

# Plenary Speakers, Agenda Finalized for Academy's Annual Meeting and Public Policy Forum

THE ACADEMY'S [Annual Meeting and Public Policy Forum](#), being held in Washington, D.C. on Nov. 3–4, is just around the corner.

The full, [detailed agenda](#) has been released, with more than 40 experts on hand to discuss today's top issues. These include our five distinguished [plenary speakers](#): former Sen. Chris Dodd, Oregon Insurance Commissioner Laura Cali, Congressional Budget Office Director Keith Hall, Pension Benefit Guaranty Corp. Director Tom Reeder, and Centers for Medicare & Medicaid Services Acting Administrator Andy Slavitt.

The stellar lineup of breakout speakers comes from both actuarial and non-actuarial backgrounds, ranging from policymakers and regulators to industry and subject matter experts.

Andy Slavitt, acting administrator at the Centers for Medicare & Medicaid Services (CMS), will be the opening plenary speaker. In his role at CMS, Slavitt is helping to shape and deliver quality health care

## What's Your Agenda?

More than 40 experts will be on hand at the meeting and forum to discuss today's top issues. Take a look at the topics that matter the most to you—and your profession—and download your personalized agenda:

- [Casualty](#)
- [Health](#)
- [Life](#)
- [Pension](#)



services and programs—including Medicaid, Medicare, the Children's Health Insurance Program, and the Health Insurance Marketplace—to 140 million Americans.

Dodd, principal sponsor of the 2010 Dodd-Frank financial reform law, will give the keynote address

at the Nov. 3 luncheon. Cali will speak at a Nov. 3 professionalism session that will focus on Big Data, Reeder opens the second day with the morning plenary, and Hall will deliver the closing luncheon plenary address on Friday, Nov. 4.

We will also have a chance to honor five of your fellow actuaries with the Academy's distinguished service and volunteerism awards: Joan Weiss with the [Robert J. Myers Public Service Award](#), which honors an actuary who has made an exceptional contribution to the common good in her career. Robert Meilander will receive the [Jarvis Farley Service Award](#), which honors an actuary whose volunteer efforts on behalf of the Academy have made significant contributions to the advancement of the profession through a lifetime of service.

Donna Claire, Barbara Klever, and Kathleen Odomirok will be honored with the Academy's [Outstanding Volunteerism Award](#), for their excep-

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# 'Actuarial Challenge' Looks for Approaches to Boost Health Insurance Market Stability

ARE YOU UP FOR a challenge? The Academy is helping to promote and coordinate a collaborative [Actuarial Challenge](#), being conducted by the Robert Wood Johnson Foundation in conjunction with Milliman Inc.

The challenge is for actuaries to provide innovative ideas and proposals to increase stability in the individual health insurance market.



The Affordable Care Act (ACA) brought extensive changes to the individual health insurance market. While access to health insurance coverage has increased significantly, costs have continued to rise. A number of health plans have exited the

exchanges, reducing consumer plan choice, and other health plans have incurred losses year over year. These complications could threaten the improvements to access

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Casualty, Life Post-NAIC Webinars

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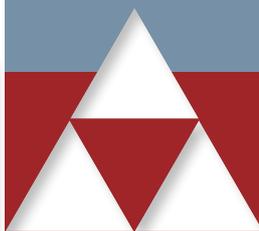
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Professionalism Counts: On Track With CE Credit?



## OCTOBER

5 Webinar: [Exploring Global Health Care Cost Drivers: France and U.K.](#)

19 Professionalism Webinar: [An Overview of Cross-Practice Standards](#)

## NOVEMBER

3-4 [Annual Meeting and Public Policy Forum](#), Washington, D.C.

13-17 [Life and Health Qualifications Seminar](#), Arlington, Va.

## DECEMBER

6-7 [2016 Seminar on P/C Effective Loss Reserve Opinions](#), Chicago

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

To continue receiving the *Update* and other Academy publications on time, make sure the Academy has your correct contact information. Academy members can update their member profile at the member login page on the Academy [website](#).

# Academy NEWS

## Post-NAIC Webinars Cover Life, P/C Issues

**T**HE ACADEMY hosted successful mid-September webinars on life and property/casualty (P/C) issues from the NAIC Summer 2016 National Meeting held in late August in San Diego.

### Casualty Practice Council

The Casualty Practice Council's (CPC) Sept. 13 first-ever webinar to review an NAIC national meeting—and related Academy activity—of interest to P/C actuaries included updates on developments in financial reporting, automobile insurance, flood insurance, cyber risk, workers' compensation, and professionalism.

The moderator for this first post-NAIC casualty webinar was Shawna Ackerman, vice president of the CPC, and the panelists were Kris DeFrain, research and actuarial director for the NAIC; Jim MacGinnitie, the Academy's senior P/C fellow; and Lisa Slotznick, chairperson of the Committee on Property and Liability Financial Reporting (COPLFR).

Slotznick noted that COPFLR members can use the Academy's [Attestation Form](#), which helps actuaries voluntarily demonstrate that they are meeting U.S. Qualification Standards for writing statements of actuarial opinion. "Approximately 1,500 actuaries have completed these attestation forms," she said.

MacGinnitie presented on Big Data, predictive modeling, cybersecurity, and noted that issues such as telematics and autonomous vehicles are moving closer to the forefront. DeFrain, for her part, noted that the growing "sharing economy," such as ride- and home-sharing in

such companies as Uber and Airbnb, are also on the horizon of insurance issues to be addressed by the NAIC.

