about the **rising cost of auto insurance** quoted **Gary Grant**, vice president and actuary for State Farm Mutual Auto Insurance Co. in Bloomington, Ill.

► **Anju Arora**, an associate actuary with Hartford Financial Services Group, in Hartford, Conn., was profiled in the *Hartford Courant* about her **job as an actuary**.

HEALTH NEWS



Medicare Issue Brief: The Academy's Medicare Steering Committee recently published *What Is the*

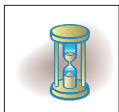
Role of the Federal Medicare Actuary?, describing the role played by the chief actuary of the Centers for Medicare and Medicaid Services and his staff in assessing the financial viability of Medicare. For a copy, contact Heather Jerbi, the Academy's legislative assistant (Jerbi@actuary.org; 202-223-8196), or download it from

www.actuary.org/briefs.htm#med.

The Health Practice Council is currently shepherding two other issue briefs through production: one on the concept of defined contribution and Medicare, the other on genetic information and long-term care and disability income insurance.

► The following have recently joined the Academy's **Health Rate Filing Task Force**: **Damian Birnstihl**, corporate actuary, and **Paul Fleischacker**, vice president and chief actuary, of Highmark Inc. in Pittsburgh; **Bryan Miller**, vice president and chief actuary of Blue Cross/Blue Shield of Kansas City in Kansas City, Mo.; **Diane Seaman**, executive director of Anthem Blue Cross and Blue Shield in Louisville, Ky.; **Tove Stigum**, associate actuary of Blue Cross/Blue Shield of Vermont in Montpelier, Vt.; and **Anthony Wittman**, vice president and chief actuary of Blue Cross/Blue Shield of Louisiana in Baton Rouge, La.

LIFE NEWS



New members of the Academy's **Life Financial Reporting Committee** are

Matt Clark, manager and consulting actuary of Ernst & Young, LLP in Chicago, **Carol Salomone**, vice president of Allianz Life Insurance Co. of North America in Minneapolis, and **Greg Smith**, a consulting actuary with Tillinghast-Towers Perrin in Weatogue, Conn.

► A *Wall Street Journal* column on the market for **term-life insurance** after Sept. 11 quoted **J. Robert Hunter**, a consulting actuary and director of insurance for the Consumer Federation of America in Arlington, Va.

PENSION NEWS



Joining the Academy's **Pension Accounting Committee** are **Kenneth**

Friedman, a consulting actuary at Milliman USA in Melville, N.Y., and **Mark Beilke**, director of employee benefits research at Milliman USA in Vienna, Va.

► **Ken Buffin** of Buffin Partners, Inc. in Rutherford, N.J., has joined the Academy's **Social Insurance Committee**, as has **Bob Randall** of Stamford, Conn., a retired actuary featured in *Continuities* in 1999. **Adrien LaBombarde** has left the committee.

► **GASB Commentary** At the request of the Governmental Accounting Standards Board, the Academy's Pension Accounting Committee recently sent a letter commenting on the feasibility of an alternative estimation method of calculating the obligations associated with small OPEB plans. To read the letter go to www.actuary.org/comments.htm#6.

► A *Business Week* article on **30-year Treasury bonds** quoted **Mark Beilke** and **Ron Gebhardtshauer**, the Academy's senior pension fellow. Gebhardtshauer was also quoted in a *Philadelphia Inquirer* article on **preparing for job layoffs**.

► A *Wall Street Journal* column on **pension payouts** quoted **Larry Sher**, a principal with Unifi Network, a PricewaterhouseCoopers unit in Teaneck, N.J., and a member of the Academy's Pension Practice Council.

► An article on the **pension effects of falling interest rates** in the *Boston Globe* quoted **Alan Glickstein**, a senior consultant for Watson Wyatt Worldwide in Wellesley Hills, Mass., **Lynda Abend**, a consulting actuary at New York Life Benefit Services Inc. in Norwood, Mass., and **Ron Gebhardtshauer**.

► An article in *Business Insurance* on **401(k) catch-up provisions** quoted **Amy Reynolds**, a principal at William M. Mercer, Inc. in Glen Allen, Va.

