

Save the Date! Academy Annual Meeting Set for Nov. 2–3

Mark your calendars now. The Academy’s Annual Meeting—an event that connects actuaries in all practice areas with key stakeholders from the nation’s capital and beyond—will be held Nov. 2–3 at the Metro Center Marriott in Washington, D.C.

During this annual gathering of the best & brightest of the actuarial profession, there will be plenty of opportunities for networking, continuing education, and learning directly from those “in the trenches” making decisions that affect your work.

Interested about what to expect? Read all about last year’s event in our special supplement dedicated to the 2021 Annual Meeting.

Why attend? As one attendee put it last year, “The Academy annual meetings always provide value well beyond the continuing education content. The opportunity to connect with other thought leaders in industry and government is invaluable, especially for those of us in government whose responsibility sometimes falls outside our traditional practice areas.”

Professionalism Webinars Examine Revisions to ASOP Nos. 2, 4

THE ACADEMY HOSTED two April webinars on recently revised actuarial standards of practice (ASOPs), and will host a third in May.

“[The Revised ASOP No. 2: What You Need to Know](#),” held April 5, examined the revised ASOP No. 2, *Nonguaranteed Elements for Life Insurance and Annuity Products*, which will take effect June 1. Presenters who were involved in the revision discussed the changes, including the introduction of the concept of the nonguaranteed elements (NGE) framework and expanded guidance regarding the determination policy, NGE scales, and policy classes. Presenters were Gabriel Schiminovich, chairperson of the Task Force to Revise ASOP No. 2, and task force members Brian Lessing and Lance Schulz. Academy General Counsel and Director of Professionalism Brian Jackson moderated.

Introducing the changes to the ASOP, the revision “clarifies that this ASOP applies to guidance when providing actuarial services with respect to the determination of NGEs ... [and] that it applies to life and annuity products, including any riders attached to those products,”

Schiminovich said. “The scope was clarified to make sure that it applies to individual life and annuity products and also other products that may operate a lot like individual life insurance and annuity products—for example, group master contracts with individual certificates.”

Presenters took questions throughout the 90-minute webinar. [Slides and audio](#) are available free for logged-in Academy members.

ASOP No. 4 Webinar

On April 22, the Academy hosted “[The Revised ASOP No. 4: What You Need to Know](#)”—an examination of ASOP No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, which will take effect Feb. 15, 2023. Presenters were Actuarial Standards Board (ASB) member Chris Noble and ASB Pension Committee member Matthew Smith. Grace Lattyak, vice chairperson of the Academy’s Pension Committee, moderated.

Discussing the reasons for the revisions, Noble said that “rather than increase contributions to state pension

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Order the Academy’s [‘Magic School Bus’](#)

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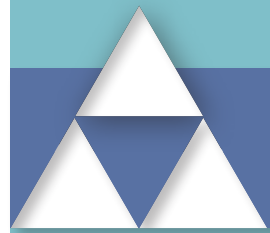
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‘Professionalism Counts’—Precept 10: Courtesy & Cooperation

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Pension Practice Council Hosts ‘Hill Visits’



2022

MAY

4 “Academy Life Practice Webinar—Spring 2022 Policy Update,” life webinar (1.5 CE credits)

12 “The Revised ASOP No. 11: Understanding Important Changes,” professionalism (life/health) webinar (1.8 CE credits)

24 “Health Spending Projections in the Wake of COVID-19,” health webinar (1.2 CE credits)

NOVEMBER

2–3 Academy Annual Meeting, Washington, D.C. (registration opening soon)

14–17 [Life and Health Qualifications Seminar](#), Arlington, Va. (Up to 27 CE credits)

Academy NEWS Briefs

Order Your ‘Magic School Bus’ Copy Today

THE ACADEMY’S [The Magic School Bus Takes a Risk: A Book about Probability](#) is back in stock and ready for you to order today. In this book custom-designed for the Academy, Ms. Frizzle leads an adventure-filled field trip where the children meet Maxine, an actuary. Together, they explore how actuaries help people understand and lessen risk for the community. The Academy worked with Scholastic, well-known and -regarded throughout schools in the U.S., to create this custom story that aims to support diversity in the actuarial profession by emphasizing the career possibilities that arise from math education. [Click here for ordering information.](#) ▲



This Week ... In a Minute

MEMBERS HAVE BY NOW seen the new “This Week ... In a Minute” video, which accompanies each Friday’s This Week newsletter and recaps the top stories from the week in a short news video. If you only have a moment, have a look at the [latest edition](#). And don’t forget to subscribe to our [YouTube](#) channel to be alerted when new videos are released. ▲



‘Actuary Voices’ Features Life VP Ben Slutsker



THE LATEST EPISODE of “[Actuary Voices](#)” features a conversation with Ben Slutsker, who became Academy Life Vice President in November. Slutsker traced his actuarial professional evolution in the public and private sectors, and talked about the recent arrival of his first child, a daughter. [Listen to the episode here](#) or on your preferred podcast platform—and don’t forget to subscribe so you can listen to new episodes as they are released. ▲

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](#).