[Slides and audio](#) remain available on the Academy's webinar page for members without charge.

### Life Practice Council

Life Practice Council (LPC) members provided an overview and summary Sept. 15 of the top life issues from the NAIC meeting, including an account of the Life Actuarial (A) Task Force (LATF) meeting, activity in other groups regarding principle-based reserving and related considerations for reinsurance, and updates on variable annuity and other major topics.

The webinar's moderator was Dave Neve, chairperson of the Academy's Life Reserves Work Group, and the panelists were Tom Campbell, chairperson of the AG 43/C3 Phase II Work Group and a member of the Committee on Qualifications; Michael Boerner, director of the Actuarial Office at the Texas Department of Insurance; and Sheldon Summers, a member of the LPC.

The panelists discussed Valuation Manual (VM)-20 product aggregation, variable annuities, and reinsurance developments. "There has been a lot of activity, especially with LATF involvement to get the valuation manual ready for [Jan. 1]," Boerner said. He also provided an update of state adoption of principle-based reserves (PBR) and other aspects of PBR.

[Slides and audio](#) of the webinar remain available for members without charge. ▲

## CHALLENGE, continued from page 1

that have been achieved, which in turn could lead to further increasing costs.

The Actuarial Challenge is designed to elicit innovative ideas and proposals from informed actuaries to move the individual insurance market further toward the goal of universal access to quality health services and providers in a financially secure and stable way with consideration of the costs the solution places upon individuals, employers, health care providers, taxpayers (present and future), and other health sector stakeholders.

The participants will work in collaborative teams, using a common simulation model operated by Milliman. The teams will experiment with different policy levers to examine alternative approaches for promoting increased enrollment, stable costs, and wide health plan participation in the individual health insurance marketplace.

The challenge begins this month and will conclude in April 2017. Visit the [Actuarial Challenge website](#) for more information and to take the challenge. ▲

## Remembering Bill Halvorson

**O**N SEPT. 5, THE ACTUARIAL profession lost a treasured and important member of its community—William A. “Bill” Halvorson. A president of the Academy in 1981-82 and an officer in the years leading up to that, and a former president of the Society of Actuaries (SOA), Halvorson was instrumental in helping shape the Academy’s contributions to the profession and defining the roles of actuaries. He was 88.

Bill was a dedicated and passionate volunteer and an outspoken advocate for the profession, using his platform to underscore how actuaries serve the public. He was born June 26, 1928, on a dairy farm in Menomonie, Wis. After a stint in the U.S. Army, a minor injury caused Bill to transfer from the University of Michigan—where he had a football scholarship—to the University of Wisconsin Madison, where he became a member of one of its first actuarial classes. Bill married his wife Patricia (von Trebra) in December 1951, and they moved to New York City, where they both worked for New York Life Insurance Co.

Bill combined his interest in investments with his actuarial expertise to create, write, and develop his own formulas



which applied probability and statistics to the stock market and investing. After retiring and moving to Florida at age 54, the advent of the personal computer led him to form his own company, Halvorson Research Associates, and work on this full time. Bill also improved his golf game, becoming a local champion with a 5-handicap.

**Memorial Service in November:** A celebration and memorial of Bill’s life will be held on Nov. 25, the Friday after Thanksgiving, at the Golden Mast Inn in Okauchee, Wis. Please RSVP if you would like to attend, including the number of guests, to Bill’s daughter Audrey Halvorson, [audreyhalvorson@hotmail.com](mailto:audreyhalvorson@hotmail.com). You may also send Audrey a note of remembrance that will be posted at the service. Donations in Bill’s memory

may be made to the University of Wisconsin Foundation.

Read remembrances from [Walter S. Rugland](#), a past vice president of the Academy and a past president of the SOA; and [Audrey Halvorson](#), a longtime Academy volunteer and a current director on the Academy Board. Bill’s contributions to the profession were [highlighted in a video](#) produced for the Academy’s 50th Anniversary celebration last year. The excerpts referring to Bill are in this short [YouTube clip](#). ▲

## Representing the U.S. Professional Globally

**A**CADEMY REPRESENTATIVES attended the Actuarial Association of Europe’s (AAE) meetings in Barcelona, Spain, in late September. Jeffrey Schlinsog, vice president of the Risk Man-

agement and Financial Reporting Council, represented the Academy at AAE’s meetings, accompanied by Craig Hanna, the Academy’s director of public policy.

In addition to its General Assembly,

AAE’s meetings included its Standards, Freedoms, and Professionalism Committee; Education Committee; Pensions Committee; Insurance Committee; and Investment and Financial Risk Committee. ▲

## Board Election Concludes

**A**CADEMY MEMBERS VOTED for four candidates for open regular director positions on the Academy Board of Directors, as voting wrapped up this month. The new directors will be [April Choi](#), [Stuart Mathewson](#), [Robert Rietz](#), and [Lisa Slotznick](#).

Choi, Rietz, and Slotznick will serve three-year terms that will expire in 2019, and Mathewson will serve a one-year term to fill the spot being vacated by Joeff Williams, who was nominated earlier this year to become the Academy’s vice president of professionalism. All of the new directors’ terms will begin in November after the Academy’s Annual Meeting on Nov. 3.

