

Academy Engages on New Colorado Insurance Discrimination Law

ACADEMY PRESIDENT Maryellen Coggins [sent a letter](#) to Colorado Insurance Commissioner Michael Conway on that state's 2021 law to protect consumers from unfair discrimination in insurance.

The statute, enacted last July, prohibits unfair discrimination based on certain personal characteristics—race, color, national or ethnic origin, religion, sex, sexual orientation, disability, gender identity, or gender expression—in any insurer practice. The law will regulate insurers that use external consumer data and information sources, algorithms, and predictive models.

“It is our belief that we can continue to provide useful professional input as you work on the

implementation of [the regulations],” Coggins wrote, adding that the comments relate generally to the property/casualty, health, and life practice areas, and also provide comments specifically to those practice areas.

Stakeholder Engagement Session

The Academy participated in the Colorado Division of Insurance Feb. 17 stakeholder engagement meeting on implementation considerations for the law from a life underwriting perspective. The meeting, chaired by Commissioner Mike Conway, was the first in a series of meetings called for as part of the process for implementing the new law. Although it affects all lines of insurance, this engagement session focused only

on life issues. Future stakeholder engagement meetings will address other lines of insurance.

Sue Bartholf, chairperson of the Academy's Life Underwriting and Risk Classification Work Group, reiterated the Academy's support of efforts to prevent unfair discrimination in insurance and outlined the principles for approaches to identify and address unfair discrimination, noting that that differences between practice areas—such as the types of underlying risks, statistical modeling methods, and whether coverages are mandated or voluntary—will likely require different approaches in implementation, because the approaches that apply to one practice area may not apply to others. ▲

ASB Adopts ASOP No. 4 Revision; Spring Webinar Planned

THE ACTUARIAL STANDARDS BOARD (ASB) of the Academy [adopted a revision](#) of Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, and approved an exposure draft for a revision of ASOP No. 29, *Expense Provisions for Future Cost Estimates for Prospective Property/Casualty Risk Transfer and Risk Retention*.

ASOP No. 4 is effective for actuarial reports with a measurement date, and issued, on or after Feb. 15, 2023. The Academy will host a webinar this spring to look at the revised ASOP No. 4—stay tuned for more details.

ASOP No. 29 applies to actuaries when developing or reviewing expense provisions for future cost estimates for prospective property/casualty risk transfer or risk retention. The comment deadline is May 31; information on how to submit comments can be found in the [exposure draft](#).

Also see this month's “Professionalism Counts” column (p. 5) on the ASB and ASOPs that are taking effect this year. ▲

Volunteer Action Required: Commitment to Professional Objectivity

COMMITTING ON AN ANNUAL BASIS to professional objectivity is required to perform volunteer work for all those who participate in Academy committees. Al Bingham, vice president of professionalism and education, reminded Academy volunteers via a Feb. 28 email to submit a conflict of interest (COI) acknowledgment and a continuing education (CE) acknowledgment.

If you are a volunteer or an interested party, follow the instructions in the email you received or on the [membership page](#) under “Volunteer Acknowledgments” under Volunteer Resources. For more information about the Academy's commitment to professional objectivity, please [read more here](#), and visit the [Professional Objectivity at the Academy webpage](#). ▲

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EBSA Official to Speak at Pension Capitol Forum Webinar

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‘Professionalism Counts’—Keeping Up With the ASOPs

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Academy Welcomes [400 New Members](#)

2022

MARCH

- 10 "Capitol Forum: Dialogue With DOL on a National Retirement Income Policy"—pension webinar (1.2 CE / JBEA CPE credits)
- 16 "Volunteer Onboarding Webinar"—for Academy volunteers
- 17 "Wildfire Risk"—P/C webinar (registration opening soon)

Academy NEWS Briefs

Dues Renewal Notice

ACADEMY MEMBERSHIP DUES are due Jan. 1 of each year. If you have not done so, please [log in to the membership webpage to pay your dues](#), print your invoice, apply for a partial dues waiver, update your contact information, or update your member profile in the Academy's online membership directory. If you have questions or need additional information, please contact the Membership Department (membership@actuary.org; 202-223-8196). ▲

