

AMERICAN ACADEMY OF ACTUARIES

2012 RECORD

*Academy  
Year in  
Review*

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AMERICAN ACADEMY *of* ACTUARIES

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# Introduction



*Dave Sandberg, President, 2011-2012*

Dear Academy Colleague,

When I reflect on my professional growth over the years, I naturally credit my employers. But I also credit my involvement as an Academy volunteer. My Academy service has allowed me to develop skills I don't normally use in my day job. But it also has given me the space to more fully stretch my actuarial muscles and apply principles I've developed in my daily work in new and interesting ways.

My work and volunteer activities at the Academy have complemented each other, expanding my understanding and improving my application of important management concepts such as driving innovation, leading others, and fostering relationships. In both venues, I'm working on the same type of problem. For long-run sustainability to occur, each stakeholder—whether the distributor, shareholder, policyholder, regulator, or taxpayer—needs to gain value from the arrangement.

The Academy in 2012 certainly benefited from the untiring efforts of its volunteers in every area of practice and professionalism. We continued to "lean into the wind," so to speak, and be an effective voice on actuarial matters in the public interest, be a source of unbiased advice to decision-makers, and

be proactive in developing initiatives on national issues.

As the Supreme Court considered health care reform, the Academy filed an amicus brief that provided actuarial input on the consequences of severing the individual mandate—should it be invalidated by the court—but allowing the market reforms to remain in effect. The Academy did not take a position on the law itself, on the constitutionality of the mandate, or on whether the mandate was severable from any provisions other than those related to guaranteed issue and community rating. Many briefs were submitted to the court, but ours was one of the few cited by both sides.

We also commented on a highway transportation bill that contained new measures for pension funding stabilization. We acknowledged the complexity of the matter while advocating transparency in determining and disclosing current funding situations. Our position did not sit well with all audiences, but it was insightful and carefully worded and enhanced our reputation as nonpartisan.

To aid voters, the media, and candidates in this election year, we developed a series of voter guides that provide nonpartisan information on issues of particular concern to actuaries. The guides address Social Security, health care reform, Medicare, and Medicare premium support. We also created campaign 2012 toolkits and posted them on our website for Academy members interested in delivering objective policy information to professional and community groups.

To help members earn continuing education credit and stay up to date on current regulations, standards, and practices, the Academy has hosted more than 15 webinars this year. We also sponsored—some in conjunction with some of the other actuarial organizations—seminars and conferences that provide opportunities for members to network with other actuaries and enhance their skills.

This kind of activity is the source of our power. Our collective strength as a profession comes from leaning into and caring about our professional standards

and discipline, as well as our engagement in relevant issues of public policy.

In the pages that follow, you'll read more about the wide variety of activities that the Academy has engaged in over the previous 12 months. All of this work couldn't have been achieved without the Academy's dedicated volunteers, who through their service continue the legacy of earlier volunteers—dating back to 1965—who have worked to ensure that the Academy fulfills its mission to serve as the public voice for the U.S. actuarial profession and provide independent and objective actuarial information, analysis, and education for the formation of sound public policy.

Thanks to all of you for your part in this important mission. I hope that, like me, the Academy's volunteers find that their work at the Academy has added value for them both personally and professionally.

Sincerely,

David K. Sandberg  
2012 President  
American Academy of Actuaries

# Council of U.S. Presidents Highlights

The Council of U.S. Presidents (CUSP) is the Academy committee on which the presidents and presidents-elect of the five major U.S.-based actuarial organizations come together to discuss issues of importance to the entire U.S. actuarial profession. In 2012, CUSP continued to discuss and advance a proposal to establish a joint disciplinary process among all the organizations.

Under the proposal, a disciplinary recommendation by the Actuarial Board for Counseling and Discipline, after being provided to the appropriate member organizations, would be submitted for determination to a single representative joint disciplinary panel and, in the event of an appeal, a joint appeal panel. The intent of the proposal is to create a more efficient disciplinary process with greater consistency in outcomes.

The proposed reforms required each of the U.S.-based actuarial associations to vote on bylaw changes that would allow their organization the option to participate in a joint discipline agreement. Those votes occurred in 2011 at each of the organizations, and the membership for each organization subsequently voted and passed these amendments. The next steps, which remain subject to final

approval by the board of directors of each of the organizations, will address how to structure such a joint process.

CUSP appointed a Rules Task Force in 2012 to consider that question. The task force in late July proposed the [JDC Rules of Procedure for Disciplinary Actions](#), and each organization exposed the draft to its membership for comment. Recognizing the time needed to consider these comments, CUSP changed the effective date of the proposed agreement on joint discipline to March 31, 2013.

CUSP also discussed significant international issues in 2012, continuing to coordinate among the U.S.-based organizations in the review of draft model international standards of actuarial practice (ISAPs) proposed by the International Actuarial Association (IAA). CUSP asked the Actuarial Standards Board (ASB) in 2011 to review the first exposure draft of an IAA model standard, ISAP 1—General Actuarial Practice—and to establish a process that could be used in the future as more model international standards emerge. In response to CUSP's request, the ASB created a substantive and thorough review process. The ASB submitted comments on the final draft of ISAP 1 to CUSP and the IAA in October 2012.

# Council on Professionalism Highlights

## The Council on Professionalism and/or its committees:

■ Recommended to the Academy Board of Directors that it establish a requirement that all Academy members who serve on any Academy committee annually comply with and attest to their compliance with the continuing education (CE) requirements of the U.S. Qualification Standards. The board approved the recommendation at its meeting on Oct. 28, 2011.

■ Hosted and sponsored quarterly webinars on professionalism topics to help actuaries meet their CE requirements, including:

- [U.S. Qualification Standards—Key Aspects and Your FAQs Answered](#). The March 14, 2012, webinar had 820 registered sites and reached an estimated 5,740 participants.
- [ABCD Requests for Guidance—Insight and Case Studies](#). The June 25, 2012, webinar had 882 registered sites and reached an estimated 5,200 participants.
- [Precept 13—How Do I Comply in a Self-Regulating Profession?](#) The Sept. 13, 2012, webinar had more than 700 registered sites and reached an estimated 5,600 participants.
- [Improving Your Practice Through Peer Review](#). The Dec. 12, 2012, webinar reached an estimated 3,800 participants.

■ Participated in Society of Actuaries (SOA) and Casualty Actuarial Society professionalism courses, and served as a professionalism resource for all actuarial organizations and actuarial clubs throughout the United States.

■ Submitted a letter to the Department of Health and Human Services regarding the use of the terms “qualified and licensed” actuary and “member in



*John Gleba  
Vice President,  
Professionalism*

good standing” of the Academy in the Mental Health Parity and Addiction Equity Act of 2008.

■ Continued to respond to numerous questions on the U.S. Qualification Standards. The committee met with representatives from the SOA to address their concerns regarding Section 2.1 of the U.S. Qualification Standards.

■ In conjunction with the Health Practice Council, sent a second [letter](#) to the Arizona Department of Insurance advising it that the state’s regulatory definition of “qualified actuary” for health premium actuarial certifications was inappropriate. The letter also recommended corrective language.

■ Sent a [letter](#) to all state insurance commissioners offering recommended language for the definition of “qualified actuary” as it relates to the Affordable Care Act’s rate review provision.

■ Pursuant to the Academy’s Strategic Plan, ensured that Academy volunteers annually acknowledge the [Conflict of Interest](#) policy as required by the board.

■ Sponsored the 12th annual Life and Health Qualifications Seminar to assist actuaries in meeting the examination and continuing education requirements under Section 3 of the U.S. Qualification Standards. More than 75 actuaries attended the Nov. 7–10, 2011, seminar, and 42 actuaries took the examination on the final day.

■ Sent a letter to the North Carolina Department of Insurance after it informed the Academy that it was considering strengthening regulations by changing the definition of a “qualified actuary” from being an Academy member or a member of the SOA to requiring qualified actuaries to be a member of both organizations. The letter explained that members of both organizations adhere to the same professionalism standards.

■ Continued to strengthen the relationship between regulators at the National Association of Insurance Commissioners (NAIC) and the Academy’s professionalism team by participating at various NAIC meetings and by holding events at

NAIC national meetings. The council hosted breakfasts and scheduled “office hours” so that regulators could meet and talk with key leaders of professionalism. It also conducted round-table discussions to address professionalism issues of concern to regulators.

■ Entered into an agreement with professors from Drake University to circulate an in-depth professionalism survey to Academy members. The survey results will be summarized in a research paper for the Academy’s use. The council set up a subcommittee to work with researchers in formulating questions and reviewing results.

■ Formed work groups to create metrics to measure and evaluate various professionalism tasks pursuant to the strategic plan, including Actuarial Board for Counseling and Discipline relations with the public and actuaries, and the success of the U.S. Qualification Standards, actuarial standards of practice, and the Actuarial Standards Board.

■ Continued to review and update previously published professionalism discussion papers.

■ Vetted candidates nominated for this year’s Robert J. Myers Public Service Award.

# ABCD Highlights

The Academy and other U.S.-based actuarial organizations undertake to strengthen members' adherence to the recognized standards of practice, qualification, and professional conduct through the Actuarial Board for Counseling and Discipline (ABCD). The ABCD is an autonomous board housed in the Academy to provide guidance to practitioners, offer an avenue to report grievances regarding professional activities, counsel actuaries with situational issues, and recommend disciplinary alternatives to member organizations for violation of professional standards. One of the ABCD's most important roles is to help prevent violations by responding to actuaries' voluntary requests for individual counseling.

