

NCOIL Explores Credit Default Swap Regulation

Academy Explains Benefits of Insurance Design

THE ACADEMY'S RISK MANAGEMENT AND SOLVENCY COMMITTEE discussed necessary characteristics of any potential regulation to overhaul the credit default swap (CDS) market during a National Conference of Insurance Legislators (NCOIL) hearing Jan. 24 in New York.

In his [testimony](#), committee member David Ingram stressed the essential capacities CDS intermediaries need to have, including a solvency framework with risk review and assessment as well as technical reserves and risk-based capital requirements. Ingram spoke at a public hearing hosted by NCOIL's Steering and Financial Services and Investment Products committees as they seek to develop regulatory guidelines for CDS in response to the perceived impact CDS failures have had in the ongoing financial crisis. The CDS market has been largely unregulated in accordance with a provision of the Commodity Futures Modernization Act passed in December 2000.

At the heart of the five-hour hearing was testimony from various parties on the pros and cons of regulating

CDS as securities versus regulating them as insurance. While Ingram said that the Academy had no opinion on the identity of a regulatory body, he did assert specific benefits of regulating CDS as insurance products. The principles of individual counterparty risk protection in CDS are, according to his testimony, currently provided by the insurance industry, which operates according to specific capital requirements to back up a contract's promise to pay when the covered event (or default) occurs.

"The example provided by insurance regulation, with its capital requirements, solvency regulation, and legislative authority in the event of insolvency, is certainly one that has much to recommend as a sound basis for any financial security system that is designed to protect the public," Ingram said.

Ingram explained that both bonds and other insurable losses are over the counter (not controlled through an exchange), can require heterogeneous customized contracts, and are illiquid with no resale market. Moreover,

SEE **CDS TESTIMONY**, PAGE 5

Academy Member Directs NAIC Operations

Vaughan, Executive Office Move to D.C.

ONE OF THE ACADEMY'S OWN HAS RETURNED to the National Association of Insurance Commissioners (NAIC), as Therese (Terri) Vaughan has been named chief executive officer of the organization of state insurance regulators in the U.S.

Previously serving as NAIC president in 2002 while she was Iowa insurance commissioner, Vaughan now takes over the organization's outreach efforts with federal and state governments and industry representatives. She replaces Catherine Weatherford, who had served as executive director since 1996 until she stepped down last July. Though current NAIC Chief Legal Officer/Chief Operations Officer Andrew Beal served as interim executive vice president and interim CEO in the meantime, Vaughan is now the NAIC's first executive leader to hold the permanent title of CEO.

That's not the only first for Vaughan, as she is also the first actuary to lead the NAIC. While she identifies herself more as an academic than a technical actuary (her 10-year

SEE **VAUGHAN**, PAGE 8



NAIC CEO Terri Vaughan

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Offices Move

Academy settles into new home.

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P/C Reserving

Annual practice note released.

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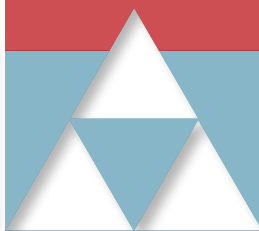
Encouraging Involvement

New volunteer rules open doors.

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Reaching Out

Letter introduces new Congress to Academy.



FEBRUARY

- 19 Council of U.S. Presidents meeting, Zacatecas, Mexico
- 19-20 NAAC meeting, Zacatecas, Mexico
- 26-March 1 NCOIL spring meeting, Washington

MARCH

- 9-10 Actuarial Standards Board meeting, Washington
- 15-18 NAIC spring meeting, San Diego
- 27 Webcast on professional standards in international practice (Academy, ASPPA, CAS, CCA, SOA)
- 29-April 1 Enrolled Actuaries Meeting (Academy, CAA), Washington

APRIL

- 7 Academy Executive Committee meeting, Washington

MAY

- 3-6 CAS spring meeting, New Orleans
- 20 Council of U.S. Presidents meeting, Washington
- 21 Academy Board of Directors meeting, Washington
- 27-30 IAA meeting, Tallinn, Estonia

JUNE

- 13-16 NAIC summer meeting, Minneapolis

JULY

- 9-12 NCOIL summer meeting, Philadelphia
- 23 Council of U.S. Presidents meeting, Charlottetown, Prince Edward Island, Canada
- 23-26 NAAC meeting, Charlottetown, Prince Edward Island, Canada

AUGUST

- 5 Academy Executive Committee meeting, Minneapolis

SEPTEMBER

- 21-24 NAIC fall meeting, Washington

OCTOBER

- 15-18 NAAC meeting, Colorado Springs, Colo.
- 18 Council of U.S. Presidents meeting, Colorado Springs, Colo.
- 21 Academy Board of Directors meeting, Washington
- 25-29 SOA annual meeting, Boston
- 26 Academy annual meeting, Boston

Academy NEWS Briefs

Staff Settles In

THE ACADEMY OPENED THE DOORS to its new D.C. office on Feb. 2. The new office, located at 1850 M Street NW, Suite 300, Washington, DC 20036-5805, allows all Academy departments to work together in closer proximity.