Still Time to Place Your Order: Life & Health, P/C Law Manuals

MAKE SURE YOU HAVE the latest requirements at your fingertips with the Academy's new law manual editions:

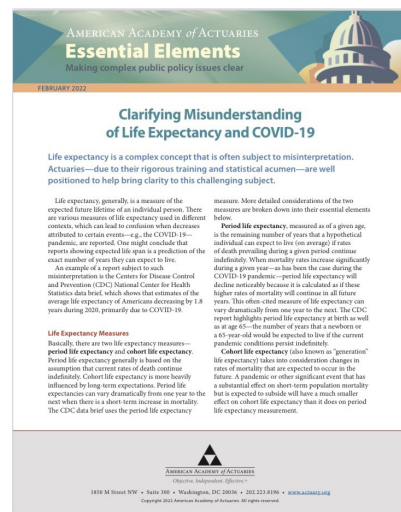
- ▲ The *Life and Health Valuation Law Manual* contains information to help appointed actuaries and others know the requirements of the NAIC model Standard Valuation Law and the model Actuarial Opinion and Memorandum Regulation. [Order today.](#)
- ▲ The *Property/Casualty Loss Reserve Manual*, designed to help appointed actuaries know the NAIC Annual Statement requirements for statements of actuarial opinion, is also available. [Order today.](#) ▲

Recently Released

THE FALL/WINTER ISSUE of *The Retirement Report* includes a Q&A on the Pension Committee's issue brief released in late December, *Interpreting Pandemic-Related Decreases in Life Expectancy*. The issue also recaps several recent pension webinars, provides a look ahead at the March Capitol Forum webinar on national retirement income policy, issue briefs released by the Retirement System Assessment and Policy Committee, and recent legislative and regulatory activity.

A new *Essential Elements* paper, "[Clarifying Misunderstanding of Life Expectancy and COVID-19](#)," follow on and update to the December Pension Committee issue brief, explains some of the complexities in life expectancy shifts during the pandemic. The *Essential Elements* series is designed to make actuarial analyses of public policy issues clearer to general audiences. The Academy also issued a [news release](#) on the topic.

The Winter *Casualty Quarterly* leads with a Q&A on the recent wildfires issue paper from the CPC's P/C Extreme Events and Property Lines Committee. Also in the issue, the Committee on Property and Liability Financial Reporting released its annual P/C practice note; the P/C Loss Reserves Opinion Seminar and the Annual Meeting and Public Policy Forum included examination of key casualty topics; a P/C public policy webinar covered diversity, equity & inclusion, COVID-19, and other issues; and recent legislative and regulatory activity. ▲



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

Review Your Membership Profile

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

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

Academy NEWS

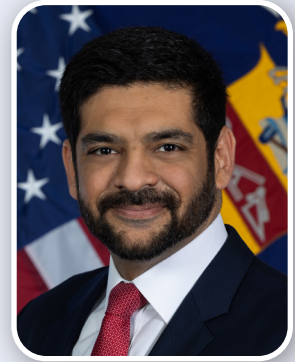
Academy Releases Year-in-Review Public Policy Alert

THE ACADEMY released the 2021 [year-in-review alert](#), an overview of some of last year's significant regulatory and legislative developments of interest to the U.S. actuarial profession. It includes developments in federal health- and pension-related legislation and regulation; initiatives to address unfair discrimination in insurance; legal challenges to the Affordable Care Act; the National Flood Insurance Program; climate risk and climate change; cyber risk; big data and algorithms in insurance modeling; and pension issues including life expectancy as affected by COVID-19 and Social Security solvency and reform proposals. Academy alerts are available via the [member login page](#). ▲



Capitol Forum Webinar to Feature EBSA Official

JOIN THE ACADEMY for “[Capitol Forum: Dialogue With DOL on a National Retirement Income Policy](#),” a webinar that will feature a conversation with Ali Khawar, U.S. Department of Labor (DOL) acting assistant secretary overseeing the Employee Benefits Security Administration (EBSA). Continuing education (CE) and continuing professional education (CPE) credits under Joint Board for the Enrollment of Actuaries (JBEA) rules will be available. The webinar will be held on Thursday, March 10, from 2 to 3 p.m. EST. [Register today](#). ▲



Khawar

WANTED

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Ready to raise your hand to support the Academy?