As of Dec. 31, 2012, the ABCD had 19 inquiries in progress and had completed 55 inquiries in 2012. Of those 55 inquiries, 48 were dismissed, two were dismissed with guidance and five resulted in a recommendation for discipline. The ABCD also responded to 62 requests for guidance.

The ABCD continued its educational outreach throughout the year. ABCD representatives responded to speaker requests and continued to write the column Up to Code, which appears in each issue of



*Paul Fleischacker  
Chairperson, ABCD*

*Contingencies* magazine. Up to Code is a vehicle to inform the profession about current issues that the ABCD has seen in its counseling and discipline work. The 2012 Up to Code topics were:

- Jan/Feb 2012—[“Types of Discipline”](#)  
A guide to the ABCD's process when a formal complaint is brought against another actuary.
- March/April 2012—[“Am I Qualified?”](#)  
Just because you are an actuary doesn't mean you're qualified to perform all actuarial services.
- May/June 2012—[“Peer Review”](#)  
As with most professions, the peer review process is an aid and a potential preventive, but not a shield.
- July/August 2012—[“Keeping the Code”](#)  
Assessing whether a violation of the Code of Professional Conduct has occurred requires a thorough understanding of both the Code and the standards.
- Sept/Oct 2012—[“Let's Be Perfectly Clear”](#)  
There are certain aspects of the revised Actuarial Standard of Practice No. 41, *Actuarial Communications*, that could lead to disciplinary action if improperly handled.
- Nov/Dec 2012—[“Modeling to Code”](#)  
Although no specific standard exists, a number of standards and actuarial principles deal with aspects of predictive modeling.

## Public Discipline Highlights

The Academy convenes a disciplinary committee to hear each individual case referred to it by the Actuarial Board for Counseling and Discipline (ABCD). Acting in accordance with the Academy's bylaws to review the recommendation from the ABCD, these committees addressed the disciplinary recommendations the Academy received from the ABCD in

2012. In accordance with the Academy's efforts to be as transparent as possible within confidentiality constraints, the Academy posts all [notices of public discipline](#) on its website. In 2012, the Academy suspended one member for five years, suspended two members for three years each, and publicly reprimanded one member.

# ASB Highlights

The Actuarial Standards Board (ASB) establishes and improves standards of actuarial practice. These actuarial standards of practice (ASOPs) identify what the actuary should consider, document, and disclose when performing an actuarial assignment. The ASB's goal is to set standards for appropriate practice for actuaries working in the United States.



*Robert Meilander  
Chairperson, ASB*

## When creating or revising an ASOP, the ASB

- Reviews and evaluates current and emerging practices;
- Determines appropriate guidance;
- Publishes an exposure draft to obtain input from actuaries and other interested parties;
- Considers all comments received; and
- Publishes a final standard or another exposure draft.

## From Jan. 1, 2012, to Dec. 31, 2012, the ASB

### Released eight exposure drafts:

- Proposed revisions of ASOP Nos. 22 and 28, [Statements of Opinion Based on Asset Adequacy Analysis by Actuaries for Life and Health Insurers](#) and [Statements of Actuarial Opinion Regarding Health Insurance Liabilities and Assets](#)
- Proposed revision of [Introductory Actuarial Standard of Practice](#)

- Proposed revision of ASOP No. 4, [Measuring Pension Obligations and Determining Pension Plan Costs or Contributions](#)
- Proposed revision of ASOP No. 27, [Selection of Economic Assumptions for Measuring Pension Obligations](#)
- Proposed revision of ASOP No. 38, [Using Models Outside the Actuary's Area of Expertise \(Property and Casualty\)](#)
- Proposed revision of ASOP No. 6, [Measuring Retiree Group Benefit Obligations and Determining Retiree Group Benefits Plan Costs or Contributions](#)
- Proposed new ASOP, [Risk Evaluation in Enterprise Risk Management](#)
- Proposed new ASOP, [Risk Treatment in Enterprise Risk Management](#)

### Released one discussion draft:

- [Assessment and Disclosure of Risk Associated With Pension Obligations, Plan Costs, and Plan Contributions](#)

### Issued the final version of one revision:

- ASOP No. 20, [Discounting of Property/Casualty Unpaid Claim Estimates](#)

### Adopted three new ASOPs:

- ASOP No. 45, [The Use of Health Status Based Risk Adjustment Methodologies](#)
- ASOP No. 46, [Risk Evaluation in Enterprise Risk Management](#)
- ASOP No. 47, [Risk Treatment in Enterprise Risk Management](#)

# Public Policy Highlights

## Summer Summit

More than 60 leaders of the actuarial profession gathered in Washington on July 16 for the Academy's annual Summer Summit to discuss how the Academy can utilize its actuarial expertise and critical perspective to address rising health care costs and the challenges associated with managing lifetime income.

The topics for this year's Summer Summit were set by Academy President-elect Cecil Bykerk and were intended to help determine "whether, why, and how the Academy should focus its efforts and resources to elevate these issues." The actuarial leaders met in breakout sessions that were informed by presentations from three respected economists.

David Blake, a professor of pension economics at City University's Cass Business School in London, kicked off the morning session by sharing his thoughts on the critical role annuities play in retirement income. The afternoon session featured two speakers—Sherry Glied, assistant secretary of planning and evaluation at the Department of Health

and Human Services, and Mark McClellan, director of the Engelberg Center for Health Care Reform at the Brookings Institution—who looked at next steps in health care reform and outlined ways to contain health care costs.

## Public Interest Committee

The Public Interest Committee continued to focus on the initiative it launched in 2011 to promote public policy solutions to the problem of lifetime income. Lifetime income was one of the two topics explored at the Academy's 2012 Summer Summit in July, and was discussed at a special meeting of actuarial organization representatives after the summit. It also was the focus of the 2012 Pension Symposium, which was held in conjunction with the Enrolled Actuaries Meeting in March.



*2012 Academy President-elect Cecil Bykerk (far left) and 2013 Academy President-elect Tom Terry (far right) welcome guest speakers Sherry Glied and David Blake to the 2012 Summer Summit.*

## Casualty Practice Council Highlights

### The Casualty Practice Council:

- Provided [comments](#) to the National Association of Insurance Commissioners (NAIC) on its 2012 Actuarial Opinion Instructions exposure draft.
- Conducted the Academy's seventh annual [seminar](#) on loss reserve opinions. Seminar topics included applicable actuarial standards of practice and U.S. Qualification Standards, documentation, point estimates, and risk of material adverse deviation.
- Evaluated an applicant's qualifications to sign NAIC casualty loss reserve opinions.
- Published the annual [Property/Casualty Loss Reserve Law Manual](#), which is designed to help appointed actuaries comply with the NAIC annual statement requirements for property/casualty statements of actuarial opinion.
- Updated the annual [Statements of Actuarial Opinion on Property and Casualty Loss Reserves](#) practice note.
- Cosponsored a [webinar](#) with the Casualty Actuarial Society on data, documentation, and disclosure issues that arise when writing NAIC property/casualty actuarial opinions. The webinar attracted 371 participants.
- Published a [fact sheet](#) on death, disability, and retirement extended reporting endorsements. This was the third in a series of fact sheets published by the Academy's Medical Professional Liability Committee for use by actuaries and the general public.
- Provided a [comment letter](#) to leaders in the U.S. House of Representatives about the actuarial impli-



*Timothy L. Wisecarver  
Vice President, Casualty*

cations of H.R. 5, the Help Efficient, Accessible, Low-cost, Timely Healthcare (HEALTH) Act. The act would have implemented medical professional liability reforms similar to those instituted by the state of California in its Medical Injury Compensation Reform Act. The Medical Professional Liability Committee's comments discussed the effects of shortened statutes of limitations, limitations on noneconomic damages, limitations on attorney contingency fees, and having an option for periodic payments.

- Offered [comments](#) on natural catastrophe insurance reform options to the NAIC's Property-Casualty Insurance Committee.
- Contributed to [comments](#) submitted to the NAIC Solvency Modernization Task Force on its white paper, *The U.S. National State-Based System of Insurance Financial Regulation and the Solvency Modernization Initiative*.
- Commented on proposed changes to the 2012 property/casualty actuarial opinion and actuarial opinion summary instructions in a [letter](#) to the NAIC Blanks Working Group.
- Published [Actuarial Soundness: A Special Report](#), in collaboration with members of the property/casualty, life, health, and pension practice councils. The report, which gives an overview of the uses of the phrases "actuarial soundness" and "actuarially sound" in state and federal legislative and regulatory contexts, was submitted to committees of jurisdiction in the U.S. House and Senate, as well as all state legislative insurance committees and state insurance commissioners.
- Participated in a [panel discussion](#) on flood insurance reform at a summit hosted by the NAIC Center for Insurance Policy and Research.

## Health Practice Council Highlights

### The Health Practice Council:

- Developed new voter guides for the [2012 campaign](#) on issues related to Medicare, risk pooling, premium support, and health care costs. Drafted comment letters and issue briefs for federal and state policymakers and regulators on the implementation of several key provisions of the Affordable Care Act (ACA). The letters addressed topics such as Medicaid, actuarial value, stop-loss insurance, risk adjustment, and medical loss ratios.