For more information about the Nominating Committee guidelines, how the candidates were selected, and other election details, please visit the Academy’s online [Election Center](#). ▲

## Academy Seeks Actuarial Clubs Information

**A**T OUR MEMBERS’ SUGGESTION, the Academy is beginning to compile information on U.S. actuarial clubs. We invite club leaders to submit information, via [www.actuary.org/clubs](http://www.actuary.org/clubs), including your club’s name and location, regular meeting schedule, contact information and website, and practice area(s), as applicable. A club’s president or equivalent leader also may contact the Academy at [Clubs@actuary.org](mailto:Clubs@actuary.org). A page on our website will list the clubs and their contact information. ▲

## 2016 ANNUAL MEETING AND PUBLIC POLICY FORUM

NOVEMBER 3-4, 2016 ★ CAPITAL HILTON WASHINGTON, D.C.

This year's Annual Meeting and Public Policy Forum features keynote and plenary addresses from some of the most influential stakeholders in Washington and beyond.

Join us in  
November for  
this year's Annual  
Meeting and  
Public Policy  
Forum

Earn Valuable Continuing  
Education Credit

Network with Your Peers

Honor Your Fellow  
Actuaries

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TODAY**



AMERICAN ACADEMY of ACTUARIES

Objective. Independent. Effective.™



CHRISTOPHER  
J. DODD

**CHRISTOPHER J. DODD**  
Former Senator

Former Sen. Chris Dodd, principal sponsor of the Dodd-Frank financial reform law, will discuss the election and provide uniquely qualified insights on insurance and banking system oversight and health policy.

**LAURA N. CALI**  
Oregon Insurance Commissioner

Laura N. Cali, Oregon Insurance Commissioner, will provide perspectives on the insurance implications of Big Data, emerging issues at the state regulatory level, and her unique views as an actuary/regulator. Cali became the youngest insurance commissioner in the country when she took office in 2013.



LAURA N. CALI



KEITH  
HALL

**KEITH HALL**  
Director, Congressional Budget Office

Keith Hall, director of the Congressional Budget Office, will discuss the long-term budgetary outlook of health, retirement, and other programs important to the public and the actuarial profession.

**W. THOMAS REEDER JR.**  
Director, Pension Benefit Guaranty Corporation

Tom Reeder, director of the Pension Benefit Guaranty Corporation (PBGC), will provide perspectives on the strengths of and key challenges facing the PBGC, the agency that protects the pension benefits of more than 40 million Americans in private-sector pension plans.



W. THOMAS  
REEDER JR.



ANDY  
SLAVITT

**ANDY SLAVITT**  
Acting Administrator, Centers for Medicare & Medicaid Services

Andy Slavitt, acting administrator at the Centers for Medicare & Medicaid Services (CMS), will provide insights on the Affordable Care Act, Medicare, and Medicaid. In his role at CMS, Slavitt oversees programs that provide access to quality health care for 140 million Americans, including Medicaid, Medicare, the Children's Health Insurance Program, and the Health Insurance Marketplace.

[WWW.ACTUARY.ORG/2016ANNUALMEETING](http://WWW.ACTUARY.ORG/2016ANNUALMEETING)

# Academy NEWS Briefs

## Some Space Remains Available for LHQ Seminar

**SOME SPACE REMAINS** for the 2016 [Life and Health Qualifications Seminar](#), to be held Nov. 13–17 in Arlington, Va. Register now for this popular seminar—a significant continuing education (CE) resource for actuaries, during which you may earn up to 27 hours of CE, including up to 2.7 professionalism hours.

This annual seminar is the primary source of instruction for actuaries who wish to be qualified to issue actuarial opinions for either the NAIC Life and A&H Annual Statement or the NAIC Health Annual Statement.

Who should attend:

- ➔ Fellows who completed the exam process between 2000 and 2006.

- ➔ Associates or fellows who have not otherwise satisfied the basic education requirements of Section 3 of the U.S. Qualification Standards (USQS).
- ➔ Actuaries who intend to change their practice area to sign NAIC life or health actuarial opinions.
- ➔ Actuaries looking for continuing education in compliance with Section 3 of the USQS.
- ➔ Actuaries who wish to learn about life and health statutory requirements.
- ➔ Regulators who wish to learn about life and health actuarial topics or simply augment their knowledge.

Registration will close on Friday, Oct. 21. [Register today.](#) ▲

## Public Employment Opportunities

**B**ELOW ARE SEVERAL RECENTLY announced public employment opportunities. The Academy provides public service announcements to government employers seeking to hire qualified actuaries. See our [Public Employment Opportunity Posting Policy](#) for more information.

- ➔ The **Hawaii Insurance Division**

has a public employment opportunity for a health actuary. The position's primary purpose is to analyze health rate insurance filings to determine whether the requested rates are excessive, inadequate, or unfairly discriminatory and reasonable in relation to the cost of the benefits provided. Applicants must be an Academy member in good standing and have a Society of Actuaries associate or fellow designation. A complete description of the opportunity and how to apply can be found on the [Hawaii Insurance Division website](#).

- ➔ The **Connecticut Insurance Department** is seeking applicants for chief insurance actuary, a position responsible for managing the operations and staff of the Actuarial Divi-

sion. For a complete list of qualifications and instructions on how to apply, visit the [Connecticut Department of Administrative Services' job posting](#).