► **Michael Young**, a worldwide partner at William M. Mercer, Inc., in Minneapolis, co-authored an article on retirement planning that ran in the quarterly *WorldatWork Journal*.

PROFESSIONALISM NEWS



The Academy's **new vice president for professionalism issues** is **Robert Rietz**,

a director with Deloitte & Touche in Detroit and a former president of the CCA. He replaces **Henry Knowlton**, who resigned to devote more time to personal matters.

► The new chairperson of the Academy's Life and Health Qualification Seminar Task Force is **Timothy Harris**, a principal with Milliman USA in St. Louis. He replaces **Robert Beuerlein**, who will remain on the task force.

► The new chairperson of the Academy's Committee on Professional Responsibility is **Tom Bakos** of Tom Bakos Consulting Inc. in Harrisburg, Pa. He replaces **Allan Ryan**.

► The new chairperson of the of the **ASB Casualty Committee** is **Robert Miccolis**, a member of the Academy's Board of Directors and a consulting actuary with Deloitte & Touche LLP in Philadelphia.

ON THE MOVE

Iowa Insurance Commissioner **Terri Vaughan** was elected president of the NAIC in December. She was formerly an NAIC vice president.

Michael Braunstein, a member of the Academy's Communications Review Committee and the Editorial Advisory Board for the *Actuarial Update*, is the director of North American operations for BPP Professional Training in Weatogue, Conn. He was formerly president and chief executive officer of Actex Publications.

Burt Jay, vice chairperson of the Academy's Financial Reporting Council, chairperson of the Academy's Accounting Policies Task Force and the State Health Issues Committee, and former Academy treasurer and vice president, has retired as senior vice president and actuary for the Mutual/United of Omaha Insurance Co. in Omaha, Neb. He will continue to consult part time for the company and will remain active in Academy activities.

Rowland Cross has retired as principal actuary of the Internal Revenue Service (IRS) in Washington. He had been an employee of the IRS for 28 years and served as a member of the Joint Board for the Enrollment of Actuaries for 10 years, including a stint as board chairman. He is a charter member of the Academy.

Terry Watson is senior actuarial associate with Union Central Life Insurance Co. in Cincinnati, Ohio. He was formerly senior actuarial associate with General American Life Insurance Co. in St. Louis.

Academy and FASB Meet on Fair Value

BY BURT JAY

MEMBERS OF THE ACADEMY'S Financial Reporting Council met in November with members and staff of the Financial Accounting Standards Board (FASB) for a broad-ranging discussion of issues with a heavy emphasis on fair value accounting.

Topping the agenda was a discussion of the draft statement of principles being developed by the Insurance Steering Committee (ISC) of the International Accounting Standards Board (IASB). The ISC is proposing that insurance liabilities be accounted for under the entity-specific approach—which discounts insurance liability cash flows assuming that obligations related to insurance contracts are settled over the lifetime of the contracts—as long as the existing international accounting standards are in place. It is the view of the ISC that a reporting entity's own credit rating isn't reflected in determining the value of the liabilities under the entity-specific method. Some FASB members indicated a preference for a fair value approach, which uses the current market value or an estimate of the market value of a financial instrument, over one based on historical cost or an entity-specific method.

The two groups also discussed the limitations on using reinsurance transactions for determining the fair value of similar liabilities. Academy members pointed out that the cost of reinsurance may not reflect the same risks that were included in the original liability and that the characteristics of the reinsurance asset only par-

tially offset the risks of the liability to the policyholder. Similarly, the group discussed the reliability of the risk margins reflected in the liability and the potential conflict between reliability and relevance.

Several main points in the Academy's Fair Value Task Force response to the Draft Standard on Accounting for Financial Instruments created by the IASB's Joint Working Group were discussed, including:

- The Academy's position that if fair value accounting is adopted as an international standard it should be comprehensive and apply to all financial instruments and entities at the same time
- The Academy's position that the required disaggregation of the components of the change in fair value liabilities from period to period should be limited but, under a fair value system, the change due to change in credit standing, if required, should be shown separately.

FASB members expressed a strong commitment to convergence with international standards as they emerge and assured us that the Academy's opinions are valued.

