

## Back by Popular Demand: 'The Magic School Bus'



**B**ACK BY POPULAR DEMAND, the Academy's *The Magic School Bus Takes a Risk: A Book About Probability* is in stock and available for order.

The Academy worked with Scholastic to create this custom-designed story that aims to support math education in schools and diversity in the actuarial profession.

The book is a means to reach traditionally underrepresented populations and introduce them to the profession at a young age to educate them on what it means to be an actuary. It introduces grade-school children to the work actuaries do and shares how math can take them on amazing journeys. In 2018, the Academy donated 45,000 copies of *The Magic School Bus* to grades 3–5 students in Washington, D.C. Teachers received a classroom box kit, delivered by Scholastic, that included the storybook, a letter to parents on the inside cover, and a teacher flyer with lesson-plan suggestions.

[Place your order today.](#) Bulk orders (10 or more copies) are available, as are sponsorship opportunities for organizations that would like to share the inspiration in this story within their own communities. Questions? Email [msb@actuary.org](mailto:msb@actuary.org). ▲

## Volunteer Action Needed on COI, CE

**T**HIS JANUARY THE ACADEMY once again has undertaken its annual process of volunteers to acknowledge required conflict of interest (COI) and continuing education (CE) policies. This is one of the Academy's essential tools to ensure the highest level of professional objectivity and independence of our volunteers as they perform Academy work—the annual acknowledgment of the Academy's COI policy and CE acknowledgement that every member, interested party, and non-Academy members who serve on our committees must complete.

The Academy's objectivity is important to its public policy and professionalism mission, and as such each year the Academy requires volunteers—and any individual who is an interested party on a committee, whether an Academy member or not—to acknowledge the Academy's COI policy. This process is now underway. If you are an Academy volunteer, please see the Jan. 29 email that was sent to volunteers and take a moment to review and acknowledge the COI and CE

policies. As always, those who fail to do so will not be able to continue to participate as a volunteer or to remain on any Academy boards or committees.

For those who are interested in additional context and discussion, consider listening to the second of two installments of our "[Actuary Voices](#)" podcast interview with Past President Tom Wildsmith. It includes a very thoughtful and considered exploration of the Academy's singular role in the profession, and our clear distinction from a trade association, that brings credibility not only to the Academy's work, but to each of our members who contribute to that.

For more information about the Academy's commitment to professional objectivity, please visit the [Professional Objectivity at the Academy](#) page. If you have questions, you may contact the Academy's professionalism department at [objectivity@actuary.org](mailto:objectivity@actuary.org). If you experience any technical difficulties, please contact the Academy at [membership@actuary.org](mailto:membership@actuary.org). ▲

For more information about the Academy's commitment to professional objectivity, please visit the [Professional Objectivity at the Academy](#) page.

3

Academy Offers Expertise to Congress, Incoming Biden Administration

6

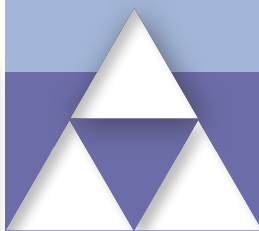
'Professionalism Counts'—Reliance: A Matter of Responsibility

8

LTC Subcommittee Releases Issue Brief on COVID-19

9

Life Webinar Recaps Key 2020 Issues, Looks Ahead to 2021



2021

MARCH

16 Pension webinar: “Social Security Reform Options Through the Lens of Individual Equity and Social Adequacy Considerations”

# Academy NEWS Briefs

## Life & Health Valuation Law Manual Available

**T**HE LIFE AND HEALTH VALUATION LAW MANUAL, published annually, is available for order. The law manual contains information to help appointed actuaries know the requirements of the NAIC model Standard Valuation Law and the Model Actuarial Opinion and Memorandum Regulation. [Place your order today.](#) ▲

## P/C Law Manual Available

**T**HE 2020 PROPERTY/CASUALTY LOSS RESERVE LAW MANUAL is now available online for purchase and download. It contains useful information for actuaries, including:

- ▲ SAO requirements and the laws and regulations establishing those requirements for every state, as well as Washington, D.C., and Puerto Rico;
- ▲ Annual Statement instructions for SAOs for property/casualty, title loss, and loss expense reserves; and
- ▲ Other pertinent Annual Statement instructions.