- ➔ The **Missouri Department of Insurance**, Financial Institutions and Professional Registration (DIFP), Division of Insurance Company Regulation, has a full-time position for a life actuary. The division is seeking applicants interested in serving the citizens of Missouri and protecting policyholders through the performance of the actuarially related tasks associated with the analysis and examination of Missouri domestic insurance companies. This position also provides actuarial assistance to the Market Regulation Division as it relates to life and health policy form filing and rate reviews and actuarial aspects of market conduct examinations. A complete description of the opportunity and how to apply can be found on the [DIFP website](#).

- ➔ The **U.S. Office of Personnel Management** has an upcoming vacancy on the actuarial oversight board for the Civil Service Retirement System. The board is composed of three actuaries who are members of the Academy and who meet the qualification standards to provide advice and recommendations on matters relating to defined benefit retirement plans in the United States. The board generally meets on an annual basis in Washington. Interested candidates may email a description of their background and qualifications to [actuary@opm.gov](mailto:actuary@opm.gov). ▲



### Take the Professionalism Quiz on the Academy's Social Media

Test your knowledge of actuarial professionalism with a short quiz posted on the Academy's [Twitter](#) and [Facebook](#) pages.



# Academy NEWS Briefs

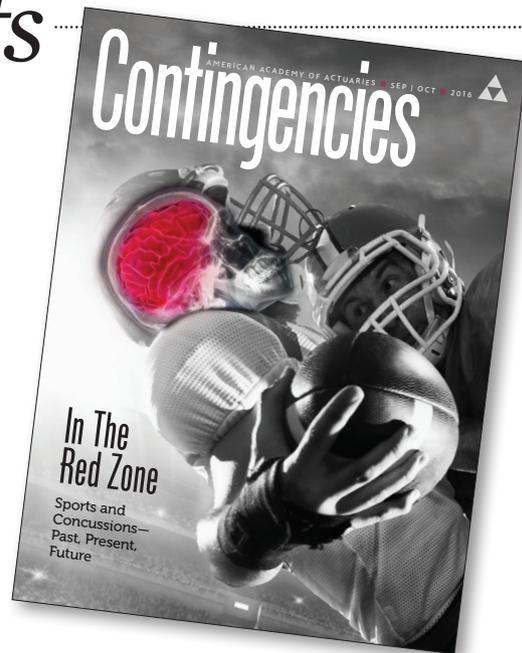
## Recently Released

**T**HE SEPTEMBER-OCTOBER [Contingencies](#) cover story, “In the Red Zone,” discusses concussions in the NFL and other sports and their long-lingering aftermath. Other features investigate when pension plan solvency is important, and how plan sponsors can adjust over time to maintain sustainability; a look at the nascent field of cryonics; and a possible partnership between the actuarial and earth sciences to aid in offshore oil drilling.

The latest edition of the [Enrolled Actuaries Report](#) includes Academy Senior Pension Fellow Ted Goldman’s cover story on how defined benefit plans can adapt the best attributes of defined contribution plans; the announcement of Pension Benefit Guaranty Corp. Director Tom Reeder as a keynote speaker at the Academy’s Annual Meeting and Public Policy Forum; and the Actuarial Standards Board’s Pension Task Force release of its report on public pension plans.

The September issue of [HealthCheck](#) covers the unveiling of the ‘Actuarial Challenge,’ a challenge for actuaries to provide their innovative ideas for reforming the individual health insurance market being conducted by the Robert Wood Johnson Foundation in conjunction with Milliman Inc., which the Academy is helping to promote and coordinate. It also covers the LTC Credibility Monograph Work Group’s monograph, presented by the Academy at the NAIC’s 2016 Summer National Meeting, and the Medicare Part D RBC Subgroup’s report based on analysis of detailed carrier experience.

The fall issue of [StateScan Quarterly](#) highlights recent state legislative and regulatory activity, including actions on principle-based reserving, risk-based capital, and workers’ compensation insurance. State legislative sessions are winding down for the year, with fewer than 10 statehouses still in session or holding special sessions,



but nearly all states and the District of Columbia allow pre-filing of bills for their next legislative session, which already has begun in some states. [StateScan](#), the legislative/regulatory portal for Academy members, provides state legislative and regulatory reports on key topics in all actuary practice areas. ▲

### IN THE NEWS

Indianapolis radio station W93.1 FM WIBC’s “Safe Money Show With Brian Singer” on Sept. 25 used the Academy Lifetime Income Risk Joint Task Force’s [Risky Business: Living Longer Without Income for Life](#) paper to help explain the challenges of and options for securing lifetime income.

#### [Pensions & Investments](#)

(subscription required) published a letter to the editor by Academy President Tom Wildsmith regarding the joint Academy/Society of Actuaries Pension Finance Task Force.

A [Time](#) story on retirement-income strategies for 401(k) participants cites the widely praised [Actuaries Longevity Illustrator](#), developed jointly by the Academy and the Society of Actuaries, as a useful tool to

help people understand longevity risk. A [Forbes](#) column also recommended its readers try the illustrator.

A [Bloomberg View](#) op-ed that discusses differing outcomes resulting from different methods for measuring public-employee pension plan obligations cites the Academy’s issue brief on that topic. The story was also published by [News-max](#) and [The Oregonian](#).

The Lifetime Income Risk Joint Task Force’s [comment letter](#) to the Department of Labor concerning proposals for increasing retiree income options, with a focus on additional safe harbors that encourage delivering lifetime income, was published in [BenefitsLink.com](#).