In addition to myself, council members attending the meeting were Pat Teufel, the Academy's vice president for financial reporting issues, Ralph Blanchard, a member of the Academy's Board of Directors, Peter Duran, Dave Sandberg, chairperson of the Academy's International Task Force, and Andrea Sweeny, chairperson of the Academy's Joint Financial Reporting Task Force.

Burt Jay is vice chairperson of the Academy's Financial Reporting Council and chairperson of its Accounting Policies and Procedures Task Force.

KOENIG continued from Page 1

actuary for Northwestern Mutual in Milwaukee, Koenig has been a member of the Academy since 1979. Appointed to the ASB five years ago, Koenig served last year as ASB vice chairperson. He was previously a member and chairperson of the ASB's Life Operating Committee.

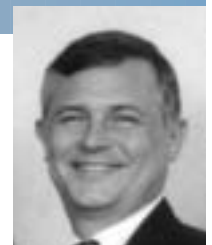
Koenig took over as chairman of the ASB in January, succeeding Alan Stonewall, who remains on the board. He expects to use his term to build on the success of his predecessor. "I would like the ASB to continue in its efficient service to the needs of the actuarial profession," Koenig says. Writing and maintaining strong professional standards, Koenig says, helps protect the role of actuaries in a competitive and changing marketplace. "It's important for the profession and important for us as individual practitioners," he says.

Areas the ASB will be working on this year include drafting several proposed new standards, including one on health and disability liabilities other than incurred

claims, and another on actuarial communications. The ASB will also be putting the final touches on revisions to an existing standard on expert testimony by actuaries, and will begin revising one on measuring pension obligations. Also in the works is final action on the exposure draft of a standard on asset valuation methods. The comment deadline for that proposed standard is May 15. ▲

Bill Koenig

- ▶ Was born in Chicago; lives now in Milwaukee.
- ▶ Has a bachelor's degree in mathematics from the University of Illinois.
- ▶ Has been married to his wife Linda for the past 32 years and is the father of three children.
- ▶ Enjoys reading and bicycling in his spare time.



ed to get Congress to act on terrorism reinsurance.

With federal attention and resources diverted to the war on terrorism, the health care agenda largely fell by the wayside. Before September, the House and Senate had each passed patient protection measures. But extensive negotiations failed to break a stalemate, and a conference committee had not been appointed by year-end. Similarly, no progress was made in establishing a new Medicare prescription drug benefit, despite the introduction of several proposals. Earlier in the year, the Academy released an issue brief on providing prescription drugs to seniors in conjunction with an April 9 Capitol Hill briefing on the topic.

The outlook for health issues in 2002 is uncertain, even as Congress faces continuing political pressure to improve affordable prescription drug coverage for seniors. A formal conference on patient protection legislation is expected this year (the Academy released an issue brief on patient protection legislation and managed care last spring), and the problem of the uninsured, spurred by layoffs in the wake of Sept. 11 and recent statistics indicating a 6.9 percent increase in health costs last year, could provide momentum for legislative efforts to tackle this issue.

The creation of the president's Social Security reform commission in May generated some attention on Social Security. Anticipating the commission's final report in December, the Academy released an issue brief in November on annuitization of individual Social Security accounts. The Academy's first Capitol Hill briefing of 2002 on Jan. 16 centered on this issue but also gave a large audience of congressional staff and other policy-makers the opportunity to discuss related issues in the commission's report as well. However, little legislative action is expected in 2002.

During 2001, Congress began to recognize the effect of the discontinuance of 30-year Treasury bonds on defined benefit pension plans. In October, the House passed an economic stimulus bill that would have tem-

porarily replaced the 30-year Treasury interest rate with a higher rate. The Senate opted not to take up the bill before adjourning. Advocates are actively pursuing a legislative remedy this year, however, and this is a key issue for discussion during Capitol Hill visits by members of the Academy's pension practice council in early February. On Feb. 25, the Academy will also sponsor a briefing for congressional staff and media representatives to highlight a new study by the Society of Actuaries on post-retirement risk.