Recently Released

THE SPRING ASB [Boxscore](#) covers recent Actuarial Standards Board (ASB) activity, including adoptions of revisions to Actuarial Standard of Practice (ASOP) Nos. 4 and 18, approval of exposure drafts of proposed revisions to ASOP Nos. 10 and 29, a look at ASB committee activity, and a preview of its next scheduled meeting in June. ▲



Academy NEWS

It's Time to Nominate Member-Selected Directors

ACADEMY MEMBERS are invited to submit nominations for Academy member-selected directors, who are elected to the Academy Board of Directors by Academy membership in an online election from a slate of candidates presented by the Nominating Committee. The committee will meet in the coming weeks to identify new candidates for regular directors in accordance with the criteria provided in the Nominating Committee guidelines. Nominations are due by May 31—please review the criteria and how to submit nominations in the Academy's [Board Election Center](#). ▲

Academy Discusses DE&I at Drake Symposium

ACADEMY BOARD member and Health Equity Work Group (HEWG) Chairperson Annette James presented on April 9 at the Drake Symposium on Insurance on “[Diversity, Equity & Inclusion in the Actuarial Profession](#).” James connected with about 150 students and shared insights on what DE&I is, the importance of diversity in the U.S. actuarial profession and the Academy, and how DE&I is a strategic focus of the Academy. The Academy sponsored five students to attend the symposium, as part of a diversity-scholarship initiative.

James provided a deep dive into a major area of the Academy's public policy efforts with a detailed discussion of the HEWG's ongoing work in defining and addressing health equity actuarial issues, and considerations in incorporating health equity into health work and avoiding unintended consequences. ▲



James presents at the symposium

Academy Attends NAIC Spring National Meeting

ACADEMY DIRECTOR of Public Policy Craig Hanna attended the National Association of Insurance Commissioners' (NAIC) Spring National Meeting in Kansas City, Mo., in early April. Discussion issues included diversity, equity & inclusion; cyber risk; AI/machine learning including the inaugural meeting of the new Innovation, Cybersecurity, and Technology (H) Committee overseeing its Big Data and Artificial Intelligence Working Group's ambitious work streams; and an international outlook.

Other significant developments include the adoption of the Life Accelerated Underwriting Education Paper, and at NAIC's executive/plenary session the Long-Term Care Insurance (LTCI) Multistate Review Framework—on which the Academy provided significant input—and the new state-based climate risk financial disclosure survey were approved.

The Academy regularly attends and presents at NAIC meetings and provides analysis and input because that 150-year-old organization provides model laws and model regulations for the states—and in the U.S., insurance is regulated at the state level. Engaging with the NAIC is an efficient way for the Academy to impact insurance regulation. ▲



Register Now to Secure Early Rates for 2022 LHQ Seminar

REGISTRATION IS OPEN for the Academy's 2022 [Life and Health Qualifications Seminar](#). Held annually, the LHQ Seminar is the best and most efficient way to obtain any needed basic education or relevant continuing education (CE) credit necessary to qualify to issue actuarial opinions for either the NAIC Life and Accident & Health (A&H) Annual Statement or the NAIC Health Annual Statement. The seminar will be held Nov. 14–17 at the Crystal Gateway Marriott in Arlington, Va. Early registration rates are available through June 30—[register now to take advantage of discounted rates](#). ▲

THE ACADEMY IN THE NEWS

Academy Social Security Committee Chairperson Amy Kemp penned an op-ed published by *MarketWatch* describing the availability of public policy options to address the longevity impact on the program, drawing from the Academy's [issue brief](#) on increasing the Social Security normal retirement age. *Advisor Magazine* and a *RedState* opinion piece also cited the issue brief.

[BenefitsPro](#) covered the Academy's

health webinar on hospital price transparency and price variation.

[Risk & Insurance Magazine](#) cited findings from the Academy's [2002 report to the NAIC](#) on the use of credit history for personal lines of insurance.