A [LifeHealthPro](#) story reports findings published in the Can-

cer Claims Cost Tables Work Group’s recently released [report](#) on proposed 2016 cancer claim cost valuation tables.

The Academy’s [issue brief](#) on 2017 health care cost drivers is cited in a [HealthZette](#) personal finance column on best practices for consumers to save on prescription drug costs. The issue brief is cited in a separate [HealthZette column](#) that explains why 2017 rate changes have been typically more volatile than in recent years, and in a [Herald Journal](#) (North Logan, Utah) story on projected premium increases. A [California Broker](#) article on projected increases by Covered California, the state’s official ACA marketplace, and the [Sierra Sun Times](#) (Calif.), also cite the issue brief.

A [California Political Review](#) op-ed on the funding

challenges facing the California Public Employees’ Retirement System references a Pension Practice Council [issue brief’s](#) call for pension plans to have a strategy in place to attain or maintain a funded status of 100 percent or greater over a reasonable period of time.

A [Salon](#) feature story on what the results of the November election could mean for the future of the Affordable Care Act cited the Academy’s past analysis on the implications of repealing some of the risk-mitigation mechanisms built into the law.

A [Florida Times-Union](#) editorial on Social Security and women’s issues cites the Academy’s testimony on gender-related factors that affect the adequacy of retirement benefits from a 2014 U.S. Senate Finance Committee hearing. ▲



Slavitt

tional contributions in the last year to the professional association and their efforts to advance its mission.

Breakout sessions will cover top issues in casualty, health, life, and pension, including Affordable Care Act implementation, how Big Data will affect auto insurance, emerging pension design plans, analysis of the information used in life underwriting in light of genetic test-

ing, and other significant issues. The Nov. 3 dinner will include timely and enjoyable political musical satire just days before the fall elections from the renowned Capitol Steps.

Finally, we will thank Tom Wildsmith for his year of presidential service and welcome our new president, Bob Beuerlein. Join and celebrate your peers; [register today](#) to attend.

**CE Credit:** The Academy believes the agenda will enable attendees to earn up to 12 hours of organized-activity continuing education credits (CE), depending on area of practice, and up to 1.8 hours of professionalism CE credits. (See related “Professionalism Counts” column, p. 8.) 

## Annual Meeting Deadlines Approaching

The Academy’s room block deadline at the Capital Hilton has been extended through, Sunday, Oct. 9. Make sure to [book your room](#) and register for the meeting if you have not already done so. [Regular registration rates](#) are available through Friday, Oct. 21.



## LIFE & HEALTH QUALIFICATIONS SEMINAR

NOVEMBER 13-17, 2016 | KEY BRIDGE MARRIOTT, ARLINGTON, VA



# LIMITED SPACE REMAINING

## REGISTRATION WILL CLOSE ON OCTOBER 21

Qualify to issue actuarial opinions for the NAIC life and health annual statements and earn necessary CE credit.

Asset adequacy testing | Statutory insurance accounting | Valuation and nonforfeiture requirements  
Health insurance valuation topics | Premium, loss, expense, and contingency reserves | Risk-based capital

**ACTUARY.ORG**

## Continuing Education: Are You on Track?

### **T**HIRTY HOURS.

You know this is the number of hours of continuing education (CE) you must earn this year to be qualified to issue statements of actuarial opinion (SAO) in 2017. As we head into the fourth quarter, now is a good time to check whether you are on track to meet that goal by the end of the year.

But not just any 30 hours will do. First, they must be “relevant.” That is, relevant CE must broaden or deepen your understanding of the work you do, expand your knowledge of practice in a related discipline that bears directly on your work, or facilitate your entry into a new area of practice. As Committee on Qualifications Chairperson Keith Passwater likes to say when describing how to determine whether CE is relevant, “Relevant CE should make you a better actuary.”

Second, at least 6 of the 30 hours must be “organized,” which means that the activity must involve interaction with actuaries or other professionals working for different organizations. Organized activities include conferences, seminars, and live webinars. (Recorded webinars are not considered organized CE because you cannot ask questions or interact with the speakers and other participants.) There are two elements to keep in mind when determining whether an activity may count as organized: the ability to interact in real time, and the ability to interact with actuaries and professionals from other organizations. In-house meetings can satisfy the requirement of interaction with actuaries or professionals working for different organizations by using outside speakers.

Third, 3 hours must be on professionalism topics, such as the Code of Professional Conduct, the actuarial standards of practice (ASOPs), actuarial qualifications, and ethics. The Academy’s quarterly professionalism webinars are a good source of professionalism CE, but you can also earn professionalism CE by serving on a professionalism committee, commenting on standards of practice that are exposed for comment, and studying or reviewing the Code and ASOPs.

In addition, if you plan to issue NAIC annual statement-related

SAOs, at least 15 of your 30 CE hours must be on topics directly related to those listed in section 3.1.1 of the [U.S. Qualification Standards](#) (USQS) for the NAIC statement that you plan to issue. Six of these hours must be obtained through experiences that involve interaction with outside actuaries or other professionals, similar to the “organized” hours described above.