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IN THE NEWS

MedPage Today reported on Health Equity Work Group Chairperson and Academy Board member Annette James' presentation at an Alliance for Health Policy virtual event.

A *Towards Data Science* opinion piece cited the [Code of Professional Conduct](#) and a 2015 report from the Council on Professionalism, *Key Ethical Concerns Facing the*

Actuarial Profession.

Insurance Journal and *Property Casualty 360* covered the Academy's recent issue paper on wildfires.

Plan Sponsor wrote about the Academy's new *Essential Elements* paper, "[Clarifying Misunderstanding of Life Expectancy and COVID-19](#)" *Business Insurance* also wrote

about the paper, citing *Plan Adviser*. Also, *Government Executive* mentioned the paper in its "Coronavirus Roundup."

Advisor Magazine also wrote about the *Essential Elements* paper and the recent Pension Committee [issue brief](#) on the subject.

A letter to the editor published in the *Daily*

Herald (Ill.) cited findings from the Academy's [issue brief](#), *The 80% Pension Funding Myth*.

A *Law360 Insurance Authority* (subscriber only) story on a new United Nations Environment Programme report on increased wildfire threats cites the Academy's recently published wildfires [issue paper](#). ▲

PROFESSIONALISM NEWS



USQS FAQs Updated

THE COMMITTEE ON QUALIFICATIONS updated the *Frequently Asked Questions on the U.S. Qualification Standards* (USQS) to reflect the revised USQS that took effect this year for statements of actuarial opinion issued on or after Jan. 1, 2023. The FAQs are [available online](#) and in a downloadable [PDF format](#). Members may also access [slides and audio](#) from the Dec. 20 professionalism webinar on the revised USQS. ▲

Professionalism Outreach

ACTUARIAL STANDARDS BOARD (ASB) member Laura Hanson delivered a virtual presentation focused on the ASB to the Actuaries Club of Philadelphia on Feb. 22. Hanson provided overviews of the ASB; the purpose, structure, and status of actuarial standards of practice (ASOPs); and the standards-setting process. Throughout the presentation she provided insights on the value to the profession and to individual actuaries of the ASB's role, ASOPs, becoming familiar and engaged with ASOPs and ASB standards-setting, and encouraged the audience to get involved. ▲

CASUALTY NEWS



Cyber Risk Toolkit Updated

THE *Cyber Risk Toolkit* developed by the Cyber Risk Task Force (CRTF) has been updated since its original publication last year. In addition to the seven existing sections, the toolkit now includes two new sections—"War, Cyberterrorism, and Cyber Insurance" and "Cyber Risk Resource Guide." The toolkit will be updated periodically to reflect new and emerging CRTF work.

"Whether you're curious about cyber risk because of what you've recently seen in the news, or an insurance policyholder or a public policymaker seeking information about the types of cyber exposures or coverages, the toolkit is an excellent resource for finding what you want to know," said CRTF Chairperson Norman Niami. Read the Academy [news release](#). ▲

HEALTH NEWS



Academy Submits Statement to Senate on Medicare Funding

MEDICARE COMMITTEE Chairperson Rina Vertes and Academy Senior Health Fellow Cori Uccello submitted a [statement for the record](#) to the Senate Committee on Finance Subcommittee on Fiscal Responsibility and Economic Growth regarding the Feb. 2 hearing, "The Hospital Insurance Trust Fund and the Future of Medicare Financing." ▲