The issue of an optional federal charter for insurers is also likely to receive congressional attention in 2002. Proposals were unveiled in 2001 by several major trade groups—including the American Council of Life Insurers, the American Insurance Association, and the American Bankers Insurance Association—and Sen. Charles Schumer (D-N.Y.) drafted legislation for introduction. The Academy's Federal Charters Work Group is currently writing a monograph on the issue that is planned for release later this spring in conjunction with a Capitol Hill briefing. An additional briefing is planned on the differences between banking and insurance risk.

Overall, the political realities of congressional redistricting, midterm elections, federal budgetary constraints, and a narrow margin of control in both chambers will limit the prospects for major legislation in 2002. In such a partisan environment, consensus on most issues will be difficult to achieve. A narrow window of opportunity for any action will rapidly close by late spring, with the remainder of the year likely to focus on "must-do" items, such as annual appropriations measures.

As they did in 2001, Academy members will continue to play an active role in the legislative process, participating in meetings with Capitol Hill staff, holding Capitol Hill briefings, drafting papers on timely policy issues, and responding to requests for actuarial expertise from policy-makers.

—TODD TUTEN

Nominations Sought for Myers Award, Board

DO YOU KNOW AN ACTUARY who has made an outstanding public service contribution? The Academy is looking for nominations for the 2002 Robert J. Myers Service Award.

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 an officer of an actuarial organization is ineligible. You may e-mail your nomination to griffin@actuary.org. All nominations are due March 1.

The Academy is also looking for nominations for the 2003 Academy Board of Directors. Directors will be elected at the Academy's annual meeting in Washington in October. A reply card is enclosed with this issue of the *Update*. You may also e-mail nominations to winkel@actuary.org. All nominations must be received by May 1.

As part of its public policy mandate, the Academy has always used a variety of approaches — including testimony before Congress, comment letters on legislation and regulatory proposals, and monographs and issue papers — to get its message out to policy-makers, the media, and members of the public. 2001 was no different. The Academy released issue briefs on topics such as providing prescription drugs for seniors and Social Security's financial condition, a monograph on asbestos, and numerous reports to the NAIC. And in the aftermath of Sept. 11, the Academy used a variety of means to communicate an actuarial perspective on the effects of terrorism on the insurance industry.

Here are the public statements issued by the Academy in 2001. All are available to members. If you're interested in more information, contact Legislative Assistant Heather Jerbi (Jerbi@actuary.org; 202-223-8196) or go to www.actuary.org/pubs.htm or www.actuary.org/issues.htm to view the originals.

CASUALTY



FEBRUARY 5 letter to the NAIC on its catastrophe reserve proposal

JUNE 5 comments to the NAIC on a variety of Schedule P proposals

JUNE 5 comments to the NAIC on an Illinois blanks proposal to change the annual statement instructions for statements of actuarial opinion

JUNE 8 letter to the NAIC on hedge effectiveness and index-based derivatives

JUNE 10 monograph, "Insurance Industry Catastrophe Management Practices"

JUNE 22 letter to Connecticut State Sen. John Fonfara on a Connecticut legislative task force's auto insurance study

JULY 12 presentation to the National Conference of Insurance Legislators (NCOIL) on workers' comp issues

JULY 12 presentation to NCOIL on catastrophe reserve proposals

AUGUST presentation to the NAIC on P/C ratemaking actuarial concerns

OCTOBER 9 letter to the House Financial Services Committee urging actuarial inclusion in proposed catastrophe loss commission

OCTOBER 25 testimony for the Senate

Committee on Banking, Housing, and Urban Affairs and the House Committee on Financial Services on terrorism insurance proposals

NOVEMBER 28 letter to every member of the U.S. House of Representatives on terrorism insurance legislation

DECEMBER 5 letter to every member of the U.S. Senate on terrorism insurance legislation

DECEMBER monograph, "Overview of Asbestos Issues and Trends"

DECEMBER addendum to P/C practice note on considerations related to terrorist attacks for actuarial opinion statements on P/C loss reserve as of Dec. 31, 2001

DECEMBER statements of actuarial opinion on P/C loss reserves as of Dec. 31, 2001

FINANCIAL REPORTING



MARCH 16 letter to FASB on exposure draft concerning business combinations

and intangible assets in goodwill accounting

MAY 18 letter to the NAIC on proposed changes to the "Accounting Practices and Procedures Manual"