Let’s look at an example of how to count these different categories of CE. Suppose you attend a conference that offers a session

that gives 1 hour of professionalism CE and another that gives 2 hours of CE related to the topic of the NAIC SAO that you plan to issue next year. Because you attended an event where you could interact with actuaries and other professionals from outside your organization, you may count all 3 hours toward the 6 hours of required organized CE. You may also count 1 hour toward the 3 hours of required professionalism CE, and 2 hours toward the 15 hours of specific CE required to issue NAIC statements.

But be careful counting your CE hours. Even though you have earned 3 hours of organized CE, 1 hour of professionalism CE, and 2 hours of specific CE, you have still

earned just a total of 3 hours, not 6 hours. You still need another 27 hours to meet the annual requirement.

So where can you obtain the CE you need before the end of the year? In the next few months, the Academy will host several events that offer CE, including the [Annual Meeting and Public Policy Forum](#), two [professionalism webinars](#), the [Life and Health Qualifications Seminar](#), and the [Seminar on Effective P/C Loss Reserve Opinions](#). Attending any of these events live would count as organized CE (as long as they are relevant to your work, of course). The Academy also offers CE online, including [recorded webinars](#) and [professionalism modules](#).

For more information and answers to questions about CE, please see the U.S. Qualification Standards (USQS) and [Frequently Asked Questions](#) on the USQS. If, after consulting those resources, you still have questions, you may [submit a question](#) to the Committee on Qualifications. ▲

There are two elements to keep in mind when determining whether an activity may count as organized: the ability to interact in real time, and the ability to interact with actuaries and professionals from other organizations.



# ASB Approves Exposure of Proposed ASOP on Capital Adequacy Assessment

**THE ACTUARIAL STANDARDS** Board (ASB) approved an exposure draft of a proposed new actuarial standard of practice (ASOP) titled [Capital Adequacy Assessment for Insurers](#). The proposed ASOP will apply to actuaries involved in capital adequacy assessment work for

life or health insurers, including fraternal benefit societies and health benefit plans, property and casualty insurers, mortgage and title insurers, financial guaranty insurance companies, complex insurance organizations, and similar organizations. The ASB released a discussion draft of the proposed

standard in May 2015. The exposure draft reflects many of the comments received on that discussion draft.

The [comment deadline for the exposure draft](#) is Jan. 31, 2017. Information on how to submit comments can be found in the draft. ▲

## Professionalism Presentations

**ACADEMY IMMEDIATE PAST PRESIDENT** Mary D. Miller presented “Codes for the Road” to Buckeye Actuarial Continuing Education, the Casualty Actuarial Society’s regional affiliate, in suburban Cincinnati on Sept. 8. Her presentation provided an overview of actuarial professionalism, including the Code of Professional Conduct, the Actuarial Standards Board (ASB), the Actuarial Board for Counseling and Discipline’s (ABCD) discipline process and statistics on the types of cases and requests for guidance it has handled recently, as well as the [U.S. Qualification Standards Attestation Form](#) released by the Academy last year.

Academy President-Elect Bob Beuerlein spoke this month to two actuarial clubs: the Tri-State Actuarial Club (Indiana, Kentucky, and Ohio), and the Columbus (Ohio) Actuarial Club, about “Big Data and Actuarial Professionalism.” Beuerlein’s presentation on this hot topic delved into timely questions like “What is Big Data?” and “What is the role of the actuary?” while providing an overview of Big Data issues specific to the major practice areas. He highlighted sections of the Code of Professional Conduct, the U.S. Qualification Standards, and actuarial standards of practice

(ASOPs) relevant to situations where Big Data may be a factor in actuarial work, and urged actuaries seeking guidance and advice to contact the ABCD.

Council on Professionalism member and former Academy President Cecil Bykerk co-presented a session Sept. 23 focused on actuarial professionalism at the 2016 DI & LTC Insurers’ Forum in New Orleans. The presentation offered an overview of professionalism, along with discussion of diverse case studies illustrating professionalism challenges that actuaries working in disability and long-term care practices might encounter.

Actuarial Standards Board (ASB) ASOP No. 21 Task Force member Lisa Slotznick provided members of the Casualty Actuaries of the Southeast with a window into the ASB standard-setting process, with a focus on proposed changes to ASOP No. 21, *Responding to or Assisting Auditors or Examiners in Connection with Financial Statements for All Practice Areas*. Her Sept. 26 presentation in Atlanta provided a discussion of changes in audit practice and regulation, and the potential implications of the revised ASOP for a reviewing or responding actuary. ▲

## October Webinar to Address Cross-Practice Standards

**THE ACADEMY WILL HOST** a [professionalism webinar](#) in October that will present an overview of the value and challenges of cross-practice standards by looking at ASOP No. 1, *Introductory Actuarial Standard of Practice*; ASOP No. 23, *Data Quality*; ASOP No. 25, *Credibility Procedures*; and ASOP No. 41, *Actuarial Communications*. It also will look at some of the proposed standards on modeling and assumptions that are in development, and discuss their relationship to practice-specific standards and the practicing actuary.

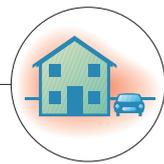
While the large majority of current and prospective ASOPs apply to specific areas of practice, the Actuarial Standards Board (ASB) has promulgated, and is in the process of developing, a number of ASOPs that apply to all practice areas. These cross-practice standards are valuable in that they are intended to create a baseline for appropriate actuarial practice.