Looking Ahead—Health 'Hill Visits' Coming in March

HEALTH PRACTICE COUNCIL volunteers will hold their annual "Capitol Hill Visits" when they meet virtually with federal policymakers and regulators March 10–11. ▲

Keeping Up with the ASOPs: Five Revised Standards Take Effect This Year

KEEPING ACTUARIAL STANDARDS OF PRACTICE (ASOPs) up to date with current practice, law and regulation, and other developments in the business and economic environments in which actuaries operate is a vital part of the work of the Actuarial Standards Board (ASB). The ASB—and its committees and task forces—has been extremely busy in the last year or so revising ASOPs. Now, some of that work is coming to fruition: Five revised ASOPs will take effect this year. Let's take a quick look at some of the changes.

Three revised ASOPs will take effect June 1, 2022.

▲ [ASOP No. 2, *Nonguaranteed Elements \[NGEs\] for Life Insurance and Annuity Products*](#). Changes made to ASOP No. 2 clarify the scope, introduce the NGE framework, and expand guidance for advising on the actuarial aspects of the determination policy, establishing or making changes to policy classes, and determining NGE scales. New guidance on reliance, as well as documentation and disclosure requirements, were added.

▲ [ASOP No. 3, *Continuing Care Retirement Communities and At Home Programs*](#). The revision addresses actuarial practice for at-home programs that are not regulated as insurance entities and includes new disclosure requirements intended to enhance the quality of actuarial communications regarding continuing care retirement communities and at-home programs.

▲ [ASOP No. 22, *Statements of Actuarial Opinion Based on Asset Adequacy Analysis for Life Insurance, Annuity, or Health Insurance Reserves and Other Liabilities*](#). ASOP No. 22 now applies to actuaries when providing a statement of actuarial opinion relating to asset adequacy analysis of life insurance, annuity, or health insurance reserves and other liabilities. New sections were added to provide guidance on trends in assumptions, assumption margins, discount rates, sensitivity testing, reinsurance ceded, the use of cash flows from other financial calculations, separate account assets, and changes in methods, models, or assumptions. In addition, documentation requirements were strengthened, and disclosure items were modified to align with changes made to the guidance.

A fourth revised ASOP will take effect July 1, 2022...

▲ [ASOP No. 28, *Statements of Actuarial Opinion Regarding Health Insurance Assets and Liabilities*](#). The scope of this ASOP was clarified to apply to actuaries issuing or reviewing statements of actuarial opinion and any associated actuarial memorandum with respect to health insurance assets and liabilities of insurance companies, reinsurance

companies, or other health insurance financing systems that provide similar coverages. These opinions and memorandums include opinions prepared in accordance with the NAIC's annual statement requirements. In addition, guidance was expanded regarding the basis of assets and liabilities, asset and liability evaluation, collectability of actuarial assets and offsets to liabilities, and statement of actuarial opinion. Guidance regarding disclosures and reliance on others was also added. (Note: The ASB will discuss a revision to the scope of ASOP No. 28 at its March meeting.)

...and a fifth on Dec. 1, 2022.

▲ [ASOP No. 11, *Treatment of Reinsurance or Similar Risk Transfer Programs Involving Life Insurance, Annuities, or Health Benefit Plans in Financial Reports*](#). The scope was expanded to include risk transfer programs similar to reinsurance and to apply to internal and external financial reports, rather than only financial statements. Guidance on health benefit plans was expanded, and guidance was added regarding the financial reporting aspect of nonguaranteed reinsurance elements, the impact of risks retained, modeling, counterparty risk, and the impact of nonguaranteed elements of the policies being reinsured. The disclosures were aligned with the revisions made to the guidance.

Keeping up to date with the ASOPs is important. You are encouraged to make sure you understand the changes to ASOPs that apply to your practice by reading them in full. One of the best ways to do this is by accessing them online. If you would like to access ASOPs through your mobile device, you are encouraged to [add an ASB icon](#) to your home screen for a direct link to the ASB website. If you prefer to keep copies of the ASOPs on your computer, you are encouraged to [download the standards library](#) at least once a year to ensure that you have the latest version of each ASOP. And if you'd like to be informed when new or revised ASOPs and exposure drafts are released, subscribe to [Boxscore](#), the ASB's newsletter. ▲



Life Groups Comment to NAIC

SEVERAL LIFE GROUPS commented to the National Association of Insurance Commissioners (NAIC).