**Thomas F. Wildsmith**  
Vice President, Health

- Met with representatives from congressional offices, government agencies, and external organizations to discuss health reform implementation. During and subsequent to the Capitol Hill visits, the council responded to questions on a wide variety of issues, including long-term care, essential benefits and actuarial value, risk adjustment, large employers' response to the ACA, alternatives to the individual mandate, and the effect of the ACA on premiums, payment reform, Medicare, and Medicaid.

- Held a series of round-table discussions on the future of long-term care and options to reform the financing system. During these conversations, participants identified a number of criteria by which reform options could be evaluated, including financial soundness/sustainability, affordability, coverage/eligibility, appropriateness of incentives created, comprehensiveness of benefits, and choice.

- Conducted free webinars for Academy members on [Medicare](#), [ACA implementation](#), and the June 28 [Supreme Court decision](#) regarding the constitutionality of the individual mandate and Medicaid expansion provisions in the ACA.

- Worked with the National Association of Insurance Commissioners (NAIC) on projects related to the Medicare supplement refund formula, a valuation table for group long-term disability, and a

survey of carriers that write Medicare Part D business. Council members collaborated with the Society of Actuaries on projects related to evaluating, updating, and adjusting the 1985 NAIC cancer claims cost tables, and made recommendations for the valuation morbidity tables for long-term care insurance.

- Issued two practice notes: [Actuarial Practices Relating to Preparing, Reviewing, and Commenting on Rate Filings Prepared in Accordance with the Affordable Care Act](#) and [Long-Term Care Insurance Compliance with the National Association of Insurance Commissioners Long-Term Care Insurance Model Regulation Relating to Rate Stability](#). The council also began work on practice notes related to large group medical business insurance and minimum value/actuarial value determinations under the ACA.

## Life Practice Council Highlights

### The Life Practice Council:

- Contributed many [reports and proposals](#) on the development of principle-based reserving (PBR). On Aug. 17, 2012, the *Valuation Manual* (including Section VM-20, which sets forth requirements for life insurance principle-based reserves) was adopted by the NAIC's Life Insurance and Annuities (A) Committee.

- Provided additional [analysis](#) on contingent annuities to the NAIC's Contingent Deferred Annuity (CDA) Subgroup for a report to the NAIC Life Insurance and Annuities (A) Committee. The subgroup's report concluded that CDAs are best written through life companies, not property and casualty companies, and that CDAs resemble guaranteed lifetime withdrawal benefit riders with variable annuities. Both conclusions were supported by the Academy Contingent Annuity Issues Work Group's October 2011 [report](#) to the NAIC.

- Hosted webinars following the NAIC [spring, summer](#), and [fall](#) national meetings to update webinar participants on the proceedings at the NAIC meet-



**Cande Olsen**  
Vice President, Life

ings and the progress made on the principle-based approach (PBA) initiative.

- Presented a [webinar](#) with the Pension Practice Council that featured a discussion among members of the Lifetime Income Risk Joint Task Force on risks of inadequate lifetime income, current options to address the risk, possible policy solutions to help retirees better prepare for managing retirement needs, and new initiatives under way within the Academy to advance the discussions surrounding longevity risk. The task force also continued work on a white paper that will address many of the issues covered in the March 7 webinar.

- Jointly sponsored a September [seminar](#) with the Society of Actuaries on the NAIC's newly adopted Section VM-20 of the *Valuation Manual*. Seminar attendees had an opportunity to work hands-on with VM-20 reserving scenarios.

- Submitted [comments](#) to the NAIC C-3 Phase II/AG 43 Working Group on the overall effectiveness of the C-3 Phase II and AG 43 methodologies.

- Presented a [draft project plan](#) to the NAIC C1 Factor Review (E) Subgroup that covers the development of the bond risk-based capital (RBC) factors and changes to the RBC determination for structured securities.

- Submitted [comments](#) to the NAIC Valuation of Securities (E) Task Force about modifications to the methodology for assigning classifications to investments and changing how classification decisions are implemented.

- Updated a [frequently asked questions](#) document that provides important information about the Academy's interest rate generator.

- [Reported](#) to the NAIC Life Actuarial Task Force on the progress the Academy's Nonforfeiture Modernization Work Group is making on a general revision of life and annuity standard nonforfeiture laws. A report on guaranteed nonforfeiture basis factor assumptions is close to a final version.

- Continued efforts to update the *Life Illustrations* practice note. A new practice note on the treatment of value of business acquired, goodwill, and other intangible assets also is nearing completion.

- Contributed to [comments](#) submitted to the NAIC Solvency Modernization Task Force on its white paper,

*The U.S. National State-Based System of Insurance Financial Regulation and the Solvency Modernization Initiative.*

- Prepared the annual *Life & Health Valuation Law Manual* for publication. The manual is designed to help appointed actuaries comply with the requirements of the NAIC Model Standard Valuation Law and the Model Actuarial Opinion and Memorandum Regulation.

## Pension Practice Council Highlights

### The Pension Practice Council:

- Conducted a Capitol Hill [briefing](#) to present new research findings that indicate that the private defined benefit (DB) system is facing a "rising tide" of pension funding challenges. Presenters at the Oct. 11, 2011, briefing, which was jointly sponsored by the Society of Actuaries, discussed important implications for plan sponsors, beneficiaries, and policymakers.

- Presented a [webinar](#) with the Life Practice Council that featured a discussion among members of the Lifetime Income Risk Joint Task Force on risks of inadequate lifetime income, current options to address the risk, possible policy solutions to help retirees better prepare for managing retirement needs, and new initiatives under way within the Academy to advance the discussions surrounding longevity risk. The task force also continued work on a white paper that will address many of the issues covered in the March 7 webinar.

- Submitted a [letter](#) to Sen. Orrin Hatch in response to his January report on state and local government DB pension plans. The letter referenced a Pension Practice Council [issue brief](#) released in July that debunks the myth of using an 80 percent funding ratio for evaluating the soundness of a pension plan.

- Submitted a [comment](#) letter to the MAP-21 Congressional Conference Committee on the pension



**John Moore**  
Vice President, Pension

funding stabilization provisions included in S. 1813, the Moving Ahead for Progress in the 21st Century Act, as passed by the Senate. The Pension Practice Council wrote that smoothing outputs (contribution requirements) rather than inputs (discount rates) would provide plan sponsors with greater pension funding stability. The letter also recommended that, to the extent input smoothing is pursued, the assumptions from the Pension Protection Act of 2006 be used when disclosing the funded status. The final law, which was signed into law by President Obama on July 6, included annual funding notice disclosure requirements that are consistent with the suggestions made by the Pension Practice Council.

- Published several issue briefs focusing on Social Security. Brief topics included the significance of the program's [trust fund](#), the [assumptions](#) used to evaluate the program's financial condition, and an actuarial perspective on the [2012 Social Security Trustees Report](#).
- Developed a [voter guide](#) for the 2012 elections to help policymakers, the media, and the public evaluate Social Security reform proposals and gain a better understanding of the serious financial challenges facing the program. The guide is part of the Academy's [campaign 2012](#) toolkit on Social Security.
- Submitted numerous comment letters to the Department of the Treasury, the IRS, and the Department of Labor. Topics included increasing flexibility for elections to reduce [funding balances](#), the application of Internal Revenue Code [Section 415\(b\) limits](#), [partial annuity distribution options](#) and [longevity annuity contracts](#), and [lump-sum distributions](#) during plan sponsor bankruptcy.
- Updated a [practice note](#) on selecting and documenting mortality assumptions for pensions.
- Developed an [issue brief](#) that examines the structure of Pension Benefit Guaranty Corp. (PBGC) premium rates and looks at several proposals to improve PBGC's financial viability.
- Presented a [webinar](#) on the 2012 Social Security Trustees Report. Panelists for the Nov. 27, 2012, webinar discussed the assumptions used in Social Security projections.

## Risk Management/Financial Reporting Council Highlights

### The Risk Management/Financial Reporting Council:

- [Commented](#) to the Federal Insurance Office on its study that looked at how to modernize and improve the U.S. system of insurance regulation. The comments focused on the regulation of insurance risk and systemic risk.
- Provided [comments](#) to the Financial Stability Oversight Council (FSOC) on its proposed rule on systemically important financial institutions and the processes and metrics the draft rule uses to identify such companies or entities.
- Submitted [comments](#) to the International Accounting Standards Board (IASB) on the definition of contract boundaries for insurance contracts.
- Sent [comments](#) to the Board of Governors of the Federal Reserve System on its proposed rule establishing additional prudential standards to apply to nonbank financial service companies identified by the FSOC as companies that could pose systemic risk. The comments focused on the application of the proposed standards addressing risk-based capital, leverage regulations, liquidity standards, risk management processes, counterparty limits, stress test requirements, debt-to-equity limits, and early remediation to U.S. insurers that currently are under the regulatory supervision of one state functional regulator.
- Contributed to [comments](#) submitted to the National Association of Insurance Commissioners (NAIC) Solvency Modernization Task Force on its white paper, *The U.S. National State-Based System of Insurance Financial Regulation and the Solvency Modernization Initiative*.
- Provided [comments](#) to the International Association of Insurance Supervisors (IAIS) on its *Draft of*



*Maryellen Coggins  
Vice President, Risk  
Management and  
Financial Reporting*

*Common Framework for Supervision of Internationally Active Insurance Groups* concerning the relationship between internationally active insurance groups and supervisors, and the framework for supervisors to address groupwide activities and risks.