The webinar’s presenters will be ASB Chairperson Maryellen Coggins; Beth Fitzgerald, the ASB’s vice chairperson, finance; and Frank Todisco, the ASB’s vice chairperson,

operations. It will be moderated by Paul Kollmer-Dorsey, the Academy’s general counsel and director of professionalism.

“[An Overview of Cross-Practice Standards](#)” will be held on Wednesday, Oct. 19, from noon to 1:30 p.m. EDT. Registration is now [available online](#); government regulators may attend free of charge. ▲





## CLRS Features Academy Volunteers

**M**ORE THAN 500 PEOPLE attended the [Casualty Loss Reserve Seminar](#) (CLRS) in Chicago Sept. 18-20, co-hosted by the Academy and the Casualty Actuarial Society. A number of Academy volunteers were on the faculty for this program.

Lisa Slotznick, chairperson of the Committee on Property and Liability Financial Reporting (COPLFR), spoke on workers' compensation large deductible plans and regulatory changes that have been proposed. Kathy Odomirok, chairperson of COPLFR's Practice Notes Subcommittee, and Alejandra Nobilis, a member of COPLFR and the subcommittee, gave a presentation about the Academy's P/C Loss Reserve Practice Note and discussed changes coming to the 2016 edition.

About a dozen Academy volunteers were among the presenters at the CLRS. Other topics they addressed included: being an expert witness (Mike Toothman); machine learning in loss reserving (Tom McIntyre); FASB disclosure requirements (Ralph Blanchard); set-

ting natural catastrophe reserves (Howard Kunst); asbestos litigation (Lauren Cavanaugh); embedded value (Lise Hasegawa); and professionalism (Pat Teufel). ▲

### CASUALTY BRIEFS

- **Achille Sime-Lanang, Nicholas Saeger, Kathy Thompson, and Caleb Wetherell** have joined the Automobile Insurance Committee.
- **Ramona Lee** has joined the Committee on Property and Liability Financial Reporting.
- **Manolis Bardis and Alex Turrell** have joined the Travel Insurance Task Force.
- **Patrick Causgrove, Patricia Conway, R. Dale Hall, Jonathan Hayes, John Kulik, Minchong Mao, Bernard Rabinowitz, Kathy Thompson, Andy Tran, Trevor Withers, and Richard Yocius** have joined the Flood Insurance Work Group.

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# 2016 Seminar on Effective P/C Loss Reserve Opinions

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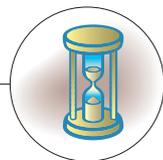
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## Academy Hosts Second PBR 'Boot Camp'

**T**HE ACADEMY HELD its second principle-based reserving (PBR) "Boot Camp" in Orlando Sept. 21-23, a sold-out, [three-day seminar](#) that featured 23 dynamic, interactive sessions. A limited audience of 140 attendees received targeted instruction and participated in intensive, focused work groups providing insight and practice in advance of PBR implementation expected in January 2017.

Topics covered included modeling and model governance; stochastic, deterministic, and net premium reserves; setting mortality assumptions and other liability assumptions; determining assets to back PBR reserves and setting asset assumptions; reinsurance; experience studies and pricing considerations; reporting; regulatory and auditing reviews; and a PBR checklist and other helpful sources of information. ▲



Craig Roberts (at podium), part of the PBR Boot Camp faculty, speaks at the additional liability assumption overview session.

## SVL Sends Comments to NAIC's VM-22 Subgroup

**T**HE SVL INTEREST RATE Modernization Work Group [submitted comments](#) (Excel spreadsheet format) to the NAIC's VM-22 (A) Subgroup on Non-Jumbo and Jumbo Sample Calculations on valuation interest rates. ▲



### LIFE BRIEFS

- ➔ **Tim Cardinal** is chairperson of the new Model Governance ASOP Review Group, and these members have joined the group: **Donna Claire**, **Cande Olsen**, **Christopher Wheeler**, and **Ali Zaker-Shahrak**.
- ➔ **Chris Strom** has joined Life Financial Reporting Committee.
- ➔ **Thomas Berry** and **Timothy DeMars** have joined the Life Products Committee.
- ➔ **John Nylander** has joined the Operational Risk Work Group.
- ➔ **Felix Schirripa** and **Tomasz Serbinowski** have joined the Annuity Reserves Work Group, the Annuity Reserves Work Group Floor Reserve, and the Annuity Reserves Work Group Model Reserve.
- ➔ **Stephen Gruber**, **Angela Hebenstreit**, **Timothy Keister**, **Robert Leach**, **William Leung**, and **Liang Yin** have joined AG 43/C3 Phase II Work Groups.
- ➔ **Chris Conrad** has joined PBR 101 Work Group.
- ➔ **Xueli Zhang** has joined the Tax Work Group.
- ➔ **Marcia Chapman** has joined the Deposit Fund Subgroup.

## HEALTH NEWS



### HPC Sends Congress Letter on ACA Individual Mandate

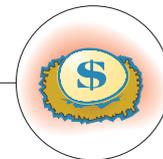
**T**HE HEALTH PRACTICE COUNCIL [sent a letter](#) to the U.S. House and Senate Sept. 22 on the potential adverse consequences of legislation to weaken the Affordable Care Act's (ACA) individual mandate. The letter states that weakening the mandate would boost health premiums.

"A balanced risk pool requires enrollment of healthy individuals to keep premiums affordable and stable," the letter states. "The ACA includes an individual mandate in order to encourage the young and healthy, as well as the old and sick, to obtain coverage."