During its 15-year run at 1100 17th Street NW, the Academy successfully grew from an organization of 25 employees in 1994 to a staff of 43 as of January. As the staff grew, a lack of available office space forced the Academy to expand its offices to two floors. With the move, all Academy departments and employees are again housed on a single floor.

Though some Academy incoming and outgoing communications were limited immediately following the move, e-mail, listservs, and telephone services were back online within a few days. All Academy e-mail addresses, phone numbers, and fax numbers remain unchanged. ▲



YEARBOOK AVAILABLE ONLINE

As part of the Academy's paperless movement for its member publications, the *2009 Yearbook and Leadership Manual* is now available exclusively online. In addition to contributing to a cleaner, greener landscape, the electronic *Yearbook and Leadership Manual* provides more convenient access to ever-current content.

Unlike previous versions that contained roster lists for Academy volunteer groups, this year's version contains links to the up-to-date committee pages on the Academy website. Consequently, the streamlined, redesigned, and reorganized 2009 edi-

tion will always remain current as it will be immediately edited to reflect changes in personnel or documents throughout the year.

The Academy is proud to join the many organizations in the world that are finding more progressive, tree- and cost-saving measures to meet their members' needs. If you simply can't live without a hard copy, however, the *Yearbook and Leadership Manual* is available to order for \$15 each to cover the printing and mailing costs. You can place an order at www.actuary.org/yearbook/order.asp. Please note that the printed version is a direct copy of the online PDF.

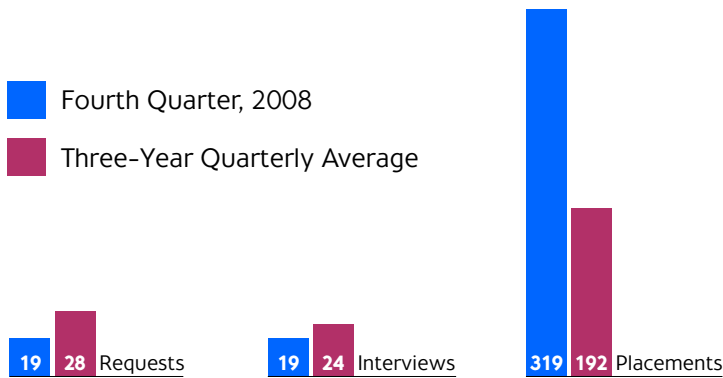
2009 EA MEETING

Register now for the 2009 EA Meeting March 29-April 1 at the Marriott Wardman Park Hotel in Washington. This year's meeting, jointly sponsored by the Academy and the Conference of Consulting Actuaries, will cover various aspects of pension plan funding and administration, reflecting the latest developments in legislation, regulation, and other guidance important to enrolled actuaries. Seminars are also available surrounding the meeting on professional standards and public plan funding—including the 2009 Pension Symposium, "Monday Morning Quar-

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Links to documents underlined in blue are included in the online version of this issue at www.actuary.org/update/index.asp

MEDIA RELATIONS ACTIVITY REPORT – FOURTH QUARTER, 2008



Note: A request is a media inquiry for more information (e.g., statistics, comments, work products, etc.) or for media credentials to an Academy event. An interview occurs when the Academy is able to provide a spokesperson to meet a media request. When an interview is fulfilled, it is no longer tallied as a request. A placement is an article containing an Academy reference, quote, or attribution from an Academy spokesperson or the placement of an Academy-produced letter to the editor/op-ed. A three-year quarterly average is the statistical mean of the past 12 quarterly totals for each category (requests, interviews, and placements).

MAKE SURE YOU'RE RECEIVING E-MAIL NOTIFICATION OF ACTUARIAL UPDATE

If you're an Academy member and didn't receive e-mails notifying you that the January and February issues of the *Update* were online, then the Academy doesn't have your correct e-mail information. You can verify your contact information on the Academy's member [log-in](#) page. You can make the changes yourself online or send an e-mail to membership@actuary.org. Also, don't forget to check your personal account settings on your log-in page to make sure you have allowed the Academy to notify you of its publications via e-mail.

→ CONTINUED FROM PAGE 2

terback," which will review retirement policies of past decades to help identify potential solutions for the future. For more information and to register, visit www.enrolledactuaries.org.

PROFESSIONALISM WEBCAST

The Academy's Council on Professionalism will host a [webcast](#) March 27 to discuss the application of professional standards in international practice. The presentation will address the relationship between international work and the Code of Professional Conduct and local actuarial standards of practice. The webcast will be led by Curtis Huntington, chairperson of the ABCD, member of the Council on Professionalism, and author of "I Am an International Actuary?" in the March/April issue of [Contingencies](#). Sheila Kalkunte, the Academy's assistant general counsel, will moderate the discussion. Academy members can register on the

Academy website until the close of business on March 26; the cost is \$50. The webcast is the first of four the Council of Professionalism has planned for 2009. All will be co-sponsored by the American Society of Pension Professionals and Actuaries, Casualty Actuarial Society, Conference of Consulting Actuaries, and Society of Actuaries.