A *JD Supra* health policy round-up cited a presentation from the Academy's April 14 [health webinar](#) on hospital price variation and transparency. ▲

NOVEMBER

Life and Health Qualifications Seminar

Register today

ACTUARY.ORG/LHQ2022

NOV. 14-17, 2022

Crystal Gateway Marriott
Arlington, Va.

Acquire the necessary qualifications to sign statements of actuarial opinion for NAIC life and health annual statements.

 AMERICAN ACADEMY
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ACADEMY
SEMINARS

Member Spotlight Zerong Yu

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 Zerong Yu, vice chairperson of the Health Practice International Committee, who took a nontraditional path to the actuarial profession. Visit the [Member Spotlight page](#), part of the Academy's "Professionalism First" hub, to read more about Yu. ▲



International Outreach: Academy Representatives Attend Virtual AAE Spring Meeting



ACADEMY INTERNATIONAL SECRETARY Tom Wildsmith and Director of Public Policy Craig Hanna represented the Academy at the Actuarial Association of Europe's (AAE) [virtual spring meeting](#), held March 31–April 1. The meeting afforded opportunities for engagement on regulatory and professionalism issues of mutual interest. ▲

Webinars, continued from page 1

plans, some states have deferred funding by legislating methods and assumptions for actuarial contribution calculations that may not have been selected under appropriate actuarial practice. ... The significant changes in ASOP 4 are primarily intended to ensure that the actuary's report contains sufficient, objective information for intended users to make well-informed decisions concerning the plan's funded status and appropriate contributions, even

when the actuary may be required to calculate contribution amounts that dangerously defer funding."

A recording of the webinar is available free to logged-in Academy members—listening to the recorded webinar can be counted toward the 3 hours of continuing education (CE) on professionalism topics required annually.

[Slides and audio](#) are available free for logged-in Academy members.

Register for May's ASOP No. 11

Webinar: Join the Academy next month for a webinar on "The Revised ASOP No. 11: Understanding Important Changes," the third installment of the series, which will look at recently revised ASOP No. 11, *Financial Statement Treatment of Reinsurance Transactions Involving Life or Health Insurance*. The webinar will be held on Thursday, May 12, from noon to 1:30 p.m. EDT. [Register now.](#) ▲

Dues Reminder— Renew by May 1 to Avoid a 20% Late Fee

YOUR ACADEMY MEMBERSHIP keeps you informed, offers opportunities to connect with actuaries from all practices areas, gives you member-only access to the Academy's archived library of professionalism and public policy webinars, and much more. If you have not yet renewed your membership 2022, please [log in to the member section](#) to pay your dues, print your invoice, apply for a partial dues waiver, or update your contact information or member profile. Membership renewals received after May 1 will be assessed a 20% late fee. If you have questions or need additional information, please contact the Academy Membership Department (membership@actuary.org; 202-223-8196). ▲

THIS MONTH IN SOCIAL MEDIA



The Academy celebrated National Volunteer Week this month by thanking our volunteers for all they do. Interested in contributing? [Learn more on our website.](#)

Happy National Volunteer Week!

— April 17 – April 23 —



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.

HEALTH NEWS

Health Webinar Examines Hospital Price Transparency and Variation

THE ACADEMY hosted a health webinar on April 14, “[Hospital Prices: Can Greater Price Transparency Drive Lower Prices and Reduce Price Variation?](#)” Presenters were Michael Cohen, a Congressional Budget Office analyst; Krutika Amin, an associate director for the Kaiser Family Foundation focusing on the Affordable Care Act; and Andrea Rome, a member of the Academy's Health Care Delivery Committee, which produced the recent issue brief, [Implications of Hospital Price Transparency on Hospital Prices and Price Variation](#). Committee Chairperson Rebecca Owen moderated.

In addition to the issue brief, they discussed price variations and the role of insurers, the evolution of price transparency, and the potential impact of price transparency on utilization and costs, and they took questions from attendees for the second half of the webinar. [Slides and audio](#) are available free. ▲



Register for May's Webinar on Health Spending & COVID-19

AN UPCOMING HEALTH WEBINAR, “[Health Spending Projections in the Wake of COVID-19](#),” will feature presentations by COVID-19 subject-matter experts to provide information on how the pandemic has affected national health spending and is projected to affect near-term spending, including an overview of newly released national health expenditure projections.