The law manual is available to subscribers both online and on flash drive, allowing actuaries to order the version that best meets their needs. It is also available by jurisdiction. [Order today.](#) ▲

## Recently Released

**I**N THE JANUARY/FEBRUARY ISSUE of [Contingencies](#), the cover story, “My Career as a Garbage Collector,” offers a behind-the-

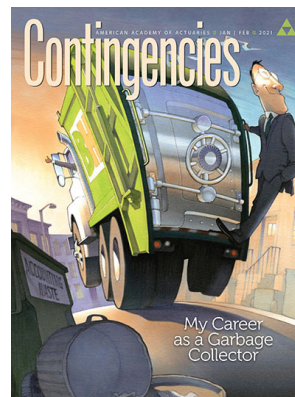
scenes look at one actuary’s experiences working at Warren Buffett’s Berkshire Hathaway—don’t miss this rollicking tale. Other features include “Is Data the Rx for Good Health Outcomes?”—which posits that the deluge of health data can be sifted into a treasure trove that drives better downstream medical decisions; and “Digital Decluttering”—which offers helpful tips to clean up your computer. Also, a President’s Message from Tom Campbell on new challenges in the New Year; how actuaries can bring their skills to the defined contribution world; and Up to Code tells you how the Actuarial Board for Counseling and Discipline lends a hand in your hour of need. Academy members may opt out of receiving the print edition of *Contingencies* or change their mailing address in the “Update Your Academy Profile” section of the [member login page](#).

The Winter [Casualty Quarterly](#) leads with a Q&A with Casualty Vice President Lauren

Cavanaugh on the Casualty Practice Council’s recent letters and testimony addressing race and insurance issues pertaining to P/C insurance to

both the National Association of Insurance Commissioners (NAIC) and the National Council of Insurance Legislators (NCOIL). Also in the issue, the Casualty Practice Council submitted testimony to the U.S. House of Representatives on pandemic risk insurance, the Cyber Risk Task Force sent a comment letter to the U.S. Department of the Treasury, and updates on recent legislative and regulatory activity.

The Winter [HealthCheck](#) includes a Q&A with Academy Senior Health Fellow Cori Uccello on some of the key health-related issues likely to be addressed by the Biden administration and the new Congress. Also, the Health Solvency Subcommittee commented to the NAIC on investment income in the health risk-based capital formula; a recap of the Annual Meeting and Public Policy Forum’s health breakout sessions; and an update on recent state and federal legislative, regulatory, and judicial 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 Offers Expertise to New Congress, Agencies, Insurance Commissioners



Campbell

**P**RESIDENT TOM CAMPBELL, on the Academy's behalf, [sent letters](#) to all members of the new Congress, Biden administration agency secretaries and directors, and all state insurance commissioners commending them for their public service and offering the assistance of the Academy in their work on actuarial public policy issues including within public programs like Social Security, Medicare, Medicaid and flood insurance, on health care coverage; pandemic risk insurance, climate, cyber and terrorism risks; life principle-base reserves; impact of COVID-19 on pensions and health and long-term-care insurance; and many other issues.

"As the national association of U.S. actuaries, it is the Academy's mission to serve the public and the profession. The Academy offers its non-partisan, objective actuarial expertise to public policymakers to aid in the development of sound public policy affecting federal and state public programs and regulation of insurance and retirement security systems," said Academy President Tom Campbell. ▲

## Dues Renewal

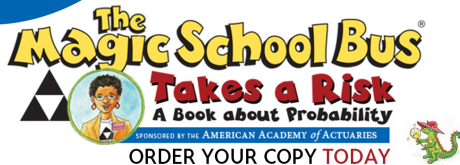
**A**CADEMY MEMBERSHIP dues are due Jan. 1 of each year. If you have not done so, please [log in now](#) to pay your dues, print your invoice, apply for partial dues waiver, update your contact information, or update your member profile in the Academy's [online membership directory](#). If you have questions or need additional information, please contact the Membership Department ([membership@actuary.org](mailto:membership@actuary.org); 202-785-6925). ▲

## This Month in Social Media



On Facebook, we let you know that the Magic School Bus is back for 2021 and encouraged you to make sure you're a part of the adventure this year.