STAFF SHUFFLING

Dianna Pell has taken over as the new Academy life policy analyst. Pell joined the Academy staff in May 2008 as state health policy analyst. Pell replaces previous life analyst Natalie Jones. Pell's Academy experience working with the National Association of Insurance Commissioners (NAIC) will be essential as the Life Practice Council continues to offer support to the NAIC while it works to complete major principle-based projects.

To fill Pell's role as state health policy analyst, the Academy has hired Melissa

Lawler. Lawler previously worked as a government affairs associate for a Washington trade association. Prior to that, she gained government relations experience while working for a lobbying firm and for the New Hampshire state legislature. She started at the Academy Feb. 9.

IN THE NEWS

Academy Senior Pension Fellow **Frank Todisco** discussed how a recession could affect the Pension Benefit Guaranty Corp. in a Dec. 14 *Detroit Free Press* business column. The column later appeared in more than a dozen other publications, including the online versions of the *Miami Herald*, *Fort Worth Star-Telegram*, and *St. Louis Post-Dispatch*.

Todisco was also quoted in the Dec. 18 issue of the *Standard Federal Tax Reports* by CCH, a Wolters Kluwer business. He explained provisions of the Worker, Retiree, and Employer Recovery Act of 2008 that was passed by Congress a week earlier. The

bill was eventually signed into law by President Bush on Dec. 23. (For more information on this and other legislative action in 2008, see the January [Update](#).)

Donna Claire, chairperson of the Academy's Risk Management and Financial Soundness Committee and president of Claire Thinking in Fort Salonga, N.Y., summarized efforts made in 2008 on a principle-based approach for life insurance reserves and capital in a year-in-review article for the Dec. 15 issue of *National Underwriter Life & Health*. Claire said that hundreds of regulators and actuaries have been working on the principle-based approach project this past year and that legislators are now being briefed on the project during information sessions at events such as National Conference of Insurance Legislators meetings.

To find out about other actuaries in the news or for external links, visit the Academy's [newsroom](#). ▲



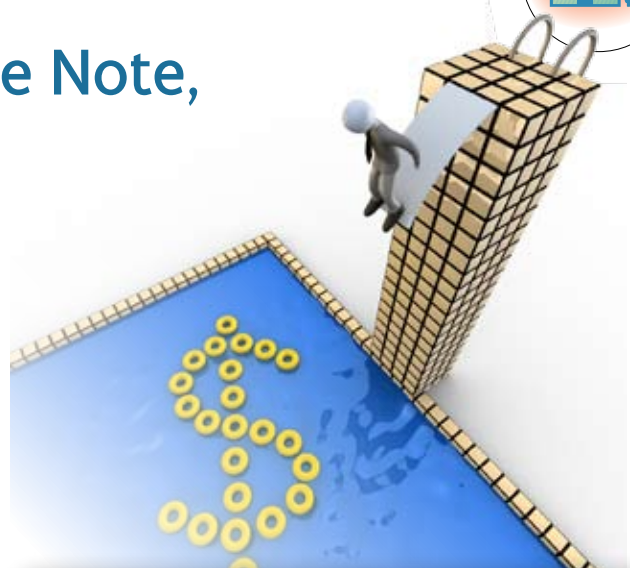
P/C Loss Reserve Practice Note, Law Manual Updated

THE ACADEMY'S COMMITTEE ON PROPERTY AND LIABILITY FINANCIAL REPORTING (COPLFR) recently issued an update of its 2007 [practice note](#) on statements of actuarial opinion (SAOs) on property and casualty loss reserves. The 2008 practice note provides non-binding guidance to practicing actuaries, describing commonly employed practices to communicate various reserving situations in their SAOs that the committee believes are in compliance with the instructions of the National Association of Insurance Commissioners.

The primary change in the updated practice note is an elaboration upon the manner in which SAOs are to be drafted in intercompany pooling arrangements. The applicable section (1C) of the instructions applies only to situations in which, under an intercompany pooling agreement, the lead company retains 100 percent of the pooled reserves and the other pool participants each retain 0 percent. In these situations, the actuary is directed to prepare an SAO on the pool, which is to be filed with the annual statements of each of the pooled companies. Exhibits A and B of the individual company reflect values specific to that company, and Exhibits A and B of the pool are to be filed as an addendum to the SAOs of the 0 percent companies. This requirement does not appear to apply to any other intercompany pooling arrangements.

In addition to the practice note, COPLFR also recently released its updated 2008 P/C Loss Reserve Law Manual, a compilation of laws and regulations from all 50 states, the District of Columbia, and Puerto Rico. It is currently available for [purchase](#).