John Poisal, deputy director, National Health Statistics Group, Office of the Actuary, Centers for Medicare & Medicaid Services; and Regina Rosace, vice president & medical director, SCOR Global Life Sciences, will lead the discussion, with Rebecca Owen, chairperson of the Academy's Health Care Delivery Committee, moderating. The webinar will be held on Tuesday, May 24, from noon to 1 p.m. EDT. [Register today.](#) ▲

HEALTH BRIEFS

➔ **Stewart Campbell** joined the Medicaid Committee.

Precept 10: Courtesy and Cooperation

COURTEOUS COMMUNICATION and behavior are essential to any relationship, whether personal or professional. In most situations, keeping things cordial is not difficult. But sometimes, emotion flares, and we do or say things we come to regret. Precept 10 of the [Code of Professional Conduct](#) goes straight to the heart of some of the most difficult situations actuaries can face in their professional lives—a difference of opinion with another actuary or a principal consulting with another actuary—and reminds us that even then, the profession expects every actuary to act with courtesy and cooperation. As Precept 10 states, “An Actuary shall perform Actuarial Services with courtesy and professional respect and shall cooperate with others in the Principal’s interest.”

Several annotations provide more detail about some of the difficult situations an actuary may face and how to handle them. Annotation 10-1 recognizes that actuaries may have different opinions, particularly in the choice of assumption and methods, which can lead to different end results. In addition, the Code does not prevent or constrain actuaries from providing an alternate opinion, recognizing that, in some situations, “the best interest of the Principal would be served by the Actuary’s setting out an alternative opinion to one expressed by another actuary, together with an explanation of the factors that lend support to the alternative opinion” (annotation 10-3). When discussing such differences or alternate opinions with the other actuary or with the Principal, or when discussing the other actuary’s work, you should always discuss them “objectively and with courtesy and respect.”

In some cases, a principal may wish to retain more than one actuary to advise on the same matter. Annotation 10-2 notes that a principal has every right to do so but suggests that, if you are approached to take on a role as a second or successor actuary, it may be a good idea to reach out to the

first actuary to learn more about the situation and prepare for the assignment. However, under annotation 10-4, the principal’s consent is needed for such consultation; if it is withheld, you may want to reconsider accepting the assignment. In

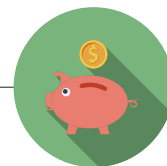
some cases, consultations with the other actuary may reveal circumstances involving a potential violation of the Code.

Finding yourself as the original actuary in such a situation would no doubt be upsetting. If you are the original actuary, and the principal has consented to the new actuary contacting you for information, you must cooperate in furnishing relevant information in a timely manner, subject to receiving reasonable compensation for the work required to assemble and transmit pertinent data and documents (annotation 10-5). You may not refuse to cooperate based on unresolved compensation issues, unless such refusal is in accordance with a pre-existing agreement with the principal. You need not, however, provide items of a proprietary nature, such as

internal communications or computer programs. Providing information to another actuary promptly is important—the Academy has disciplined two actuaries for Precept 10 violations, both related to furnishing relevant information to another actuary.

You might read this and think, “Why do I need such reminders? Of course, I will conduct my interactions with others with courtesy and cooperation!” But it is easy to say that when you are not facing one of these situations. Unfortunately, human nature is such that emotions often get the better of us. When someone challenges our work, or perhaps wants to replace us (thus threatening our livelihood), we tend to get angry and defensive. Speaking or acting with courtesy isn’t always instinctive. If you find yourself in one of these situations and are not quite sure what to do, consider calling the Actuarial Board for Counseling and Discipline (ABCD) with a [request for guidance](#). ▲▲

Several annotations to Precept 10—which addresses courtesy and professional respect—provide more detail about some of the difficult situations an actuary may face and how to handle them.



PPC Hosts ‘Hill Visits’ in Nation’s Capital

THE PENSION PRACTICE COUNCIL (PPC) hosted “Hill Visits” April 25 and 26—virtual meetings with policymakers on Capitol Hill and federal agencies in the nation’s capital. Almost two dozen volunteers and Academy staff participated in about 20 meetings, and the members of the PPC and its committees discussed their work and shared their expertise on issues of interest to legislators and policymakers including Social Security, retirement policy, and pension plan reforms.

While the Academy is in touch with agencies and congressional staff throughout the year, these annual visits allow more volunteers to actively participate in discussions with federal public policymakers to hear directly from them on issues of importance to them including active legislation and regulatory rule making. In addition to solvency concerns and reform proposals involving Social Security, diversity, equity & Inclusion implications stemming from both Social Security and private pension plans were discussed as well as specific topics relating to retirement/pensions that were included in multiemployer plan relief, new plan designs, and the SECURE 2.0 bill before Congress.