- Sent [comments](#) to the IAIS on its proposed method to identify insurers whose distress or disorderly failure would cause significant disruption to the global financial system and economic activity.
- [Responded](#) to the Federal Insurance Office's request for comment on the purpose of reinsurance, the effect of domestic and international regulation

on reinsurance in the United States, and the coordination of reinsurance supervision nationally and internationally.

- Conducted a [webinar](#) on the concepts underlying risk classification as it is applied in all actuarial practice areas. The webinar was based on the [On Risk Classification](#) monograph, which was published in November 2011. The monograph updated the 1980 *Risk Classification Statement of Principles*.
- Held a [webinar](#) Nov. 1, 2012, on the status of the FASB and IASB insurance contracts project.

# Volunteer Activities

Over the past year, the Academy's [1,200-plus volunteers](#) produced substantial, noteworthy work that touched every practice area and many aspects of the profession.

Reflecting the growing interest in contributing to the public policy and professionalism work of the Academy, nearly 600 members in 2012 completed the annual volunteer survey to offer their time, talent, and expertise in the service of a multitude of Academy projects.

To assist members in choosing volunteer opportunities that match their needs as well as the expectations of different Academy groups seeking volunteers, survey participants were given access to information such as time commitment, travel, and required/desired skills for each group included on the survey. Members also had the option to sign up for the Academy Advisors, a "virtual" committee that employs easy-to-use survey research technology via the Internet to capture feedback and advice from a representative group of Academy members. The Academy Advisors help Academy leadership by adding a reliable, broader perspective to decision-making and governance.

The Volunteer Resource Committee (VRC) initiated several programs over the past few years to support members who volunteer and to enhance their volunteer work. The VRC hosted a new-volunteer orientation webinar in December 2011 that covered a range of issues, from antitrust and conflict of interest policies to the tools used to get committee work done. The webinar was recorded and is available for current and potential volunteers to listen to online throughout the year. The VRC plans to conduct its second new-volunteer orientation webinar in 2013 for the new pool of volunteers.

With the help of the Young Actuaries Committee, the VRC, and other Academy members, the Academy's leadership will be looking at new ways to



*Members of the Academy's Health Practice Council and Committee on Federal Health Issues gather before splitting into teams to meet with staffers at congressional offices and federal agencies.*

attract volunteers to assist in the public policy and professionalism work of the organization and to raise the level of engagement of all Academy members. Academy leaders are committed to continuing to improve volunteer recruitment and to giving volunteers the resources they need to serve and to have a productive and positive experience.

# 2012 Member Poll

In the Academy's 2012 member satisfaction survey, conducted in July, members gave high marks for the organization's ability to deliver on its twin missions of public policy and professionalism, as well as its brand, image, and value.

Approximately three-quarters of survey respondents agreed that the Academy was an effective voice on actuarial matters in the public interest, and 94 percent said that the Academy served as a major source of unbiased advice on such matters to policymakers and regulators. More than nine out of 10 Academy members responding agreed that the Academy should continue to develop and encourage public policy initiatives such as the filing of the amicus curiae brief in the Supreme Court case on the Affordable Care Act.

On professionalism, 83 percent of respondents agreed that Academy webinars and seminars helped them meet their continuing education (CE) requirements, with more than a third of respondents reporting they participate in three or more such CE events each year. CE opportunities have a significant positive

impact on members' perception of the value of Academy membership. In addition, members said they respect the Academy's work in establishing, maintaining, and enforcing high professionalism standards on behalf of the U.S. profession.

As strong as the overall survey results were, the results for those who have volunteered or who currently volunteer on an Academy committee, task force, or work group were even higher.

The July 10–20 online survey built upon the Academy's 2006 survey, asking 39 questions on a range of topics. Both surveys were conducted by the Haefer Group, a Virginia firm that specializes in working with associations and nonprofit organizations in assessing member satisfaction and maximizing membership value. This year's poll enjoyed a robust response rate—with a 50 percent increase in the number of respondents (more than 22 percent, well above the norm for an association member satisfaction survey) and a completion rate above 93 percent (those who started and then completed the entire survey).

# Thanks to all our Academy volunteers.

Noel Abkemeier Michael Abroe Shawna Ackerman Heather Adams Jeffrey Adams Karen Adams Timothy Adams Stephanie Adelhardt Kenney Marina Adelsky William Aguayo Daniel Ahlgrim Thomas Ahmann Mark Alberts Robert Aldoriso Stephen Alexander Terry Alfuth Melissa Algayer Mark Allaben Cheryl Allari Barry Allen Scott Allen Stephen Alpert Robert Alps Jeffrey Altman Brian Alvers Athula Alwis Frank Amrine Alan Anderson Scott Anderson Susan Andrews Chester Andrzejewski Michael Angelina Amy Angell Paul Angelo Clifford Angstman Roger Annin Matthew Anthony Joseph Applebaum John Aquino Jaron Arboleda Michele Archer Adam Arians David Armstrong Brad Armstrong Richard Ash James Ash Joel Atkins Howard Atkinson Eric Atwater David Axene Amit Ayer Christine Bach Robert Bacher William Bade Nathan Baehr David Bahn Mary Bahna-Nolan Michael Bain Simpa Baiye Aryeh Bak James Balfe Linda Ball Brent Banister Stephen Banks Lee Barclay John Barela Guy Barker Philip Barlow Janet Barr Joan Barrett Nicola Barrett John Bartel Susan Bartholf Dwight Bartlett Frederick Bass Craig Bauer Edward Baum Jusuf Abbas Bawazer Gary Bayer Jeffrey Beckley Albert Beer Michael Ladd Beeson Saeeda Behbahany Nancy Behrens Rowen Bell P.J. Beltramini Karen Bender Nancy Bennett T Scott Bentley Michael Bentz David Berger Margaret Berger Mark Bergstrom Raymond Berry Thomas Berry Eric Best John Bettano John Bevacqua Raji Bhagavatula Mark Billingsley Alfred Bingham Mark Birdsall Calvin Birkey Carolyn Bittner Linda Bjork Wayne Blackburn Frank Blair Michael Blakeney Ralph Blanchard Sue Blanck Robert Blanco Cara Blank Stephen Blaske John Blocher Charles Bloss William Bluhm Vincent Bodnar Neil Bodoff Michael Boerner Steve Boger Joyce Bohl Kristi Bohn LeRoy Boison Joseph Bojman Howard Bolnick Karin Bombard Dave Bond Peter Bondy Michael Boot Delmer Borah Kevin Borchert Lesley Bosniack Theresa Bourdon Amy Bouska Samuel Boustani Ross Bowen Jerome Bownes Peter Boyko Mark Bracher J Scott Bradley John Bradley Nancy Braithwaite Paul Braithwaite Timothy Branch Roger Brand Ben Brandon Sharlene Braun Michael Braunstein Susan Breen-Held Gayle Brekke Adam Bremberger Justin Brenden Joseph Brennan David Brentlinger Elizabeth Brill Alan Brinkman Vernon Brogla Kelli Broin Tommie Brooks Jill Brostowitz Peter Brot Raymond Brouillette Adam Brown Brian Brown Jeremy Brown Roger Brown Richard Browne Kyle Brua Paul Bruce John Bruins William Brummond Larry Bruning Elaine Brunner Rod Bubke Robert Buckner Victor Buonopane Mark Burgess Bryan Burningham William Burns Jason Bushey Anthony Bustillo Anne Button Stephen Butz Cecil Bykerk Bruce Cadenhead Sandra Callanan Jonathan Camire Katherine Campbell Mary Pat Campbell Thomas Campbell Alp Can Jonathan Canine David Cantor Mary Caramagno Dorothea Cardamone Timothy Cardinal Thomas Carlson Eric Carlson Christopher Carlson Kenneth Carlton William Carroll Charles Carroll Michael Carstens John Caruso Daniel Cassidy John Cathcart Ronald Scott Cederburg Matthew Chamberlain Thomas Chamberlain Steven Chamberlin Lina Chan Margaret Chance Mary Chandler Hsiu-mei Chang Suzanne Chapa Corin Chapman Neville Charles Mark Chartier Ioannis Chatzivasiloglou Benjamin Cheng Xiangyu Cheng David Chernick Marc Cherubin Malcolm Cheung Gregory Childs Thomas Chisholm Janet Chiu April Choi Cindy Chou Wanchin Chou Gregory Chrin Tristan Christ David Christianson Andrea Christopherson Robert Cirkiel Scott Clafin Donna Claire Martin Claire Brian Clancy Franklin Clapper Kenneth Clark Matthew Clark Christopher Clark Charles Clark Adrian Clark Michael Clark James Cleary Janine Cleland Jo Ellen Cockley Maryellen Coggins Warren Cohen David Cohn Brian Collender Patrick Collins Robert Conger Thomas Conway Charles Cook Clint Copeland Kevin Cormier Heather Costello Robert Cosway Jeffrey Coutts Steven Craighead Errol Cramer Glenn Crouse Li Cui John Cumming A. David Cummings Jonathan Curlee Ron Curran Julie Curtis Simon Curtis Kelly Cusick Sarkis Daghlian David Dahl Rui Dai Brian Dailey Richard Daillak Robert Daino Teresa Dalenta Constance Dalmadge Hall Robert Damler Sophia Dao Anthony Dardis Robert Darnell Melisa Louise Darnieder Jeffrey Davis John Dawson Herschel Day Michael de Leon Armand De Palo Susan Deakins Thomas DeFalco Kris DeFrain Ann Delaney Timothy DeMars Michael DeMattei Wesley DeNering Tim Deno Elizabeth Elaine Desmonds Christian Desrochers Karen Detoro James Dexter John Di Meo Christopher Diamantoukos Richard Diamond Arnold Dicke Alan Dickey John Dieck Mick Diede Robert Diefenbacher David DiMartino Robert DiRico Deborah Distler Devin Dixon Douglas Doll Kevin Dolsky Kathryn Dominguez Gayle Donato Eli Donkar Michael Dossett Kevin Dotson Mathieu Doucet William Dove Mita Drazilov James Drennan Colleen Driscoll David Driscoll Eric Drummond-Hay Michael Dubin Michael Dubois Janice Duff Mark Dunbar Janet Duncan Ian Duncan Mark Dungan Anita Dunn Harry Dunn David Paul Durant Brett Dutton Kevin Dyke Andrew Eastman Amy Eby Douglas Eckley Randall Edwards Anthony Edwards Marvin Ehly Warren Ehrlich Andrew Eisner Robert Ellerbruch Nicole Elliott Brian Emanuel Charles Emma Alan Mark Emmer Gordon Enderle John Engelhardt Jerry Enoch Seong-Min Eom Robert Eramo Todd Erkis Andrew Erman Jordan Erp Catherine Jo Erwin John Esch Mojisola Esho Philip Evensen Shane Ewen Janet Fagan Gary Fagg Gary Falde Qing Fang Bin Fang Jenna Fariss Alex Faynberg Sholom Feldblum Joshua Feldman Martin Feldman Kendra Felisky Anthony Ferraro Richard Ferree Mark Ferrin Andy Ferris Debra Fickett-Wilbar Troy Michael Filipek William Finch Thomas Fineis William Finn Thomas Finnegan Wayne Fisher Beth Fitzgerald Scott Fitzpatrick Paul Fleischacker Matthew Lucas Fleischman Richard Fleissner David Foley Alice Fontaine Harold Forbes James Forbush Alan Ford Edward Ford Sarah Fore William Fornia Susan Forray Jean Forrest Andrew France Louise Francis Byron