—LAUREN PACHMAN



CASUALTY BRIEFS

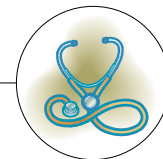
- **Eric Drummond-Hay**, vice president and chief actuary for commercial property and casualty lines for SAFECO Insurance Co. in Seattle, has joined the Academy's Casualty Practice Council.
- **Dale Porfilio**, vice president and chief actuary with Kemper in Jacksonville, Fla., and **Paul Vendetti**, a consulting actuary for Pinnacle Actuarial Resources Inc. in Bloomington, Ill., have joined the Academy's Property and All Other Lines Subcommittee.
- **Mike Angelina**, chief risk officer and chief actuary for Endurance Specialty Insurance in Pembroke, Bermuda, has joined the Academy's CPC Emerging Issues Task Force.
- **Joanne Spalla**, a consultant in Stamford, Conn., has joined the Academy's Committee on Financial Soundness/Risk Management.

LIFE BRIEFS

- **Angela Huang**, an associate actuary for New York Life Insurance Co. in New York, has joined the Academy's Annuity Reserves Work Group.
- **Nancy Bennett**, an actuary in Woodbury, Minn., is the chairperson for the Academy's newly formed Economic Scenario Implementation Work Group. Also joining the work group are **Howard Rosen**, senior director for Standard & Poor's in Malvern, Pa.; **Albert Sekac**, senior examining life actuary for the Texas Department of Insurance in Austin; **Donna Claire**, president of Claire Thinking Inc. in Ft. Salonga, N.Y.; **Hubert Mueller**, principal for Towers Perrin in Weatogue, Conn.; **Jacqueline Keating**, consulting actuary for Milliman in West Paterson, N.J.; **Link Richardson**, vice president and ERM actuary for AIG American General in Houston; **Mary Pat Campbell**, vice president of The Infinite Actuary in Lynchburg, Va.; **Max Rudolph**, president of Rudolph Financial Consulting in Elkhorn, Neb.; **Steve Strommen**, senior actuary for Northwestern Mutual in Milwaukee; **Anthony Dardis**, consultant with Barrie and Hibbert Inc. in New York; and **Amit Ayer**, consultant with Towers Perrin in Philadelphia.

RISK MANAGEMENT BRIEFS

- **Henry Siegel**, vice president in the Office of the Chief Actuary for New York Life Insurance Co. in New York, has been named vice chairperson of the Academy's Risk Management and Financial Reporting Council.
- **Rowen Bell**, actuary for Health Care Service Corp. in Chicago, has become the new chairperson and **Steve Strommen**, senior actuary for Northwestern Mutual in Milwaukee, has become the new vice chairperson of the Academy's Financial Reporting Committee. **David Rogers**, principal for PricewaterhouseCoopers in Boston, and **John Dieck**, a senior consultant for Watson Wyatt Insurance and Financial Services in Cottage Grove, Wis., have also joined the committee.
- **Larry Rubin**, principal for PricewaterhouseCoopers in New York, **David Ingram**, senior vice president for Willis North America Inc. in New York, and **Ronald Harasym**, vice president and actuary for New York Life Insurance Co. in New York, have joined the Academy's Risk Management and Solvency Committee.



Webcast Introduces Health Care Reform Modeling Tool

WITH HEALTH CARE REFORM A PRIORITY for both the Obama administration and the new Congress, there's no shortage of questions about the various reform options and their implications. On Jan. 23, the Academy hosted a free webcast for RAND Health to demonstrate for health actuaries a new, publicly available micro simulation model that intends to answer some of these questions. The webcast was co-sponsored by the Society of Actuaries and Conference of Consulting Actuaries.

RAND Health, a division of the nonprofit RAND Corp., developed the Comprehensive Assessment of Reform Efforts (COMPARE) model to examine the intended and unintended effects of different health care reform proposals. Instead of crafting a specific reform proposal, RAND created this model to allow users to compare policy options under different scenarios and assumptions.

Jeffrey Wasserman and Federico Girosi, co-directors of the COMPARE modeling team, presented the model during the webcast. The pair walked attendees through the COMPARE [website](#), which examines the current state of the health care system and analyzes some of the more common policy proposals.

One interesting aspect of the website is the Policy Options Dashboard, which briefly explores how a proposed reform might affect spending, patient experience, coverage, overall health, etc. For example, the RAND model evaluated the impact of an individual mandate and predicted that there would be no effect on spending, consumer financial risk, reliability, or capacity. The model also predicted improvements in patient experience, health, and coverage, although operational feasibility would be difficult.

The presenters encouraged attendees to visit the website, examine the assumptions, and experiment with the model on one or more of the current policy options (refundable tax credit, Medic-

aid/SCHIP eligibility, individual mandate, and employer mandate). John Bertko, an active volunteer for the Academy and adjunct staff member at RAND, moderated the webcast.

The Academy sponsored the webcast to inform its members of the model's availability, as well as its purpose and use. That sponsorship is not an endorsement of the model. Because results from the RAND model may appear in the media and be presented to policymakers, the Academy decided to make the information available.