“The PPC has a broad array of talent to contribute and several areas of focus—including private plans, multiemployer plans, Social Security, and public plans and beyond—and we made use of all this experience and knowledge of our volunteers in the Hill Visits with congressional staff and federal regulators and policymakers,” said Academy Pension Vice President Sherry



EBSA’s Ali Khawar in a Pension Hill Visit session on April 26

Chan. “In the two days of these productive meetings actuaries covered a lot of ground, offering an actuarial voice in important public policy pension issues.”

PPC and committee volunteers, along with Academy staff, met with congressional staff from the House Ways and Means Committee and several of its subcommittees; the Senate Health, Education, Labor, and Pensions (HELP) Committee; and the Senate Finance Committee. They also met with representatives from the Congressional Research Service, the Government Accountability Office, and the Department of Labor’s Employee Benefits Security

Administration (EBSA), including with EBSA Acting Assistant Secretary Ali Khawar, who also presented in an Academy pension webinar in March.

“It was very helpful to hear from the Senate and House committees of jurisdiction on retirement policy as they shared their perspectives of what provisions might be included in possible bipartisan legislation expected to be acted on this year as the Academy’s Retirement System Assessment and Policy Committee, or RSAP, has been focused on actions to increase retirement security,” said Claire Wolkoff, chairperson of RSAP. ▲

New Brief Examines Funding Requirements for Single-Employer Plans

THE PENSION COMMITTEE published an issue brief, [Public Policy Considerations for Changing Single Employer Pension Plan Funding Rules](#), which offers public policymakers a concise, actuarially informed look at the complex considerations involved in modifying minimum funding requirements for single-employer

defined benefit plans.

“This new resource draws on actuarial expertise to provide policymakers with key factors to evaluate the different available options for modifying the requirements, and to understand the interests, needs, and potential impacts on plan participants, sponsors, taxpayers, shareholders, and the

Pension Benefit Guaranty Corporation,” said committee Vice Chairperson Grace Lattyak. Read the Academy [news release](#). ▲

PENSION BRIEFS

➔ **Chris Noble** joined the Pension Practice Council.



Actuarial Update

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New Practice Note Explores LTC Combination Products

THE LIFE PRACTICE COUNCIL'S Long-Term Care (LTC) Combo Product Valuation Practice Note Work Group released [Long-Term Care Life Insurance Combination Product Valuation](#), a practice note that addresses the application of the National Association of Insurance Commissioners (NAIC) Valuation Manual to these products from primarily a life insurance perspective. A previous LTC combination product practice note was developed in 2019 by the Academy's Health Practice Council.

For a deep dive into the practice note, the upcoming Spring *Life Perspectives* will feature a Q&A with Robert Eaton, chairperson of the work group that developed the practice note. ▲

Register for Next Month's Life Policy Webinar

JOIN US for "[Academy Life Practice Webinar—Spring 2022 Policy Update](#)," which will look at current public policy activity in life insurance issues. Updates will include: NAIC's H Committee (Innovation, Cybersecurity, and Technology), high-yielding asset actuarial guideline for asset adequacy analysis, the economic scenario generator field test, and the Academy's Model Office for the economic scenario generator project. The webinar will be held on Wednesday, May 4, from noon to 1:15 p.m. [Register today.](#) ▲

LIFE BRIEFS

- ➔ **Kyle Wan** joined the Life Experience Committee.
- ➔ **Chris Trost** joined the C2 Mortality Risk Work Group.
- ➔ **Christine Bass** and **Maambo Mujala** joined the Variable Annuity Reserves and Capital Work Group.

RISK MANAGEMENT BRIEFS

- ➔ **Lisa Slotznick** is chairperson of the Climate Change Joint Task Force and the following are members of the task force: **Margot Kaplan**, **Andrea Sellers**, and **Mark Shemtob**.
- ➔ **Michelle Young** is vice chairperson of the ERM/ORSA Committee.
- ➔ **Tricia Matson** is chairperson of the new Prudential Regulation Committee.

Upcoming at the Academy

- ▲ This summer, be on the lookout for a **member value survey** that will help the Academy better understand and serve you.
- ▲ The **May/June Contingencies** looks at COVID-19's impact on life insurance, the "great unwinding" of Medicaid after the public health emergency ends, and much more.
- ▲ The Casualty Practice Council and Risk Management and Financial Reporting Council will hold joint **Hill Visits** with federal lawmakers and policymakers in Washington.
- ▲ The upcoming **spring professionalism webinar** will feature academic experts who will explore answers to the question, "What does unfairly discriminatory mean?"