MAY 29 letter to the IASB on hybrid financial instrument accounting treatment

AUGUST 29 comments to the NAIC on SSAP 54

SEPTEMBER 21 comments to FASB on a proposed accounting standard for financial instruments

DECEMBER 9 session at the NAIC winter meeting on risk management in the insurance industry

DECEMBER 9 letter to the NAIC on mapping of insurance risks into banking risks

HEALTH



JANUARY issue brief, "Risk Classification in Voluntary Individual Disability Income and Long-Term Care Insurance"

JANUARY letter to the NAIC on the 2001 Health RBC formula

MARCH report to the NAIC on the health formula for treating health care delivery assets

MARCH report to the NAIC on the health and life RBC factors for disability insurance products

MARCH issue brief, "The Effects of Proposed Patient Protection Legislation on Managed Care"

APRIL issue brief, "Providing Prescription Drugs to Seniors: A Patchwork of Coverage"

APRIL 26 statement on the 2001 Medicare Trustees Report

STATEMENTS

AUGUST issue brief, "Federal Tax Incentives for Long-Term Care Insurance: Actuarial Issues and Public Policy Implications"

AUGUST 29 comments to the NAIC on SSAP 54

SEPTEMBER issue brief, "How Is Medicare Financed?"

SEPTEMBER report to the NAIC on health and life RBC formulas

SEPTEMBER status report to the NAIC from the Long-Term Care Work Group

DECEMBER status report to the NAIC from the Long-Term Care Work Group

DECEMBER progress reports to the NAIC of the HRBC LTC and Stop-Loss Work Groups

LIFE



JANUARY 24 letter to the New York State Insurance Department on its draft survey about VAGLBs

MARCH letter to the NAIC on draft actuarial guideline VL-GMDB

MARCH 21 letter to the NAIC on speed to market

MARCH 21 presentation to the NAIC on loading of 2001 CSO mortality table

MARCH 22 report to the NAIC on various topics, including a draft VAGLB practice note

MARCH 26 comments to the NAIC on a proposed change in the treatment of common stock in the life RBC formula

MARCH 26 report to the NAIC on recommended tax factors for 2001 life RBC and deferred assets

MARCH 26 report to the NAIC on the C-1 treatment of real estate

MARCH practice note, "NAIC Model Regulation XXX Practice Note"

APRIL draft practice note, "Variable Annuity Guaranteed Living Benefits"

APRIL report by COLIFR on its GAAP survey

JUNE 1 letter to the NAIC on amending the regulation on actuarial opinions and memorandums

JUNE presentation to the NAIC on recom-

mended changes to Actuarial Guideline VL-GMDB

JUNE report to the NAIC on the proposed 2001 CSO mortality table

JUNE report to the NAIC on life RBC tax codification factors and instructions

JUNE report to the NAIC on recommended changes in the LRBC instructions on concentration calculation for replication transactions

JUNE report to the NAIC on LRBC instructions for C-3 interest rate risk

JUNE report to the NAIC on common stock covariance instructions

JUNE report to the NAIC on Federal Home Loan Bank stock changes

JUNE progress report to the NAIC from the VAGLB Work Group

AUGUST 24 letter to the NAIC on reserve requirements and SSAP 51

SEPTEMBER report to the NAIC from the VAGLB Work Group

SEPTEMBER status report to the NAIC from the Nonforfeiture Work Group

SEPTEMBER status report to the NAIC from the C-3 Subgroup on a recommended approach for setting regulatory risk-based capital requirements for variable account guarantees

OCTOBER 9 comment letter to the NAIC on standards of life insurance products

NOVEMBER 16 codification maintenance agenda submission form for group annuities

DECEMBER letter to the NAIC on Life Practice Council reorganization and support of new standard valuation law

DECEMBER draft report to the NAIC from Commissioners Standard Ordinary Task Force

DECEMBER report to the NAIC on refinements to the life RBC formula

DECEMBER report to the NAIC on proposed new RBC method for separate accounts

DECEMBER update report to the NAIC on deferred tax assets

DECEMBER report to the NAIC from the VAGLB Work Group

PENSION



FEBRUARY issue brief, "Raising the Retirement Age for Social Security" (revision of a 1997 issue brief)