—HEATHER JERBI

HEALTH BRIEFS

- **Dale Yamamoto**, an actuary with Red Quill Consulting in Barrington, Ill., and **Sara Teppema**, health staff fellow at the Society of Actuaries in Schaumburg, Ill., have joined the Academy's Health Practice Council.
- Joining the Academy's Medicare Part D RBC subgroup are **Jo Beth Stephenson**, examining life actuary for the Texas Department of Insurance in Austin; **Jeremiah Reuter**, consultant for Ingenix Consulting in Denver; **Matthew Anthony**, consulting actuary for Milliman in Wayne, Pa.; **H. Neil Lund**, senior vice president for Universal American Financial Corp. in Lake Mary, Fla.; and **John Price**, consulting actuary with Axene Health Partners in Danville, Va.
- **Charles Bloss**, vice president and chief actuary for MVP Health Care in Schenectady, N.Y., has joined the Academy's Small Group Market Task Force.
- **Steven Spelshaus**, an associate consultant with Ingenix Consulting in Eden Prairie, Minn., has joined the Academy's Health Care Quality Work Group.

CDS Testimony, continued from page 1

the loss pattern of CDS is closer to that of insurance rather than of traditional derivatives. Given these similarities and the success of reserving and risk requirements in the insurance industry, Ingram said the Academy committee believes that treating CDS similarly to insurance products would provide the solvency framework necessary for CDS intermediaries.

"The main difference, that CDS do not necessarily require insurable interest, would lead to a need for more oversight, not less, for CDS," Ingram said.

He also reminded NCOIL that actuaries have been valuing contingent future liabilities of insurers for over 100 years and operate under a written set of professional standards. "There is no other equivalent body in the risk management arena," he said.

Moreover, Ingram highlighted the continued evolution of actuarial practices to encompass new and complex guarantees in insurance products. Specifically, Ingram pointed to the concept of contingent tail expectation, a loss-given-default approach to risk that

has become a standard tool to evaluate losses with more precision than a value-at-risk measure.

The Academy's message appeared to be well received, as NCOIL singled out the Academy as a resource with which it wished to follow up to discuss the topic in the future.

"Participants in the CDS market are not subject to the same strong solvency, reserving, and insurable interest standards that are imposed on actors operating in the insurance market," NCOIL President Sen. James Seward (R-N.Y.) said. "These standards protected the insurance sector as other financial services industries have struggled or failed during this economic crisis."

NCOIL's Financial Services and Investments Products Committee issued a charge last year to explore the role of CDS and other financial instruments, which prompted the January hearing. In its ongoing efforts, the committee plans to develop a position on these issues and communicate with legislative colleagues regarding any public policy implications. ▲

New Academy Members

IN THE SECOND HALF OF 2007, 449 new members joined the Academy. By joining, they have demonstrated a commitment to ethical and responsible actuarial conduct and an interest in keeping up with the issues and events that shape their profession. And they are in good company. As of Dec. 31, the Academy boasted 16,588 Academy members on its rolls.