Frank Michael Frank Greg Frankowiak Sara Frankowiak Robert Frasca James Fredericksen Stephen Fredlund Mark Freedman Kyle Freeman Darren French Julianne Fried Mark Friederich Bruce Friedland Kenneth Friedman Michael Frings John Froehle Donald Fuerst Alan Furan Patricia Furst Patrick Gabel James Gabriel Bruce Gaffney Roger Gagne James Galasso Vincent Gallagher Todd Galloway Randall Gantt Andrea Gardner Roberta Garland Donato Gasparro Steven Gathje Dieter Gaubatz Anne Gaudet J Timothy Gaule Timothy Geddes Anne Gehant Murray David Gelinne L Andrew Gennarelli Douglas German Margaret Germani Geoffrey Gerow Carl Ghiselli Jack Gibson John Gibson Sabrina Gibson Kurt Giesa William Gillam Jennifer Gillespie Steven Ginnan Luke Girard Michelle Girton Lorenz Glaza Diane Gleave John Gleba Karen Glenn Steven Glicksman N. Terry Godbold David Godofsky Barbara Gold Jeremy Gold Sara Goldberg Steven Goldberg Sandor Goldstein Victoria Gomez Andrew Gordon Missy Gordon Amy Gorham Bela Gorman Stephen Goss Stacey Gotham Leon Gottlieb John Gould John Governale Michael Gower Loic Grandchamp-Desraux Patrick Grannan Keith Grassel Daren Gravlin Anthony Green Eli Greenblum Dale Griffin Steven Groeschen Jason Grosse Frank Grossman Brian Grossmiller Denis Guenther Scott Guillemette Larry Gulleen Lijia Guo Gregory Gurlik Glen Gusewelle Kristin Gustafson Timothy Gustafson C. David Gustafson James Gutterman Sam Gutterman Derek Guyton Monique Hacker Larry Haefner Dale Hagstrom Andrew Haider Lee Hakert Elizabeth Hale R. Dale Hall Winston Tuner Hall William Hallmark Aaron Halpert Audrey Halvorson Elizabeth Hammond Jane Hamrick Robert Hanes Judith Hanna Tara Hansen William Hansen Ronald Harasym Peter Hardcastle Noel Harewood Paul Harmon Ejaz Haroon Jeffrey Harper William Harrington Carl Harris Richard Harris Timothy Harris Guo Harrison Stephen Harter Ryan Hartman Lise Hasegawa Robert Hastings Scott Haugh Peggy Hauser David Hayes Michael Hayes Sean Hayward James Hazelrigs Matthew Heaphy Philip Heckman Kathryn Hedke Ronald Heibert John Heins Clark Heitkamp Lori Helge Dawn Helwig Peter Hendee Alan Hendren Don Henson David Heppen Joseph Herbers Richard Herchenroether R. Thomas Herget Sanford Herman Paul Herzog Thomas Hess William Hezzelwood Chandra Hicks Joseph Hicks Jay Hieb Kimberley Hiemenz Norman Hill Barbara Hilligoss Clark Himmelberger William Hines David Hippen Scott Hittner Kevin Hoch Stephen Hodges Basha Hoffman Earl Hoffman Joel Hoffman Kenneth Hohman Douglas Holden Troy Holm R Jerome Holman Paula Holt Mark Homan Nancy Hoppe William Horbatt Mary Hosford Scott Houghton Peter Howard Trevor Howes Nyi Htoon Zhi Hu Angela Huang Bo Huang Nancy Hubler Jeffrey Robert Huddleston Chad Hueffmeier Peyton Huffman Edward Hui Dennis Hulet Dana Hunt Curtis Huntington Suzette Huovinen James Hurley Edwin Hustead Pamela Hutchins Li Hwan Hwang Douglas Immerfall Brian Ingle R Evan Inglis David Ingram Graham Ireland Frank Irish Ari Jacobs Loretta Jacobs Olga Jacobs Corinne Jacobson Jay Jaffe Mark Jamilkowski Harry Jamison Malgorzata Jankowiak-Roslanowska David Jarrett Burton Jay Shereen Jensen Shiraz Jetha Shiwen Jiang Yi Jing Jeffrey Johnson Richard Jolley Van Jones Warren Jones Scott Jones Leslie Jones Derek Jones Bruce Jones Robert Jordan Leslie Joseph Gary Josephson Jacob Joubert Novian Junus Joel Kabala James Kaiser Thomas Kalmbach Gene Kalwarski Ahmad Kamil Kenny Kan Vincent Kane Hye-Sook (Erin) Kang Margot Kaplan Kenneth Kasner Michael Kaster Laurel Kastrup Allan Kaufman Sara Kaufman Brian Kavanagh Jeffrey Kay Iris Kazin Daniel Keating Jacqueline Keating Christopher Keene Eric Keener Kevin Kehn Jason Kehrberg Timothy Keister Elizabeth Keith Craig Keizur Tom Keller James Kellett Stephen Kellison Juan Kelly Kristina Kennedy Sean Kennedy Gareth Kennedy James Kenney Kevin Kenny Kenneth Kent Dean Kepraios Judith Kermans David Kerr David Kershner Emily Kessler David Kester Kalman Ketzlach Brian Kiel Frederick Kilbourne Don Killian Matthew Killough Jeffrey Kimble John Kinney Mark Kinzer Gregory Kissel Matthew Klaus Allen Klein Ellen Kleinstuber Richard Klenk Barbara Klever Eric Klieber Martin Kline William Kling Darrell Knapp Catherine Knuth Stephen Koca Tracy Koch Alexander Kogan Christine Kogut John Kollar Shyam Prasad Kolli Michael Koppen John Kovach Ethan Kra Matthew Kranovich Kerry Krantz David Kriz Craig Kronlund Donald Krouse Stephen Krupa Alexander Krutov Sarah Krutov John Kryczka Joshua Kuai Andrew Kudera Ronald Kuehn Kristin Kuhn E. Perry Kupferman Richard Kutikoff Paul Kutter Bobb Lackey Nancy Lai William Lakins David Lalonde Stacey Lampkin James Lamson Dennis Lange Larry Langer Leon Langlitz Linda Lankowski Matthew Lantz Mary Lareau Lisa Larsen Michael Larson Kenneth LaSorella Gordon Latter Michael Laufer Alexander Laurie Barbara Lautzenheiser Gail Lawrence Jennifer Lazio Thomas Le Giuseppe Le Pera Richard Leavitt Jennifer Leazzo Dominique Lebel Joseph Lebens Kuanhui Lee Ramona Lee Ying-ying Lee Regina Lefkowitz Steven Lehmann Timothy Leier Kenneth Lem Brian Lenius Weng Leong James Lescoe Brian Lessing Charles Letourneau Alexander Leung Mike Leung Cynthia Levering Douglas Levit Thomas Levy Foon Lew Chester Lewandowski Albert Li Laura Lieberman Craig Likkell Andrew Lin Jinn-Feng Lin Steven Lin Orin Linden Brad Linder Kenneth Lining Walter Liptak Fiona Liston Mark Litow Jeffrey Little Mark Littmann Jeffrey Litwin Wen Liu Allen Livingood Barry Llewellyn John Lloyd Simon Lo Mita Lodh Shawn Loftus Louis Lombardi Roger Loomis Richard Lord Jeffrey Lortie John Lowell Thomas Lowman Sandra Loyal June Lu Douglas Lubliner Ronald Lucas John Luebke Timothy Luedtke John Luff H Neil Lund Michael Lundquist Patrick Lusk Harry Lutz JoDee Lymburner Benjamin Lynam James Lynch Robert Lynch Julia Lyng Eric Lynn Rimma Maasbach Robert Macagnano John Macbain James Macdougall Davin