APRIL 27 comments to the Treasury Department on the RP-2000 mortality table

MAY practice note, "Selecting and Documenting Investment Return Assumptions"

MAY issue brief, "Assumptions Used to Project Social Security's Financial Condition"

MAY issue brief, "An Actuarial Perspective on the Social Security Trustees Report"

JULY 11 public statement on the impact of low 30-year Treasury rates on DB plans

JULY 17 testimony by Ron Gebhardt before the ERISA Advisory Council on increasing pension coverage and preparing for retirement

OCTOBER 12 letter to the Treasury Department on the pension provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001

OCTOBER updated issue brief, "Social Security Benefits: Changes to the Benefit Formula and Taxation"

NOVEMBER issue brief, "Annuitization of Social Security Individual Accounts"

DECEMBER 20 letter to the Governmental Accounting Standards Board on calculating obligations with small OPEB plans

PROFESSIONALISM



FEBRUARY 20 letter to the Immigration and Naturalization Service on including actuaries on the list of professionals eligible for facilitated cross-border temporary entry under NAFTA

MARCH 29 comments to NAIC on its proposed qualification requirements for life and health actuaries

SEPTEMBER 21 letter to the Joint Board for Enrolled Actuaries requesting a deadline extension for CE credits for EAs

CHANGE WILL SHAPE YOUR FUTURE. OR
YOU CAN LEARN TO SHAPE THE CHANGE

2002 WASHINGTON FORUM

New Challenges for the New Millennium

May 15-16, 2002

Mayflower Hotel • Washington, D.C.

The world has changed since Sept. 11. The threat of another catastrophic terrorist attack is reshaping the property and casualty insurance industry, and the potential impact of bioterrorism has profound implications for both the health and life insurance industries.

But these are not the only challenges in the new millennium. Major demographic shifts that are just beginning to be felt will have a tremendous impact on employee benefits, in both the private and public sectors. Continuing globalization of the world's economy will profoundly affect actuarial practice in coming years.

These forces are driving public policy at both federal and state levels, altering the shape of the insurance and employee benefits industries, and recasting actuarial practice as we know it. Actuaries need to be prepared to shape the inevitable changes in their world, before those changes shape them.

The American Academy of Actuaries' 2002 Washington Forum will provide you with knowledge and insight as you prepare yourself for the future, as well as an opportunity to voice your opinions to policy-makers who are shaping the future today.

WEDNESDAY, MAY 15

5:00–7:00 pm

Washington Forum Opening Reception

THURSDAY, MAY 16

8:00–9:15 am

Opening Breakfast

The Policymakers' View from Washington

A panel of key congressional staff and Bush administration officials will provide an overview of the status and prospects for the major legislative and policy issues being debated on Capitol Hill.

9:30–10:50 am

General Session 1: Key Issues and Action for 2002

A panel of experts from major public policy and trade organizations will discuss the key public policy issues in the P/C, health, life, and employee benefits areas.

11:00 am–12:15 pm

Concurrent Sessions

- ▶ 2A—Terrorism: A New Challenge for the Property/Casualty Actuary
- ▶ 2B—Demographic Pressures on Social Security and Medicare: Are we Ready?
- ▶ 2C—Bio-terrorism: A Future Catastrophe for Health Care Actuaries?
- ▶ 2D—Emerging National and International Financial Paradigms

12:30–2:00 pm

American Academy of Actuaries Washington Luncheon

Keynote: Lawrence Kudlow

One of the most respected economists advising Wall Street today, Kudlow will offer his unique insights on emerging financial trends along with a Washington insider's perspective on future government regulation.

Award Presentation: 2001 Robert J. Myers Public Service Award

2:15–3:15 pm

General Session 3—Professionalism and International Practice

3:25–4:30 pm

General Session 4—Academy Open Forum

Moderator: Dan McCarthy, President, American Academy of Actuaries

Panelists will hold an open discussion on how Sept. 11 affected the actuarial profession, the lessons learned about disaster preparedness, and other major issues challenging the actuarial profession today.

For further information and to register, go to www.actuary.org. Look for a complete registration packet in your mail later this month.



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