- ▲ The Life Illustrations Work Group submitted a [comment letter](#) to NAIC's Life Actuarial (A) Task Force (LATF) on its exposure draft regarding the indexed universal life illustrations post-Actuarial Guideline (AG) 49-A.
- ▲ The Annuity Reserves and Capital Work Group submitted a [letter and spreadsheet](#) to LATF's VM-22 Subgroup regarding a reinvestment credit quality assumption consistent with the current VM-22 mix.
- ▲ The Life Underwriting and Risk Classification Work Group [submitted comments](#) to NAIC's Accelerated Underwriting (A) Working Group on its paper summarizing what the working group has learned on using external data and data analytics in accelerated underwriting and provides recommendations for regulators and insurers when evaluating accelerated underwriting. ▲

Work Group Releases Valuation Manual (VM)-21 Practice Note Supplement

THE VARIABLE ANNUITY Reserves and Capital Work Group released its [VM-21 Practice Note Supplement, Implementation of Requirements for Principle-Based Reserves for Variable Annuities—2022 Edition of VM-21](#). The supplement was exposed for public comment in 2021, and the final product has been published to reflect comments. ▲

HEALTH BRIEFS

- ➔ **Paul Spitalnic** joined the Medicare Committee.
- ➔ **Nicholas Johnson** joined the Medicaid Committee and the LTC Medicaid Subcommittee.
- ➔ **Jennifer Gerstorff** joined the Health Equity Work Group.
- ➔ **James Rizzo** joined the Retiree Benefits Subcommittee.

LIFE BRIEFS

- ➔ **Jason Kehrberg** is chairperson of the new Asset Modeling and Reporting Task Force and the following our members of the task force: **Nancy Bennett, Laura Hanson, Steve Krupa, Leonard Mangini, Tricia Matson, Jeff McClure, John Miller, Matt Monson, Craig Morrow, Francisco Orduna, Link Richardson, Stephen Smith, and Connie Tang.**
- ➔ **Chris Conrad** is chairperson, **John Miller** is vice chairperson, and **Mark Hutchinson** is a member of the Annuity Reserves and Capital Work Group
- ➔ **Mary Bahna-Nolan** and **Beth Keith** joined the Life Practice Council.
- ➔ **Hal Pedersen** joined the Economic Scenario Generator Work Group.
- ➔ **Cande Olsen** joined the LPC Diversity, Equity, and Inclusion Task Force.

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NEW Academy Members

IN THE SECOND HALF OF 2021, the Academy welcomed 402 new members. Health was the most popular area of practice with 216 (54%), followed by life with 82 (20%); property/casualty with 69 (17%); and pension with 27 (7%). Four listed risk management and four listed other.

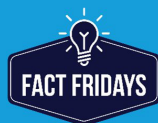
There were 258 (64%) who said they are employed by an insurance organization or organizations serving the insurance industry. Another 127 (29%) are working as consulting actuaries. The remaining 17 listed government practice, miscellaneous, or other. The average age of new members was just under 30. There were 142 women (35%) and 235 men (58%), while 21 did not specify a gender and four identified as other.

Congratulations to the new members who have taken the next step in their careers to demonstrate their commitment to professionalism and serving the public through the Academy. [Click here to see the new members.](#)

THIS MONTH IN SOCIAL MEDIA



Our latest #FactFriday noted that diverse corporate management teams consistently outperform homogenous teams, according to our *Big Data and Algorithms in Actuarial Modeling and Consumer Impacts* paper.



Companies with diverse management teams are 35% more likely to outperform their industry financial averages.

Stay on top of the latest Academy news by following us on [Facebook](#), [Twitter](#), and [LinkedIn](#). Like what you see? Help spread us the word by liking and sharing our updates.