Roselyn Abbiw-Jackson	Anna Chiocca	Elizabeth Gabrys	Sheng-Fei Huang	Weng Leong	William Nickel
Rachel Abramovitz	Jonathan Chipko	Travis Gaertner	Sherry Huang	Alexander Leung	Baohui Ning
Jason Abril	Donna Chiu	Jeffrey Ganow	Edward Hue	Wen Leung	Douglas Norris
Yazeed Abu-Sa'a	Thomas Christensen	Brenna Gardino	Ronald Hulet	Xun Jun Li	Amanda Notaristefano
Jessica Adams	Melissa Chung	Roopali Garg	Lindsay Hunter	Su Min Liang	Rebecca Noyes
Philip Adams	Michael Clark	Feng Ge	Joseph Hurt	Barry Lichman	Janet Ochenge
Melanie Allred	Christian Cofie	Anne Gehant	Irin Innerfield	Sylvain L'imprevil	Sean O'Connell
Sannidh Amberkar	Robert Cole	Steve Gentle	Jed Isaman	Liming Lin	Sinead O'Connor
Jaron Arboleda	Jordan Comacchio	Oleg Gershkovich	Jennifer Jabben	Yen-An Lin	Glen O'Halleran
Marios Argyrou	Jean Condon	Michael Giampa	Shira Jacobson	Kenneth Lindquist	Ugo Okpewho
Ellen Arrigoni	Carolyn Covington	Evelyne Giguere	Travis James	Maggie Ling	Kevin Oiberding
William Arthur	Ryan Cox	Brian Gill	Ernest Jaramillo	Ping Liu	Kathleen Ores Walsh
William Bade	Margaret Crist	Kristen Gilpin	Sebastian Jaramillo	Xia Liu	Brent Otto
Damian Bailey	Matthew Crouch	James Goebel	Jeffrey Jardin	Zhanqi Liu	Justin Owens
Sean Bailey	Rebecca Cruickshank	Anne Goepfert	Carrie Jaso	Jey Loh	Michael Paczolt
Todd Bartel	Shaun Cullinane	David Goldmann	Christopher Jaspersen	Allen Long	Daniel Padilha
Janine Bender	Katy Cuthbertson	Andrew Goldthorp	Tao Jiang	Karin Lowery	Elisa Pagan
Mark Bergstrom	Yazan Dahu	Seth Goodchild	Sarah Johnson	Yitzchok Lowy	Aran Paik
Kelly Billings	Sean Dailey	Jill Goolsby	Tiffany Johnson	Brendan Lyons-Keefe	Chun Pak
Robert Birmele	Smitesh Dave	Linda Grand	Therese Jones	Thomas Macaluso	Jiayin Pan
Megan Bitu	George De Graaf	Amanda Grau	Kevin Kadlubek	James MacDonald	Wei Pan
Mario Blanchet	Sara DeFilippo	Robert Gregg	Paul Kartono	Elizabeth Mack	Yiming Pan
Douglas Blum	Brad Diaz	Legaré Gresham	John Karwath	Debra Maizys	Ying Pan
John Bogaardt	Ozgur Dikmen	Erin Groark	Danielle Kastanotis	Casey Malone	Nicole Parrott
Yekaterina Bogush	Natalia Dimitrienko	Joshua Grode	Tasha Khan	Jaime Maro	Sandeep Patil
Jason Boice	Elizabeth Dion	Scott Grumling	Jiyong Kim	Jonathan Marshall	Livia Paylo
Caleb Bousu	Katherine Dobbs	Kathleen Gunnery	Shun Kim	Lindsey Martin	Lauren Penny
Justin Brenden	Robert Donley	Malik Haddadin	Benjamin Kimmons	Zachary Martin	Gerardo Perez
John Broderick	Rory Donohue	Christopher Hadik	Thomas King	Robert Masselink	Jason Pessel
Peter Brot	Matthew Doria	Wei Hao	Anateresa Klauer	Kelly Mattheisz	William Peter
Jess Broussard	Kareen Dorsett	Marc Harmon	Geoffrey Klein	Leroy Mattic	Brent Petzoldt
Sam Broussard	Kenneth Doss	Stephen Harter	Lauren Klemme	Bryan McCormick	Tri Pham
Cara Brown	Yiping Dou	Ryan Hartman	Rodney Kleve	Jennifer McGinnis	Matthew Phillips
Jennifer Burns	Michael Doyle	Susan Hawthorne	Brian Kling	Jennifer McHugh	Seth Pitasky
Feng Cai	Michael Drzakowski	James Head	Paul Knepp	William Meers	Mark Pixley
Tammy-Anne Campbell	Holly Echeverria	Thomas Heise	Stephen Knobloch	Amar Mehta	Daniel Plasterer
Wesley Campbell	Douglas Elmer	Jennifer Heizer	John Knox-Seith	Chunhua Meng	Rebecca Polunas
Chuan Cao	Andrew Evans	Rachel Henne	Steve Knutson	Brandy Millen	Jeffrey Pomerantz
Emily Carlson	George Fabiano	Daniel Henry	John Koch	Zachary Miller	Lance Poole
Carly Carmody	Lei Fan	Keith Henseler	Elizabeth Kochneff	Charles Mills	Luke Porter
Michael Carner	Yuting Fan	Charles Herman	Erik Kolstad	Mark Mitchell	Barry Posterro
Michael Caron	Gregory Fanoie	Rusty Herrin	Mark Komiskey	Jennifer Mo	Jason Price
Sebastian Carrillo	John Farmer	Michael Heuermann	Jinghua Kuang	Kristin Monopolis	Seth Quiggle
Jeff Carter	Harold Feiger	Nathan Hill	Jason Kurtz	Aly Moosa	Brian Rakowski
Elizabeth Cashman	Solomon Feinberg	Kevin Ho	Lily Lam	Brian Murphy	Jonathan Rasmussen
Borshann Chan	Gregory Finestine	James Hodges	Joe Landman	Christopher Murphy	Scott Rasmussen
Patrick Chase	Josie Fix	Chris Holcomb	Isaac Larbi	Sarah Murray	Daniel Reddy
Sanjeev Chaudhuri	Jim Flinn	Derek Holmes	Elke Lau	Jordan Muse	Mehdi Riazi-Kermani
Zhijian Chen	Eleanor Fortin	Brian Horton	Adam Laurin	Laura Muse	Bryon Robidoux
Huiyu Cheng	Amy Fournier	Landon Horton	Van Le	Douglas Nation	Jacob Roe
Veronika Chervenska	Jill Frackenpohl	Syed Hossain	Joohyun Lee	Philip Nelson	David Rowbottom
Jennifer Cheslawski	Andrew Fraser	Peter Hou	Soyce Lee	Chad Newell	Anthony Rubiano
Agnes Cheung	Jeffrey Frederick	Chia-Han Hsieh	Sung-Ho Lee	Alice Ng	Christian Rulli
Edward Chiang	James Fredericksen	Dah-chou Huang	Si Man Lei	Khanh Nguyen	Gregory Ryslik
Jason Chien	Richard Frese	Jing Huang	Johann Leida	David Nichols	Michael Sadowski