Mackenzie Carol Mackey Alistair Macpherson Mary Madden Kevin Madigan Karl Madrecki Timothy Magnotta Craig Magnuson Kevin Mahoney  
 Michael Mahoney Lauren Mak Steven Malerich Padraic Malinowski Mark Malnati Ann Malone Jason Malone Matthew Maloney John Mange  
 Leonard Mangini Donald Mango Albert Manning Kathleen Manning Tonya Manning Richard Marcks Rocco Mariano Timothy Marnell Dennis  
 Martin Roger Martin Matthew Martin Susan Lynn Mateja Steven Math Stuart Mathewson Stephan Mathys Patricia Matson Richard Mattison  
 Bonnie Maxie Robert May Dee Dee Mays Ian McAlister Kevin McAllister Sean McAllister Katie McCarthy Jeffrey McCarty Charles McClenahan  
 Jacob McCoy James McCreesh Robert McCrory Cindy McDonald Jeff McDonald Joseph McDonald Dwayne McGraw Gary McHolland Thomas  
 McIntyre James McKeogh Catherine McKeivitt Sarah McNair-Grove Stephen McNamara Wendi McNeilly James McNicholas John McQuade Pamela  
 Means John Meerschaert Donna Megregian Syed Mehmud Robert Meilander Stephen Melek James Merwald Tom Messer Claus Metzner Carol  
 Meyer Scott Meyer Shawna Meyer Glenn Meyers Robert Miccolis Jon Michelson Katherine Miehke Michael Mielzynski James Milholland Charles  
 Miller Cynthia Miller Dean Miller Jeffrey Miller Judy Miller Mary Miller Mary Frances Miller Scott Miller Brett Steven Miller Alan Milligan Brian  
 Millsap Esther Milnes Gerard Mingione Paul Miotke Robert Mishler Charles Mitchell Dolly Mitra Jennifer Mo Claudine Modlin Victor Modugno  
 Edward Mohoric Jeffrey Mohrenweiser Dennis Monaghan Richard Moncher Joanne Mooney John Moore Alexander Morgan Courtney Morin  
 Francois Morin Jeffrey Morris John Morris Rodney Morris Ryan Morris Paul Morrison Scott Morrow Craig Morrow Jay Morrow Matthew Morton  
 Stephen Moses Matthew Mosher Roosevelt Mosley Jaime Mosquera Zohair Motiwalla Kyle Mulholland Edward Mullen Kenneth Mungan James  
 Murphy Richard Murphy Catherine Murphy-Barron David Murray Colleen Murray Brian Murray Robert Musen Katherine Musler Rade Musulin  
 Michael Muth Edward Myers Judith Naanep Sam Nandi Charles Neeson Walter Neeves Stephen Neill Valerie Nelson Nancy Nelson Chris Nelson  
 Dean Nelson Marc Nerenberg Mary Neumann David Neve Steven Newman Andrew Ng Kim Nicholl Keith Nichols Joseph Nichols Barbara Niehus  
 Aaron Nieuwsma John Nigh Daniel Nitz Mien Niu David Noga Alejandra Nolibos Samuel Nolley Darci Noonan Michael Nordstrom James Norman  
 Robert North Donna Novak Jason Nowakowski G. Christopher Nyce John Nylander Sean O Dubhain William Ober Marc Oberholtzer William  
 Obert William O'Brien Gina Collopy O'Connell James O'Connor William Odell Brendan O'Farrell F Ronald Ogorne Dale Ogden David Ogden Glen  
 O'Halleran Brian O'Konski Jack Oldenburg Christopher Olechowski Marilyn Oliver Mark Olleman Cande Olsen Kory Olsen David Olsho Vanessa  
 Olson Michael Onofrietti Nadine Orloff Patrick O'Rourke Alejandro Ortega Nickolas Ortner Allison Osborn Keith Osinski Steven Ostlund John  
 O'Sullivan David Otto Rebecca Owen Richard Owens Chad Padgett Amy Pahl Mintu Pal Eric Palmer Jeremy Palmer John Palmer Sandra Pangburn  
 Arthur Panighetti Susan Pantely John Parks Keith Passwater Nicholas Pasyanos Surangi Patel Bela Patel-Fernandez Lisa Pawlowski Manolis  
 Paximadas Richard Payne Marc Pearl Jeremy Pecora John Pedrick Guanghui Peng Ying Peng Julie Peper Janet Perrie Godfrey Perrott Thomas  
 Persichetti Marvin Pestcoe Eric Petersen Andrew Peterson Shaun Peterson Jeffrey Petertil Judith Pettit Timothy Pfeifer Peter Pham Julia Philips  
 Steven Phillips James Piekut Susan Pierce John Pierce Kurt Piper Robert Pipich David Pitts Christopher Place Richard Plano Jayne Plunkett Lynn  
 Pogas Eric Poirier Michael Pollack Lawrence Pollack Jonathan Pollio William Pollock Jeffrey Mark Pomerantz Alison Pool Deborra Poorman Brian  
 Dale Poppe Dale Porfilio Sandra Potasky John Potts Alwyn Powell Amy Powers Brian Prast T Michael Presley Stephen Preston Virginia Prevosto  
 Daniel Pribe John Price Michael Price Jonathan Prince David Pugel Ralph Pulis John Purple Marianne Purushotham George Quillan Kathleen  
 Quinn Kenneth Quintilian Kelly Rabin Bernard Rabinowitz Heidi Rackley Christine Radau Dennis Radliff Joseph Rafson Michelle Raleigh David  
 Ramsey Merideth Randles Scott Randles Arthur Randolph Brian Rankin Nicholas Ranson Anna Rappaport Darin Rasmussen Meredith Ratajczak  
 Mary Ratelle Francis Ratnasabapathy Peter Rauner Alfred Raws Brian Raymon Kevin Rease Leonard Reback Anita Recchio James Rech Brian Rees  
 Adam Reese Brian Regan Enid Reichert Michael Reilly James Reiskytl David Remstad Anthony Render Kevin Reopel Jeremiah Reuter Craig  
 Reynolds Frank Reynolds John Reynolds Daniel Rhodes Thomas Rhodes Cynthia Rice Timothy Rice Joel Rich Brian Richards Link Richardson  
 Michael Ricker Zoe Rico David Riek Michael Rieth Robert Rietz David Rigby Kathleen Riley Jay Ripps Lawrence Risch Christopher Ritter Charles  
 Ritzke Saba Rizvi James Rizzo Stephen Robb Edward Robbins Curtis Robbins Craig Roberts John Robinson Scott Robinson Timothy Robinson  
 James Robinson Linda Rodway Gregory Roemelt Elizabeth Rogalin David Rogers Kathryn Rokosz John Rollins Phillip Romello Stephen Rook  
 Roland Rose Howard Rosen Stephen Rosen Jay Rosenberg Alice Rosenblatt Craig Rosenthal Bruce Rosner Gail Ross Randall Ross Peter Rossi  
 Patricia Rotello Alan Routhenstein Mark Rowley David Royce Dave Rubadue Steven Rubenstein Larry Rubin Michelle Rubin Adam Rudin Karen  
 Rudolph Max Rudolph Thomas Ruehle David Ruiz F. Kevin Russell Allan Ryan Thomas Ryan Michal Ryduchowski Timothy Ryor Francis Sabatini  
 Rajesh Sahasrabuddeh Zenaida Samaniego Nilabh Sanat David Sandberg Eric Sandberg Marcia Sander Manalur Sandilya Geoffrey Sandler Sujata  
 Sanghvi John Sardelis Maria Sarli Keith Sartain Andreea Savu Tia Sawhney J Stewart Sawyer Ruth Sayasith Letitia Saylor Shereen Sayre William