Member Spotlight Andy Ferris

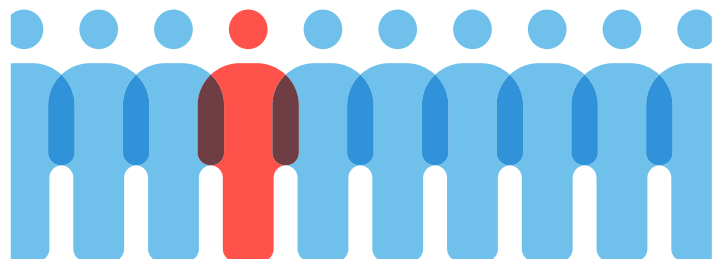


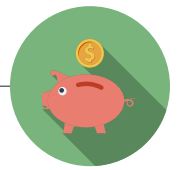
EACH MONTH, the Academy spotlights an actuary who shares insights about their professional lives, as well as a glimpse into their personal lives.

This month's Member Spotlight profiles Andy Ferris, a volunteer who has served on numerous committees and as a regular director on the Academy's Board of Directors for a three-year term that ended in 2021.

"Find your professional passion. Whether that is working in larger teams or working mostly by yourself, working on consulting vs. industry, or any of the countless other dimensions of our professional experiences," Ferris said.

Visit the [Member Spotlight page](#), part of the Academy's "Professionalism First" hub, to find out more about Ferris. ▲





Actuarial Update

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EDITOR

Michael G. Malloy

ASSISTANT DIRECTOR OF COMMUNICATIONS | PUBLICATIONS

Eric P. Harding

DESIGN AND PRODUCTION

[BonoTom Studio Inc.](#)

DESIGNER

Christopher Specht

PUBLICATIONS AND MARKETING PRODUCTION MANAGER

Laurie Young

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EXECUTIVE OFFICE

The American Academy of Actuaries
1850 M Street NW
Suite 300
Washington, DC 20036
Phone 202-223-8196
Fax 202-872-1948
www.actuary.org

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Issue Brief Examines Reform Options for Social Security Retirement Age

THE SOCIAL SECURITY COMMITTEE which has reviewed a broad array of Social Security reform options, in a new issue brief, [Raising the Social Security Retirement Age](#), looks at the potential effect of raising the Social Security normal retirement age—the earliest age at which unreduced Social Security benefits are paid.

Even with the currently scheduled increase in the normal retirement age to 67 in 2027 (up from the original age 65), increased longevity is among the root causes of Social Security’s financial problems suggests that raising the normal retirement age is a likely perhaps even necessary, component of any package of program changes that addresses them. Program solvency must be ensured so that the system can continue to provide the promised level of benefits, according to the issue brief. ▲

Issue Brief

Raising the Social Security Retirement Age

FEBRUARY 2022

PENSION BRIEFS

➔ **Jeffery Rykhus** joined the Social Security Committee.

RISK MANAGEMENT BRIEFS

➔ **Patricia Matson** is chairperson and **Gareth Kennedy** is vice chairperson of the new Prudential Regulation Committee and the following are members of the committee: **Ralph Blanchard, Tom Bosko, Dana Hunt, Jeff Johnson, Jeff Murr,** and **William Schwegler.**
➔ **Michelle Young** is chairperson of the Climate Related Financial Disclosures Work Group and vice chairperson of the ERM/ORSA Committee.

EVENTS

MAR 10 [Capitol Forum—Dialogue with DOL on a National Retirement Income Policy](#)

MAR 16 Volunteer Onboarding Webinar (volunteers, check your email for an invite!)

MAR 17 P/C webinar to discuss *Wildfire: An Issue Paper—Lessons Learned from the 2017–2021 Events*

RESOURCES

Member Benefit:
[Webinar Recordings Now Available](#)

Catch up on January’s pension and life webinars—“Funding Public Pension Plans—Theory and Practice” and “Life Practice Public Policy Update.”