BACK FOR 2021



ORDER YOUR COPY TODAY



On Twitter, we shared our issue brief, *Immigration and Social Security*, which discussed the impact of immigration into the United States, and potential changes to immigration, on the finances of the Social Security program.

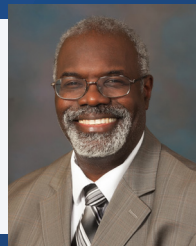
Issue Brief

### Immigration and Social Security

NOVEMBER 2020



On LinkedIn, we shared highlights from a recent "Member Spotlight," which featured John Robinson, who spoke about his experiences as a life insurance regulator.



Make your 2021 resolution to join the conversation online and follow us on [Facebook](#), [Twitter](#), and [LinkedIn](#). Like what you see? Help spread us the word by liking and sharing our updates.



## Member Spotlight

### Teresa Winer

**E**ACH MONTH, the Academy has been introducing you to an actuary who shares a glimpse about their professional lives, as well as some insight into their personal lives. Visit the [Member Spotlight page](#), part of the Academy's "Professionalism First" hub. This month we profile Teresa Winer, a health actuary and a member of the Telehealth Work Group, Nonguaranteed Elements Work Group, and the Health Practice International Committee, and a former member of the joint Cancer Claims Table Committee.

#### Why did you become an actuary?

Around 1979, when I was graduating from Emory University with a bachelor's degree in mathematics, my mother shared an article with me that she had read in *Redbook* magazine. The article explained that the actuarial career could provide excellent job opportunities for women. *Redbook* was mentioned in [this actuarial reference from January 1980](#). I discovered that there was a program at Georgia State University in Atlanta, so I scheduled a meeting with Professor Robert Batten, who sketched out an exam plan for me and gave me the confidence to enter the graduate program. I earned a Master's in Actuarial Science in 1982.

#### Describe a challenge you have overcome.

I worked in product development, and at the time there was a big push by A.L. Williams to "buy term and invest the difference." This marketing concept pushed insurance companies to improve their whole life products and offer higher returns. Interest rates were high at that time. We developed an excess interest in whole life, and foresaw that there was a potential for producing illustrations of very high cash values at the time of sale, assuming current crediting rates would continue over the long term. At the time computers were very large, so our agents had a special handheld computer to print illustrations for prospects with variable interest rates. We forced the illustration software in the handheld computer to show the guaranteed returns first and made sure that projections could not be separated. For the current/other credited rate illustrations, we added consumer warnings to

focus on the guarantees. At the time, we did much of our own programming in Basic to compare the "buy term and invest the difference" projections with our excess interest whole life product and to cross-check the software results extensively before launching the product. It took extra time before releasing the software, and in spite of much pressure from the sales force, we took many extra steps so that the illustrations would not be likely to mislead consumers.

#### What do you enjoy the most about being an actuary?

I respect other actuaries and have enjoyed working with so many great actuaries who have helped me, giving suggestions to overcome stumbling blocks when I had (and still have) questions.

#### Share something about yourself.

I love traveling. My last fun trip was with my daughter to meet friends in New York City in the fall of 2019. During the pandemic, some trips were canceled, but I've enjoyed taking lots of long walks and painting in my spare time.