CONTINUED ON **PAGE 7** →

Anthony Saildo	Andrew Southwell	Elvin Seet-Yeow Tharm	Xiaomin Wang	Dominique Yarnell
Paul Sakhrani	Dominic Spampinato	Blake Tiernan	David Warneke	Erik Yedwab
Mitra Sanandajifar	Juliet Spector	Wei Toh	Monty Wesoloski	Kimberly Yeomans
Hardev Sandhu	Steven Spelshaus	Ngoc Trang	Matthew Westenberg	Thomas Yeulenski
Brian Sapp	Timothy Spencer	Weston Trexler	Brandon Westmark	Ying Yeung
Uma Sashti	Jeffrey Stabach	Yen-Chieh Tseng	Anna Wetterhus	Yukki Yeung
Michael Sautebin	Aleta Stack	Blesilda Tuan	Alisa Widmer	Hong Yin
Jonathan Schatz	Patrick Stafford	Tei Tuan	Carolyn Wilham	Timothy Yiu
Derek Schmitt	Andrew Stanley	Andrew Turner	Adam Williams	Guanrong You
Stephanie Schott	Adrienne Stark	Thomas Turner	Alexandra Willson	Iva Yuan
Amardip Sekhon	David Stefanski	Raina Verghis	Matthew Winegar	Delbert Zamora
Jeffrey Sells	David Steinbrunner	Steven Verguldi	Liza Wong	Arthur Zaremba
Scott Sereday	Samantha Steiner	Brad Vernon	Richard Wood	Anna Zayons
Hui Shan	Jacob Steuber	Leonel Viel	Terrence Wright	Hua Zhang
Peter Shelley	David Stimpson	Scott Vipond	Sandy Wu	Jingjing Zhang
Jessica Shi	Emily Stoll	Laura Vulpio	Sisi Wu	Olivia Yan Zhang
Vadim Shulman	Sara Stone	Brian Wagner	Yan Wu	Qingchong Zhang
Sameer Siddiq	JoAnn Stuckmeyer	Clinton Walden	Yun-Ning Wu	Xiaonan Zhang
Daniel Silverstein	Lin Su	Julie Walker	Angela Xia	Xin Zhang
Racquel Simms	Alisa Swann	David Wall	Diwei Xia	Ying Zhang
Michael Sink	Jessica Sweets	Lisa Wall	Congxin Xie	Yu Zhang
Ann Marie Smith	James Takamatsu	Joshua Wallace	Dongwei Yang	Hongwei Zhao
Joseph Soga	Gregory Talbot	Kun Wang	Ping Yang	Hong Zheng
Gabriel Soloff	Wee Tan	Ping Wang	Yulai Yang	Jun Zheng

Volunteer Rules Changed

IN ORDER TO ENCOURAGE GREATER VOLUNTEER INVOLVEMENT among Academy members, the Academy's Board of Directors recently revised the rules for appointing and reappointing members of Academy committees.

According to the new rules, effective beginning in 2010-11, no committee member other than the chairperson may serve longer than six consecutive years, and a member must be absent from a committee for two consecutive years before the clock begins anew. Also, a person should be chairperson of a standing committee for no more than three years and should retire from the committee after serving as chairperson.

In addition, a committee's membership should have an average tenure not exceeding three years. In order to achieve a three-year average by 2010-11 without limiting a committee's ability to perform its duties, the board also issued special transition rules.

Academy vice presidents may propose individual exceptions, which must be approved by the Executive Committee.

In addition, members are prohibited from serving concurrently on more than two standing committees, except in an ex officio capacity. The President's Advisory Committee may exempt committees from that rule as circumstances require.

These changes were designed to promote the introduction of new members to the volunteer experience without sacrificing committee continuity, enabling the Academy to maintain committees that contain a balanced level of experience. Prior to October, the committee appointment policy was previously amended in 1980 as a set of guidelines.

You can find the new rules under Academy Policies in the [2009 Yearbook and Leadership Manual](#). ▲