It also states that higher premiums could lead to increased federal costs for premium subsidies, and that changes made to relax the mandate after premiums are finalized could weaken insurer solvency. ▲

### HEALTH BRIEFS

- ➔ **Ken Ehresmann** and **Jac Joubert** have joined the Health Practice International Committee.
- ➔ **Sujata Sanghvi** has joined the Medicaid Subcommittee.
- ➔ **Jim Galasso** and **Michael Muldoon** have joined the Health Solvency Subcommittee.
- ➔ **Andrew Dalton** has joined the LTC Reform Subcommittee.
- ➔ **Joyce Bohl**, **Nick Ortner**, and **Amy Whaley** have joined the Active Benefits Subcommittee.
- ➔ **Ivy Gao**, **Joshua Mayhue**, and **Adeniyi Olaiya** have joined the Retiree Benefits Subcommittee.
- ➔ **Heather Sokul** has joined the Premium Review Work Group.
- ➔ **Tom Doran** and **Jeremy Freestone** have joined the Stop Loss Factors Work Group.



## Pension Committee Sends Comments to Senate on Multiple-Employer Plans

**T**HE PENSION COMMITTEE [submitted comments](#) to Sen. Susan Collins, chairman of the U.S. Senate Special Committee on Aging, with suggestions on how to encourage open multiple-employer plans.

The committee's letter noted it supports the Senate's efforts to streamline and simplify the adoption of qualified plans for small employers. As S. 266, the Retirement Security Act of 2015, only applies to small defined contribution plans, it encouraged Collins to consider two additional but related options for multiple employer plans (MEPs):

- A defined benefit MEP option; and
- An "Open Defined Contribution Retiree MEP" design (a defined contribution plan focused on the payout or decumulation phase).

As retirement plans evolve, employers are becoming increasingly unwilling to take all of the risks associated with providing lifetime income to current and former employees, the letter notes, and as a result, these risks are rapidly being shifted to individuals. Such shifts can happen through freezing, and terminating existing defined benefit plans, providing lump-sum payments as an alternative to

annuities, and placing a greater reliance on defined contribution plans.

Individual plan participants are largely unprepared to effectively manage risks associated with defined contribution plans. At the same time, today's fluid career paths make it less likely that an individual will derive most of his or her retirement income from a plan maintained by a single



employer. Emerging design ideas focus on maintaining the pooling of retirement risk (such as living longer than expected) that is characteristic of defined benefit plans while shifting some or all of the investment risk

to plan participants. Facilitating multiple employer arrangements of both the defined contribution and defined benefit variety will lead to approaches that can enhance retirement security, the letter states.

The committee offered to work with Congress to develop the framework to allow defined benefit MEPs to exist and flourish, with the following actions key to making such plans attractive:

- Eliminating the requirement for a common nexus between participating employers (similar to what has been proposed for state-run defined contribution MEPs);
- Modifying the funding rules to allocate to each employer only its reasonably determined share of plan costs, and to allow the plan to easily implement individual employer funding elections;
- Designing funding rules that allow for the effective sharing of risks between the plan and individual participants;
- Making each employer responsible only for its own discrimination issues; and
- Allowing plans sponsors to forcibly remove bad apples from a MEP, potentially by a distress termination of their share of the MEP, without affecting other employers. ▲

## Intersector Group Provides Notes on Meetings with IRS, Treasury

**T**HE INTERSECTOR GROUP [provided an excerpt of its notes](#) on its meeting this month with the Treasury Department and IRS.

The meeting notes excerpt deals with Form 5500 filings due in October for most calendar-year plans. The IRS stated in a July 29 web posting that participants who could not be located despite the administrator's reasonable efforts—or whom the plan was attempting to locate at plan year-end—did not need to be reported.

At the meeting, IRS representatives indicated that only an operational error resulting in underpayment of benefits has been discovered but not corrected at plan year-end would trigger reporting.

Further, IRS representatives indicated plan administrators should "make their best guess" as to the total underpaid amounts. The only consequence of reporting an incorrect number would likely be a request to file an amended form.

The full notes of the Intersector Group meeting with Treasury and IRS will be released in the near future. ▲

### PENSION BRIEFS

- **Sherry Chan** has joined Public Plans Subcommittee.

## Actuarial Update

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# Financial Regulatory Task Force Comments Sent to Fed

**T**HE FINANCIAL REGULATORY Task Force [submitted comments](#) to the Federal Reserve Board on its proposed rule on capital requirements for supervised institutions significantly engaged in insurance.

The task force supports having a single approach that applies to all types of entities as it will improve comparability between organizations, provide efficiency versus maintaining multi-

ple systems and reduce the potential for arbitrage between regimes. A single approach can accommodate different levels of capital requirements using a consistent methodology.

Companies that engage in insurance are frequently regulated at the legal entity level. As a result, there are often regulatory constraints on the ability to move assets and capital from one legal entity to help satisfy obligations at other entities within a group. The task force believes it is critical that any capital standard appropriately reflect these legal entity-level constraints. ▲



### RISK MANAGEMENT AND FINANCIAL REPORTING BRIEFS

➔ **James Collingwood, Patricia Conway, Andrew Dalton, Samantha Lee, Jacqueline Lewis, Minchong Mao, Brett Parmenter, Craig Thorburn, Therese Vaughan, and Jon-Zeu Wu** have joined the Solvency Committee.

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