#### What advice would you share with young actuaries?

Consult older actuaries for advice, because they have a sense of fundamental and foundational principles and can make good estimations. Being able to judge the reasonableness of rates and other output that may come from complicated software is hard-earned talent that comes from many years of work. ▲

#### IN THE NEWS

A letter to the editor in the [Washington Post](#) cited the Academy's [Social Security Game](#), which provides estimates of the effect of potential reforms on the program's financial condition.

[Hartford Business Journal](#) (Conn.) reported on Tom Campbell becoming the

Academy's new president.

[JD Supra](#) cited the Academy's presentation to the NAIC's Climate and Resiliency (EX) Task Force.

A subscriber-only *Life Annuity Specialist* story quoted Life Products Committee member Linda Lankowski

on variable universal life contracts.

A story in [The Balance](#) on life insurance blood testing cited an Academy presentation on life insurance and accelerated underwriting.

Social Security Committee Past Chairperson Ron

Gebhardt'sbauer discussed President Biden's proposal for Social Security reform in a column in [The Street](#).

[Think Advisor](#) and [Advisor Magazine](#) reported on the Academy's new issue brief on long-term care insurance and COVID-19. ▲

**EXPAND** your knowledge. **SHARPEN** your skills.  
**EARN** vital continuing education.  
**ATTEND** one of the Academy's signature events in 2021.

Annual Meeting and Public Policy Forum  
Life and Health Qualifications Seminar

## SEMINARS

PBR Boot Camp: Basic Training and Beyond for  
Principle-Based Reserving Implementation

Seminar on Effective P/C Loss Reserve Opinions

## PROFESSIONALISM WEBINARS

Held quarterly, these webinars are  
a popular resource for essential  
information and CE credits.

Held throughout the  
year, these webinars  
cover topics from all  
practice areas.

## PUBLIC POLICY WEBINARS

**Members receive discounted rates and advance notice when registration opens.**

[ACTUARY.ORG/CALENDAR](https://www.actuary.org/calendar)



AMERICAN ACADEMY of ACTUARIES

*Objective. Independent. Effective.™*

## Reliance: A Matter of Responsibility

**IT IS COMMON FOR PROFESSIONALS** to rely on others when forming their own opinions. Actuarial standards of practice (ASOPs) recognize this and explicitly refer to the practice. In fact, all ASOPs contain a section on disclosure of such reliance. (It's important to note that reliance may be restricted by some ASOPs, laws, or regulations.) The concept of reliance is discussed in three cross-practice standards that all actuaries should be familiar with: ASOP No. 1, *Introductory Actuarial Standard of Practice*, the road map for all the other ASOPs; ASOP No. 41, *Actuarial Communications*, which applies to communications that include an actuarial opinion or other actuarial findings; and ASOP No. 23, *Data Quality*, considered to apply to all assignments in all practice areas.

ASOP No. 1 explains that:

Actuaries frequently rely upon others for information and professional judgments that are pertinent to an assignment. Similarly, actuaries often rely upon others to perform some component of an actuarial analysis. Accordingly, some ASOPs permit the actuary to rely in good faith upon such individuals, subject to appropriate disclosure of such reliance, if required by applicable ASOPs (for example, ASOP Nos. 23, *Data Quality*, and 41).<sup>1</sup>

But what does ASOP No. 1 mean when it says that you may rely in “good faith” upon others? Former Actuarial Standards Board Chairperson and current Academy President-Elect Maryellen Coggins explains reliance “in good faith” this way:

The actuary’s reliance upon others for data and other information is not intended to be passive. The ASOPs generally refer the actuary to the guidance set out in ASOP Nos. 23 and 41. These cross-practice standards anticipate, in effect, that the actuary will assess the reasonableness and suitability of the data or other information received from others and formulate appropriate disclosures. In an important sense, the actuary’s assessment of data and information received from a third party effectively forms the basis for the actuary’s exercise of reliance “in good faith.”<sup>2</sup>