PENSION BRIEFS

- ➔ **James Shake**, a senior actuarial consultant for International Union UAW in Detroit, and **Deborah Tully**, director of benefits finance for Raytheon Co. in Waltham, Mass., have joined the Academy's Pension Committee.
- ➔ **Jay Rosenberg**, a director for Buck Consultants in Secaucus, N.J., has joined the Academy's Pension Accounting Committee.
- ➔ Joining the Academy's Public Plans Subcommittee are **Matthew Smith**, state actuary in Washington's Office of the State Actuary in Olympia; **Martin McCaulay**, deputy executive director for the Texas Pension Review Board in Austin; **William Hallmark**, principal for Mercer in Portland, Ore.; **Larry Langer**, principal and consulting actuary for Buck Consultants in Chicago; **Kim Nicholl**, managing director for PricewaterhouseCoopers in Chicago; and **Ed Hustead**, an actuary in Alexandria, Va.
- ➔ **Dave Sandberg**, vice president and corporate actuary for Allianz Life Insurance Co. of North America in Minneapolis, is the chairperson for the Academy's newly formed Public Plans Practices Task Force, which reports directly to the Academy president. Other members joining the task force are **Alan Milligan**, managing actuary with the California Public Employees' Retirement System in Sacramento; **Anna Rappaport**, president of Anna Rappaport Consulting in Kissimmee, Fla.; **Emily Kessler**, senior fellow for intellectual capital with the Society of Actuaries in Schaumburg, Ill.; **Eric Lofgren**, an actuary in Cranbury, N.J.; **Jeffrey Petertil**, an actuary in Oak Park, Ill.; and **Kenneth Kent**, a consulting actuary for Cheiron Inc. in McLean, Va. Canadian Institute of Actuaries member **W. Paul McCrossan**, partner at Ecklers Partners in Toronto and former Canadian member of Parliament, has also joined.

Academy Offers Assistance to Legislators

AS THE 111TH CONGRESS SETTLED IN LAST MONTH to tackle the critical public policy issues facing the nation, the Academy welcomed neighbors new and old by offering its continued service and resources. On Jan. 30, Academy President John Parks sent a [letter](#) to all 535 members of the new Congress, introducing them to the Academy, its mission, and the issues on which its expertise and insight can be of aid.

In particular, the letter highlighted social insurance programs, health care, all areas of insurance regulation (including catastrophe and terrorism risk coverage), and retirement security as issues on which the Acad-

emy could provide analysis. Parks also provided a preview of related projects that Academy practice councils plan to take up in 2009, some of which will bring Academy volunteers to Capitol Hill to present their work. That information was supplemented by a recap of issues it addressed during the 110th Congress.

“We look forward to working with you and your staff as you begin to craft legislation and debate various issues that will affect your constituents and on which actuaries are uniquely qualified to offer expert advice,” Parks wrote.

The Academy previously sent a similar letter of introduction to the 110th and 109th Congresses. ▲

Actuarial Update

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tenure as Iowa commissioner was bookended by five- and six-year stints as a professor in Drake University's actuarial science program), she says she is eager to bring an understanding of the language and concepts around risk analysis and risk management provided by her actuarial training and firsthand regulatory experience.

“One of the things that particularly drove me to seek this position right now is the economic environment we're in,” Vaughan said in an interview with the *Update*. “I'm comfortable talking about financial issues and the world that actuaries inhabit. I understand the skills actuaries have, and when it comes to the insurance industry, those skills are critical to understanding the financial impact of the current market environment.”

Though the bulk of the NAIC staff will remain in its Kansas City, Mo., central office, Vaughan will work out of the association's Washington, D.C., office, which will serve as the NAIC's executive office at a time when the nation's capital is at the center of discussions on the regulation of the financial services industry.

“NAIC leadership thought there should be more of a presence there to participate in this dialogue,” Vaughan said. “And I'm excited to provide that.”

As part of this effort, the NAIC is also developing a Center for Insurance Policy and Research as a resource to help advise lawmakers and federal agencies.

“The NAIC has a tremendous amount of information and resources,” Vaughan said. “There's a lot of thought that goes on in U.S. insurance regulation from many great minds. Unfortunately, this activity isn't always clear to the outside world, and it's not easily accessible to those who aren't familiar with the NAIC and its process. The center will make it easier to access our information and analysis. We expect that to make us more effective in policy discussions.”

Another objective Vaughan said she will continue to promote is modernizing insurance regulation through improving speed-to-market processes and company licensing processes. Vaughan helped push

initial efforts in this arena as NAIC president in 2002 with the formation of the Interstate Insurance Compact Model, which proposed the creation of a multi-state public entity to serve as a central filing point for insurance products. The compact, which became fully operational in 2007, was designed to enhance the efficiency and effectiveness of the way insurance products are filed, reviewed, and approved in order to provide consumers faster access to competitive insurance products in a fast-paced marketplace.

As state regulators continue to work together and learn from one another, Vaughan also hopes to focus on the efforts to harmonize international and U.S. regulatory systems, recognizing that both systems have things to learn from each other.

“I participated in that discussion as a regulator, watched from the outside as an academic, and I'm excited to participate on the inside again at a historic time for the development of international standards,” said Vaughan, a former delegate to the International Actuarial Association and an NAIC representative to the International Association of Insurance Supervisors. ▲

Qualification Standards

How do the revised standards affect retired actuaries who are Academy members?



If you are retired and will not be issuing statements of actuarial opinion (SAOs), you are not required to comply with the revised standards. However, you must comply with all of the requirements in the standards if you choose to issue SAOs in the future. Having the MAAA designation does not automatically mean that an actuary is qualified under the Qualification Standards.

Also, please note that the continuing education requirements in the revised standards apply only to actuaries who will be issuing SAOs. They do not apply to other Academy members.