Sayre Michael Schachet Roger Schacht Richard Schaefer Gabriel Schiminovich Jeffrey Schlinsog Graham Schmidt Jeffrey Schmidt Neal Schmidt Chad Schmitt Allen Schmitz Michael Schmitz Gregg Schneider Bruce Schobel Jared Scholten Steven Schoonveld Robert Schramm William Schreiner John Schubert Mark Schulte Lance Schulz Debbie Schwab Jeffery Schwandt Patricia Schwartz Allan Schwartz Jeffrey Schwartz Jesse Schwartz William Schwegler Paula Schwinn Gary Scofield Lawrence Scott Jason Sears Marizze Seeth Donald Segal Scott Selkirk Andrea Sellars Lawrence Seller Lyle Semchyshyn Brian Septon Tomasz Serbinowski Mitchell Serota Ahmad Shadman Poojan Shah James Shake Joshua Shapiro Maureen Shaughnessy John Shaw Mark Shaw Stuart Shaw David Shea Martin Sheerin Karen Shelton Tamara Shelton Barry Shemin Mark Shemtob Quan Shen Sudha Shenoy Linda Shepherd Scott Shepherd Lawrence Sher Brett Shereck Harvey Sherman Steven Sherman Mark Shickler Henry Siegel Peter Sievic Irwin Silber George Silos Stuart Silverman Matthew Silverstein Achille Sime-Lanang Mary Simmons Scott Simms Martin Simons Rial Simons Sven Sinclair Stacey Sinkula Chris Sipes Joel Sitrin Raymond Siwek Rebecca Skripol Ronald Sleiman Michael Slipowitz Lisa Slotznick Marc Slutzky Jennifer Smagula Charles Smith Roger Smith Matthew Smith Karen Smith David Smith Bradley Smith Andrew Smith Eddie John Edward Smith Eric Smithback Thomas Snook Martin Snow Barbara Snyder Jagbir Sodhi William Sohn Eric Sondergeld Ashish Sondhi Douglas Sorensen Richard Soulsby Charles Souza David Sowers Dan Spafford Joanne Spalla Mark Spangrud Michelle Spartz Bram Spector James Spencer Lloyd Spencer Bradley Spenney Martha Spenny David Spiegler Isaac Squire Elisabeth Stadler Martin Staehlin Bruce Stahl David Stalker P J Eric Stallard Thomas Stanford John W C Stark Jeremy Starr John Steele David Stefanski Robert Stein John Stenson Jo Stephenson Ian Sterling Larry Stern Joe Sternfeld Jenny Stevens Randall Stevenson Steele Stewart Ellen Stiefel Tove Stigum David Stimpson Aaron Stoeger Avivya Stohl Thomas Stoiber John Stokesbury James Stoltzfus Edward Stone Frank Stone Emily Stoner Norman Storwick Ryan Joel Stowe Judy Strachan Michael Streck Roy Strewchuk Judy Stromback Stephen Strommen Thomas Struppeck Paul Struzzieri Wayne Stuenkel Gregory Stump Alan Sturm Michael Sturm Hannah Suh Robert Sujecki Ira Summer James Summers Sheldon Summers Graham Sutherlin Ronald Swanstrom Andrea Sweeny Jerome Swenson Karin Swenson-Moore John Swisher Steven Symon Chester Szczepanski Duncan Szeto Stephen Talley Charles Tan Joseph Tan Richard Tan Carmilla Tan Connie Tang Richard Tash Robert Tate Denis Tauscheck Jane Taylor Rae Taylor Thomas Taylor Frans Te Groen Hal Tepfer Sara Teppema Thomas Terry Karen Terry Patricia Teufel Stephen Tewksbury Dawn Thayer Steven Thiel Edward Thomas Lisa Thomas William Thompson Michael Thompson James Thompson Dena Simone Thompson Kevin Thompson Craig Thorburn Erik Thoren Cheryl Tibbits Randy Tillis Thomas Toce Frank Todisco Jason Tomanda Tammy Tomczyk Peter Tomopoulos Michael Toothman Megan Torau Kathleen Tottle David Tovson Ricardo Trachtman Gordon Trapnell James Trefz Chris Trost Richard Tucker David Tuomala Roderick Turner Scott Turner James Turpin Cori Uccello Lisa Ullman Dewayne Ullsperger Alice Underwood Howard Underwood Ben Upchurch Ferdinand Uy Nazir Valani Douglas Van Dam Oakley Van Slyke Tamra VanAllen Kenneth Vande Vrede Jennifer Vandeleest Laura Alden VanderMolen Paul Vendetti Yuri Veomett Mark Verheyen James Verlautz Steven Vernon Rina Vertes Amy Viener Michael Villa Van Villaruz Steven Visner Annie Voldman Karl Volkmar William Von Seggern Kevin Wade John Wade George Wagoner David Walczak Heather Waldron Christopher Walker David Walker Donald Walker Kathryn Walker Diane Wallace Thomas Wallace Patrick Wallner Eric Walta Matthew Walter Carmen Walter Kai Wan Jon Wander John Wandishin Ning Wang Steven Wang Zhiguo Wang Kimberley Ward Michael Ward P Andrew Ware Nancy Watkins John Watts Peter Weber Mark Weinblatt Aaron Weindling David Weinsier Joan Weiss Lance Weiss David Weizenbaum Dianna Welch Alfred Weller David Welsh Allan Wendt Virginia Wentz Scott Werfel Geoffrey Werner Mark Wernicke Lane West Renee West Shari Westerfield Scott Westphal Anna Wetterhus Joyce Whaley Marc Whinston Lawrence White Arthur Scott Whitson David Wicklund David Wiland Robert Wilcox Thomas Wildsmith William Robert Wilkins Russell Willard D. Joeff Williams Jeremy Williams Laurence Williams Rebecca Williams Lawrence Wilson Ernest Wilson William Wilton Josh Windsor James Winer Teresa Winer Matthew Winger Ross Winkelman John Winter Timothy Wisecarver Kirby Wisian Susan Witcraft Trevar Withers Karin Wohlgemuth Daniel Wolak Robert Wolf Ben Wolzenski Henry Wong Kathleen Wong Ruth Ann Woodley Candace Woods Patrick Woods Randi Woods Terrence Wright Carl Wright Sarah Wright Scott Wright Kurt Wrobel Andrew Wunsch Min Xu Karthik Yadatore Dale Yamamoto Jin Yan Yan Yang Robert Yee Vincent Yezzi Xiaoying (Jenny) Yi Timothy Yiu Mark Yoest John Yonkunas Scott Young Richard Young Donghai Yu Jianhua Yu Lynn Yu Mark Yu Zerong Yu Ali Zaker-Shahrak Anton Zalesky Arthur Zaremba Navid Zarinejad Alex Zeid Marian Zeldin Ying Zhao Fengkun Zhao Ninghui Zhong Li Zhou Xiaobo Zhou Carolyn Zimmerman Vincent Zink Daniel Zollars Rita Zona Michael Zurcher Robert Zwick Norman Zwitter

# Academy Events Recap

Throughout the year, Academy volunteers present seminars and webinars for both actuaries and other interested parties. These events—covering a wide variety of topics on public policy, professionalism, qualifications, and standards—offer members convenient, interactive, cost-effective opportunities to expand their knowledge and sharpen their skills.

## Events in 2012 included:

### January

**19 Webinar:** [Data, Documentation, and Disclosure](#) (Academy/CAS)

### February

**8 Webinar:** [Medical Loss Ratios—Final Regulations and Repercussions for the Health Insurance Marketplace](#) (Academy, SOA)

**10 Webinar:** [Affordable Care Act—What Every Actuary Should Know](#) (Academy, CCA, SOA)

### March

**7 Webinar:** [Lifetime Income—Risks and Solutions](#)

**14 Webinar:** [U.S. Qualification Standards—Key Aspects and Your FAQs Answered\\*](#)

**15 Webinar:** [Risk Classification and the New Academy Monograph](#)

**25–28 Conference** (Washington): [Enrolled Actuaries Meeting](#) (Academy, CCA)

**29 Webinar:** [Post-NAIC Update/PBA](#)

### June

**4 Webinar:** [ACA Risk Mitigation Programs](#) (Academy, SOA)

**25 Webinar:** [ABCD Requests for Guidance—Insight and Case Studies\\*](#)

### July

**11 Webinar:** [Health Care Reform After the Supreme Court—An Actuarial Perspective](#)

**16 Summer Summit** (Washington): [Health Care Reform and Lifetime Income](#)

### August

**30 Webinar:** [Post-NAIC Update/PBA](#)

### September

**5–7 Seminar** (Denver): [Casualty Loss Reserve](#) (Academy, CAS)



*More than 60 leaders of the actuarial profession attended the Summer Summit.*

**11–12 Seminar** (Los Angeles): [Life PBR—Test-Drive the New VM-20](#) (Academy, SOA)

**13 Webinar:** [Precept 13—How Do I Comply in a Self-Regulating Profession?\\*](#)

### October

**12 Webinar:** [Understanding the ACA—Rate Filing Review and Disclosure](#)

**31 Webinar:** [Understanding LTC Rate Stability](#)

### November

**1 Webinar:** [IFRS Update](#)

**7–8 Seminar** (Baltimore): [P/C Effective Loss Reserve Opinion: Tools for the Appointed Actuary](#)

**12–15 Seminar** (Arlington, Va.): [Life and Health Qualifications](#) (Academy, SOA)

**27 Webinar:** [Social Security: Actuarial Status and Assumptions](#)

### December

**12 Webinar:** [Improving Your Practice Through Peer Review\\*](#)

**13 Webinar:** (Baltimore): [Post-NAIC Update/PBR](#)

\*The professionalism webinars were presented by the Academy's Council on Professionalism and cosponsored by the American Society of Pension Professionals and Actuaries (ASPPA), the Casualty Actuarial Society (CAS), the Conference of Consulting Actuaries (CCA), and the Society of Actuaries (SOA).

# Academy Elections

The Academy Board of Directors at its Oct. 11 meeting elected the slate of 2013 officers:

- Tom Terry, president-elect
- Stephen Rosen, secretary
- Art Panighetti, treasurer
- Mike Angelina, vice president, casualty
- David Shea, vice president, health
- Karen Terry, vice president, professionalism

In the second year of online voting, Academy members elected three regular directors to fill the open positions on the Academy's Board of Directors:

- Katie Campbell
- Godfrey Perrott
- Shari Westerfield

For the first time the election featured a competitive race among three candidates for the regular director position open to any practice area. The election drew votes from 18.7 percent of Academy members.

Academy President Cecil Bykerk and the other 2013 board members began their terms following the Oct. 15 annual meeting.