ASOP No. 41 discusses two basic types of reliance: reliance on other sources for data and information, and reliance on others for assumptions and methods. It

defines reliance on other sources for data and information as “making use of those sources without assuming responsibility for them” and permits such reliance, except where the law or other ASOPs limit or prohibit it. But in order to not assume responsibility, you have to disclose your reliance on those sources. And simply disclosing reliance itself is not enough. You should also define the extent of reliance by, for example, stating whether the data has been checked for reasonableness. Whether you need to review the data for reasonableness may depend on the type of data and how familiar you are with it. ASOP No. 41 refers you to ASOP No. 23 for more guidance on your responsibilities when relying on other sources for data and information.<sup>3</sup>

Sometimes, you may rely on others for assumptions and methods. In such cases, you should identify the party responsible for each material assumption and method—otherwise you take responsibility. What you should disclose depends on whether the assumption or method was set by law or another party. If the assumption or method was set by law, you should disclose the law under which the report was prepared, the assumptions and methods prescribed by that law, and that the report was prepared in accordance with that law.<sup>4</sup> If another party selected the assumption or method, you have three choices:

1. If you think the assumption or method does not significantly conflict with what would be reasonable for the assignment, you accept responsibility for the assumption or method and have no disclosure obligation.
2. If you think the assumption or method significantly conflicts with what would be reasonable for the assignment, you must disclose that fact, the assumption or method set by another party, who set the assumption or method, and why.

**CONTINUED ON PAGE 7**

### Footnotes

<sup>1</sup> ASOP No. 1, section 2.11.

<sup>2</sup> *Actuarial Update*, October 2017, p. 8.

<sup>3</sup> ASOP No. 41, section 3.4.3.

<sup>4</sup> ASOP No. 41, sections 3.4.4(a) and 4.2.

<sup>5</sup> ASOP No. 41, sections 3.4.4(b) and 4.3.

3. If you cannot judge the reasonableness of the assumption or method without performing a lot of additional work beyond assignment's scope, or if you are not qualified to judge the reasonableness of the assumption, you should disclose that fact.<sup>5</sup>

ASOP No. 41 provides guidance on how to communicate about reliance on data or other information supplied by others, but ASOP No. 23 provides essential guidance about what you should do when working with such data. Although those who supply the data are responsible for its accuracy and completeness,<sup>6</sup> your use of that data is subject to guidance provided in sections 3.3 and 3.4. In most cases, you should review the data (unless in your professional judgement, such review is not necessary or not practical), making a reasonable effort to determine the definition of

each data element and identify questionable data values or significantly inconsistent relationships.<sup>7</sup> You should also decide whether the data are of acceptable quality, require enhancement, or require adjustments or assumptions to be applied before performing the analysis.<sup>8</sup> If you believe the data contains significant defects, you should determine the nature and extent of any checks of the data that have been performed and arrange for further review if necessary.<sup>9</sup> ASOP No. 23 also provides guidance on what to do if you believe the data are inadequate for an assignment.<sup>10</sup>

There are two main elements to the appropriate use of reliance in actuarial work—a level of due diligence to ensure that you can appropriately rely on the data and information supplied by others, and disclosure not just of the fact of the reliance, but of the steps you've taken to be confident that such reliance is appropriate. ▲

Footnotes

<sup>6</sup> ASOP No. 23, section 3.5.

<sup>7</sup> ASOP No. 23, section 3.3.

<sup>8</sup> ASOP No. 23, section 3.3(a-c).

<sup>9</sup> ASOP No. 23, section 3.4(d).

<sup>10</sup> ASOP No. 23, section 3.4(e).

