



NEWS RELEASE

Immediate Release

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Actuaries Call on President and Congress to Adopt Cornerstones for a Financially Secure America

WASHINGTON – 27 Jan. 2010 – As President Obama readies his State of the Union address, the **American Academy of Actuaries** is urging policymakers to adopt four cornerstones to focus the nation's domestic policy agenda to improve the financial security of all Americans and restore the nation's fiscal health.

“Americans are facing significant risks and financial challenges,” said **Ken Hohman**, the president of the American Academy of Actuaries. “With unemployment remaining high, the problem of families with no health insurance persists unabated, and with diminishing employer-sponsored retirement coverage, risks continue to shift to individuals. As actuaries, we have experience and expertise in managing these types of financial risks and developing policy solutions that can benefit the public at-large. The American Academy of Actuaries is committed to serving the public interest and offers its assistance to President Obama and Congress as they move to address these challenges.”

Health security

Curbing health care spending growth, reducing the number of uninsured, increasing the access to affordable health coverage, and improving health care quality are fundamental to providing health security to all Americans. The actuaries are encouraging policymakers to continue to resolve differences regarding health care reform proposals with these goals in mind and to do so in an actuarially sound manner.

Fiscal security

The 2009 trustees' reports highlight the imperative to act immediately to address the challenges facing Social Security and Medicare. The financial condition of the nation's retirement programs continues to deteriorate and inaction will only make future efforts to restore the programs' financial viability more extreme and burdensome to future generations. The actuaries are hopeful that these findings will spur all stakeholders to act in an objective, nonpartisan way to resolve these solvency concerns.

Retirement security

In addition to entitlement reform, the actuaries are calling for a long-term national retirement policy framework focusing on the increasing challenges facing retirees as a result of longevity risk, inflation risk and investment risk. The transition away from traditional defined benefit pension plans has shifted more retirement risks from employers to individuals, which requires new public policies to enable employees and retirees to manage and mitigate these risks. The actuaries are also stressing the need to include efforts to increase financial literacy as part of broader retirement policy reforms.

Financial systemic risk management

The actuaries are also calling on policymakers to reform the nation's financial services regulatory framework to better anticipate and manage future systemic risk. Fundamental regulatory change should incorporate sound risk management principles, including key requirements for effective regulation: identifying systemic risk, measuring and monitoring risk, and limiting the growth of systemic risk. Any new federal reforms should employ the appropriate oversight, expertise and accountability to safeguard the country against the type of risks that contributed to the current economic challenges facing the country.

For more information, contact Andrew Simonelli, assistant director of communications for the American Academy of Actuaries, at 202.785.7872. For more information on the American Academy of Actuaries, please visit: www.actuary.org.

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The American Academy of Actuaries is a 16,000-member professional association whose mission is to serve the public on behalf of the U.S. actuarial profession. The Academy assists public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.