CASUALTY NEWS



## COPLFR Releases Annual P/C Practice Note on SAOs

THE COMMITTEE ON Property and Liability Financial Reporting (COPLFR) released the practice note, [Statements of Actuarial Opinion on Property and Casualty Loss Reserves](#), which has been updated for issuing 2020 opinions. It is intended to assist actuaries by describing practices commonly employed by actuaries working on Statements of Actuarial Opinion (SAOs) on loss and loss expense reserves in accordance with the National Association of Insurance Commissioners' (NAIC) Property and Casualty Annual Statement Instructions. Additionally, this year's practice note contains considerations related to COVID-19. Actuaries might also find this information useful in preparing actuarial work products for other audiences. ▲

## Webinar Covers P/C Public Policy Issues

THE CASUALTY PRACTICE COUNCIL's Jan. 14 "P/C Public Policy Update" webinar included Casualty Vice President Lauren Cavanaugh presenting on race and insurance initiatives at the NAIC and the National Council of Insurance Legislators (NCOIL); Senior Casualty Fellow Rich Gibson, who discussed congressional attention to providing business interruption insurance coverage in the event of future pandemics; Automobile Insurance Committee Chairperson Greg Frankowiak, who discussed COVID-19; impacts on auto lines; and Kathy Odomirok, outgoing chairperson of the Committee on Property and Liability Financial Reporting (COPLFR), who presented highlights of COPLFR's recent [FAQs on COVID-19 considerations](#) in preparing P/C loss reserve opinions. Webinar [slides and audio](#) are available to logged-in Academy members. ▲

## CPC Files Comments With ASB on Exposure Draft

THE CASUALTY Practice Council (CPC) [filed comments](#) on the Actuarial Standards Board exposure draft, *Using Models Outside the Actuary's Expertise (Property and Casualty)*. The comments addressed several recommendations regarding the scope of Actuarial Standards of Practice (ASOPs) Nos. 38 and 56, including consistency and the application of historical data. ▲

PROFESSIONALISM BRIEFS

➔ **Kory Olsen** and **Ken Williams** joined the Council on Professionalism.



## LTC Subcommittee Releases COVID-19 Issue Brief

**T**HE LONG-TERM CARE (LTC)/Disability Committee's LTC Reform Subcommittee released an [issue brief](#) on COVID-19's potential short-term and long-term impacts on LTC insurance (LTCI), focusing on key actuarial and economic assumptions impacting standalone LTCI policies.

The issue brief notes that the pandemic increases mortality rates significantly on the elderly population and those with underlying medical conditions, including high levels of infection rates at LTC facilities. Other considerations include capital market conditions, public policy, and impacts on combo/hybrid LTCI products.

"Adjustments to underwriting and persistent low interest rates are COVID-19-related impacts already clearly affecting LTCI," said Bruce Stahl, the committee's chairperson. "More time and experience will tell if there are other consequential effects, such as a shift from facility to home care settings, or increased care needs for COVID-19 survivors." ▲

## Health Solvency Committee Comments to NAIC

**T**HE HEALTH SOLVENCY SUBCOMMITTEE sent a [comment letter](#) in response to a request from the NAIC's Health Risk-Based Capital (E) Working Group providing additional detail regarding the potential investment income adjustment factor for Health H2 Experience Fluctuation Risk. ▲

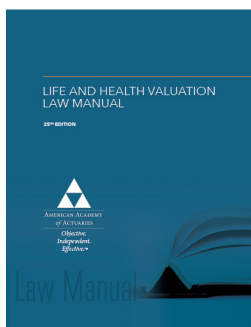
### HEALTH BRIEFS

- ➔ The following are new members of the Health Practice Council: **Ron Ogborne**, **Jim Whelpley**, and **Zerong Yu**.
- ➔ **Jamala Arland** is chairperson of the LTC Reform Subcommittee.
- ➔ **Tim Caldwell**, **Jennifer Gerstorff**, **Kirsten Staveland**, and **Dave Ogden** joined the Health Care Delivery Committee.
- ➔ **Becky Sheppard** joined the Health Equity Work Group.
- ➔ **Yuna Mindlin** joined the Risk Sharing Subcommittee.
- ➔ **Fritz Busch** joined the Premium Review Work Group.
- ➔ **Robert Hastings** joined the Medicare Subcommittee.
- ➔ **Russ Ackerman** joined the Medicaid Subcommittee.

## RESERVE YOUR COPY

THE ACADEMY'S ANNUAL

# Law Manuals

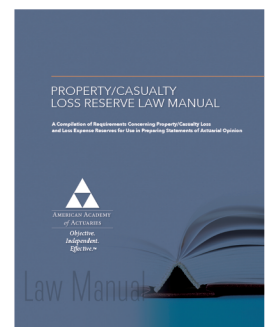


### The Life and Health Valuation Law Manual

is designed to help appointed actuaries know the requirements of the NAIC model Standard Valuation Law and the Model Actuarial Opinion and Memorandum Regulation.

### The P/C Loss Reserve Law Manual

contains useful information to help appointed actuaries know the National Association of Insurance Commissioners (NAIC) Annual Statement requirements for Statements of Actuarial Opinion (SAOs).



Both manuals are available in a variety of formats, allowing you to pick the version that best suits your needs.

**ORDER YOUR COPY TODAY | ACTUARY.ORG**



AMERICAN ACADEMY of ACTUARIES  
*Objective. Independent. Effective.™*





## Webinar Recaps, Previews Key Life-Practice Issues

**I**N THE “[Academy Life Practice Area: 2020 in Review/2021 Preview](#)” webinar held on Jan. 13, Life Practice Council (LPC) volunteers recapped issues from 2020 and previewed what to look forward to in 2021 and beyond from the LPC and the NAIC.

Moderated by Laura Hanson, Academy vice president, life, the presenters were NAIC Life Actuarial Task Force (LATF) Chair Mike Boerner; Bruce Sartain, chair of the NAIC’s VM-22 Subgroup; Ben Slutsker, chairperson of the Academy’s Annuity Reserves Work Group; Karen Rudolph, co-chairperson of the Academy’s Asset Adequacy Task Force (AATF); Bill Sayre, co-chairperson, and Leslie Jones, vice chairperson of the AATF; and Steve Jackson, the Academy’s

assistant director for research (public policy).

Hanson covered recent Academy publications and resources, including:

- ▲ Six principle-based reserving (PBR) analysis [templates](#);
- ▲ A [white paper](#) on the Tax Cuts and Jobs Act;
- ▲ Proposed preliminary [VM-22 Framework](#); and
- ▲ Asset adequacy testing [survey analysis](#).

She said the Academy is planning two PBR Boot Camps this year, following the success of the popular series in the past few years, including last year’s virtual seminar.

[Slides and audio](#) from the webinar are available to logged-in Academy members. ▲



Hanson

### LIFE BRIEFS

- ➔ **Chris Conrad** is chairperson of the new ARCWG Vision Field Test Subgroup and the following are members of the subgroup: **Gerald Adamski, Brent Dooley, Dana Lipperman, John Miller, Link Richardson, Heather Saros, Ben Slutsker, and Al Zlogar.**
- ➔ **Steven Craighead** and **Henry Yim** joined the Economic Scenario Generator Work Group.
- ➔ **Connie Tang** joined the Life Capital Adequacy Committee.
- ➔ **Thomas Reedy** joined the PBR Implementation Work Group and the PBR Strategy Subgroup.
- ➔ **Aria Zhou** joined the Tax Work Group.
- ➔ **Nicole Frey** joined the Life Illustrations Work Group.
- ➔ **Caleb Bousu** joined the LTC Combo Product Val

Back in Print

It's time for an adventure.

# The Magic School Bus<sup>®</sup>

## Takes a Risk

A Book about Probability



Aunt  
Maxine

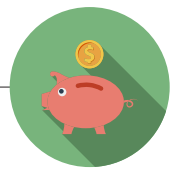
Learn more by visiting  
[actuary.org/magicschoolbus](http://actuary.org/magicschoolbus)

Order your copy today.



AMERICAN ACADEMY of ACTUARIES

Objective. Independent. Effective.™



## Actuarial Update

## COMMUNICATIONS REVIEW COMMITTEE

Cathy Murphy-Barron, Chairperson  
Al Bingham  
Tom Campbell  
Lauren Cavanaugh  
Maryellen Coggins  
Tim Geddes  
Laura Hanson  
Gareth Kennedy  
Al Schmitz  
D. Joeff Williams

## 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

American Academy  
of Actuaries

## PRESIDENT

Tom Campbell

## PRESIDENT-ELECT

Maryellen Coggins

## SECRETARY-TREASURER

Cathy Murphy-Barron

## VICE PRESIDENTS

Al Bingham  
Lauren Cavanaugh  
Tim Geddes  
Laura Hanson  
Gareth Kennedy  
Al Schmitz

## EXECUTIVE DIRECTOR

Mary Downs

## DIRECTOR OF COMMUNICATIONS

David J. Nolan

## 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](http://www.actuary.org)

Statements of fact and opinion in this publication, including editorials and letters to the editor, are made on the responsibility of the authors alone and do not necessarily imply or represent the position of the American Academy of Actuaries, the editors, or the members of the Academy.

©2021 The American Academy of Actuaries. All rights reserved.

## Social Security Webinar Set for March 16

**T**HE PENSION PRACTICE Council will host a webinar, “Social Security Reform Options through the Lens of Individual Equity and Social Adequacy Considerations,” in March. Presenters will be Social Security Committee Chairperson Amy Kemp, Past Chairperson Ron Gebhardtshauer, and committee member Janet Barr.

They will present the committee’s analysis on three reform proposals, from across the political spectrum, that were designed to eliminate the

program’s deficit. The proposals are analyzed using two principles: individual equity, which bases a worker’s benefit on the value of the worker’s own contributions; and social adequacy, which bases a worker’s benefit on their financial need. Other proposals, including those put forth by the Biden administration, will be discussed. Senior Pension Fellow Linda K. Stone will moderate.

The webinar will be held March 16 from noon to 1:30 p.m. EDT. [Register today.](#) ▲

## PENSION BRIEFS

- ➔ **Ethan Kra** and **Steven Mendelsohn** joined the Multiemployer Plans Committee.
- ➔ **Hal Tepfer** joined the Pension Committee.

## RISK MANAGEMENT &amp; FINANCIAL REPORTING NEWS



## ERM/ORSA Presents to NAIC Climate Risk Task Force

**M**ICHELLE YOUNG, chairperson of the ERM/ORSA Committee’s Climate Risk Disclosures Work Group, and Steve Jackson, the Academy’s assistant director for research (public policy), presented to the NAIC’s [Climate and Resiliency \(EX\) Task Force](#) on climate risk financial disclosures on Jan. 27. They presented results of Phase 1 of the Academy’s research project analyzing the NAIC Climate Disclosures Survey responses and plans for making recommendations/assessments as a result of Phase 2 of the research. The work group is working on criteria, options, and questions related to climate disclosures. ▲

## RMFRC Committees Comment on to IAIS, AICPA, FIO

**S**EVERAL RISK MANAGEMENT and Financial Reporting Council (RMFRC) committees submitted comment letters on various issues this month.

- ▲ The ERM/ORSA Committee’s Climate Related Financial Disclosures Work Group [submitted comments](#) to the International Association of Insurance Supervisors (IAIS) on its *Application Paper on the Supervision of Climate-related Risks in the Insurance Sector*.
- ▲ Members of the Financial Reporting Committee [submitted comments](#) to the American Institute of Certified Public Accountants (AICPA) regarding Issues 3 & 4CD (market risk benefits) as part of ongoing discussions at the Insurance Experts Panel.
- ▲ The Solvency Committee [submitted comments](#) to the U.S. Department of the Treasury’s Federal Insurance Office (FIO) regarding FIO’s Study on the Insurance Capital Standard. ▲

## RISK MANAGEMENT BRIEFS

- ➔ **Michelle Young** is chairperson of the new Climate Related Financial Disclosures Work Group and the following are members of the work group: **Lesley Bosniack**, **Sandra Callanan**, **Dave Heppen**, **Shiraz Jetha**, **Clifford Lau**, and **Navid Zarinejad**.