# Academy Awards



*Winners of the Robert J. Myers Public Service Award, Jarvis Farley Service Award, and the Awards for Outstanding Volunteerism, are announced at the Academy Annual Meeting.*

Five long-serving Academy volunteers received awards during the Academy's Annual Meeting and Awards Luncheon in National Harbor, Md., on Oct. 15.

The Academy awarded the [2012 Jarvis Farley Service Award to Curtis Huntington](#), a professor and director of the Actuarial Program in the Department of Mathematics at the University of Michigan, in recognition of his volunteer contributions to the

actuarial profession throughout his career. A former member of the Academy Board of Directors, Huntington serves on the Actuarial Board for Counseling and Discipline, including two years as its chairperson. He has been a member of the Academy's Council on Professionalism since 1994 and currently is a member of the council's Joint Committee on the Code of Professional Conduct. Huntington also has represented

the U.S. actuarial profession as a member of many influential committees of the International Actuarial Association, including accreditation, nominations, and professionalism. Huntington, who was unable to attend the luncheon due to a long-scheduled trip to New Zealand, accepted his award through a [recorded message](#).

The Farley Award was established in 1991 in honor of Jarvis Farley, a charter member of the Academy.



**Outgoing President Dave Sandberg honors Julia Philips with the Robert J. Myers Public Service Award.**

The Academy presents the award to individuals who continue Farley's spirit of volunteer service to the actuarial profession.

The Academy also honored [Julia Philips with the 2012 Robert J. Myers Public Service Award](#) in recognition of her contributions to the public good in an actuarial career that spans more than 30 years. She currently is a life and health actuary with the Minnesota Department of Commerce

in St. Paul. Philips has served on nearly 20 Academy councils, committees, and work groups dating back to 1993, including work on Medicare, long-term care, risk-based capital, state health issues, and communications. She currently is a member of the Actuarial Standards Board's Task Force on Regulatory Filings and the Academy Health Practice Council's Premium Review Subgroup and Medicare Part D RBC Subgroup.

The Myers Award was established in 1994 to honor Robert J. Myers' lifelong commitment to public service. Myers is credited with helping to structure and fund the nation's largest social insurance program in history during his tenure as the chief actuary of the Social Security Administration, from 1947 to 1970.

In recognition of their contributions to the association and their efforts to advance its mission, the Academy presented the [Award for Outstanding Volunteerism to three of its volunteers—Shawna Ackerman, Mita Lodh, and Mike Ward](#). Ackerman is a consulting actuary for the California Earthquake Authority in Sacramento, Calif. She was recognized for spearheading a multiyear initiative on actuarial soundness that spanned all actuarial disciplines and

resulted in the publication of a special report in May. The report provides a platform for engaging and educating policymakers and regulators about the meaning, variations, and importance of the phrase "actuarial soundness."

Lodh, a principal at Optumas in Scottsdale, Ariz., was recognized for leading the Academy's work over the past several years on the risk-sharing mechanisms established by the Affordable Care Act (ACA). Her hard work and expertise on market stabilization and other ACA issues have been invaluable in the Academy's continuing efforts to guide federal and state regulators as they implement ACA provisions.

Ward is a vice president, actuarial for the Life Insurance Co. of the Southwest in Fort Worth, Texas. As vice chairperson of the Academy's Actuarial Reserves Work Group, Ward worked to fulfill the National Association of Insurance Commissioners (NAIC) Life Actuarial Task Force's work on reserving of fixed annuities with guaranteed life income benefits. He was recognized for creating a spreadsheet testing alternate reserve calculations that is now being used by companies and regulators, and for providing training in its use. Ward also chairs an Academy work group and serves as a member of seven other Academy committees.

The Academy established the Award for Outstanding Volunteerism in 2011 to honor Academy volunteers who have made a single, noteworthy volunteerism contribution that is above and beyond what is reasonably expected of an Academy volunteer.



**Outgoing President Dave Sandberg with Shawna Ackerman, one of three Award for Outstanding Volunteerism recipients.**

# Presidential Communications

In each issue of *Contingencies*, the Academy's bimonthly magazine, the president of the Academy offers perspectives on issues relevant to the profession and the public policy work of the Academy.

In 2012, Academy President Dave Sandberg wrote about:

■ **WHAT FUTURE LIES AHEAD?** The Academy needs to find answers to three key questions: What is the most effective governance structure for the profession (and the Academy), what value does the Academy provide to its members, and is the profession prepared to address future political discussions about private- and public-pooled risk systems?

■ **PAST AS PROLOGUE** We can use enterprise risk management methodology to look at the Academy's progress in meeting its key effectiveness questions.

■ **PATH OF PROFESSIONALISM** As a self-governing, self-disciplining profession, we must be engaged, employing introspection and review to manage an increasingly volatile future that will be significantly unlike the past.

■ **VIGILANT PROFESSIONALISM** To maintain and sustain our rights and responsibilities as a valued and self-determining profession, we need to focus on setting and enforcing high standards and involving our members in directing the profession's future course.

■ **ALL IN FOR THE WIN-WIN** Our collective strength as a profession comes from leaning into and caring about our professional standards and discipline, as well as our engagement in relevant issues of public policy.

Throughout his term, Academy President Dave Sandberg also kept members informed through a series of emails to give updates or address specific issues:

■ A welcome [message](#) from newly installed Academy President Dave Sandberg, recapping the highlights of October's Annual Meeting and Awards Luncheon and previewing the major public policy and professionalism objectives for the year ahead. (November 2011)

■ A [message](#) regarding membership dues. (November 2011)

■ A [message](#) encouraging members to take the 2012 Academy Volunteer Survey. (June 2012)

■ A [message](#) announcing that the Joint Discipline Council's proposed rules of procedure for joint disciplinary actions had been exposed for comment. (September 2012)

# Academy Communications

The Academy has worked in 2012 to enhance its communications with both members and external audiences.

## Academy Website

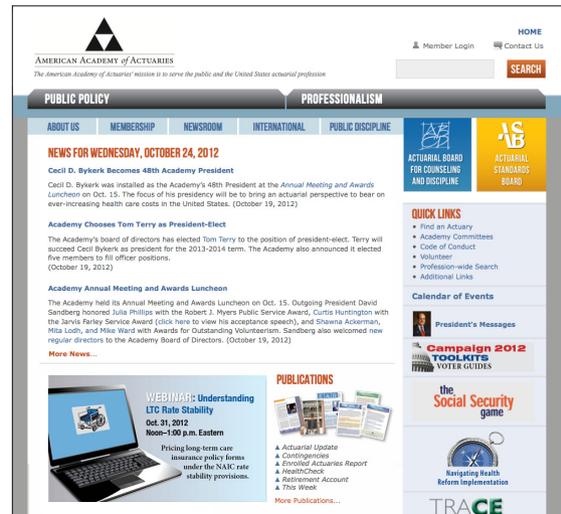
The Academy's new website, launched in May, offers a fresh look and faster navigation. The revamped website ([www.actuary.org](http://www.actuary.org)) gives members, policy-makers, media, and the public easy access to the Academy's extensive library of public policy and professionalism content.

## Social Media

The Academy's [Twitter](#) feed, which launched in June 2010, now has more than 1,800 followers. The feed, under the name (handle) [Actuary\\_Dot\\_Org](#), seeks to promote the public policy and professionalism work of the Academy by announcing the release of Academy papers, reports, and comment letters; highlighting Academy testimony and briefings; reporting on Academy media coverage; and publicizing major Academy events.

## Academy Publications

The Academy continues to produce a diverse library of newsletters, magazines, annual publications, and other documents that cover a broad range of public policy and professionalism issues. In addition to comment letters, white papers, issue briefs, monographs, and presentations on public policy and professionalism, the Academy released a revised membership brochure in late 2011 and a revised professionalism brochure early in 2012.



*The Academy's new website offers visitors easy access to an extensive library of public policy and professionalism materials.*

# North American Actuarial Council Highlights

The North American Actuarial Council (NAAC) brings together the nine national actuarial organizations on the North American continent:

- American Academy of Actuaries (Academy) (U.S. based)
- ASPPA College of Pension Actuaries (ACOPA) (U.S. based)
- Asociación Mexicana de Actuarios (AMA)
- Asociación Mexicana de Actuarios Consultores (AMAC)
- Canadian Institute of Actuaries (CIA)
- Casualty Actuarial Society (CAS) (U.S. based)
- Colegio Nacional de Actuarios (CONAC)
- Conference of Consulting Actuaries (CCA) (U.S. based)
- Society of Actuaries (SOA) (U.S. based)

The primary purpose of NAAC is to build solid and lasting bridges between the professional actuarial organizations of North America. It provides a forum to promote coordination, cooperation, and trust among the leadership of the participating organizations, which represent actuaries in Canada, Mexico, and the United States. In this spirit, NAAC members exchange and share information on significant current activities, discuss professionwide issues (not necessarily involving all participating organizations), and, wherever possible, develop an action plan to address those issues.

## In 2012, the NAAC:

- To help sustain continuity, hosted an orientation to give new NAAC members a better understanding of member organizations' involvement at the International Actuarial Association (IAA) and ease the learning curve in a time of intense activity related to the development of model International Standards of Actuarial Practice (ISAPs). Outgoing presidents reported on current and resolved NAAC issues and referred attendees to the *NAAC Manual*, posted on NAAC's SharePoint site and updated as needed, as well as current and past annual reports.

- Continued to expand the work of the NAAC Collaborative Research Group (CRG). The CRG has been holding quarterly conference calls since it was created in February 2009. One project completed in 2012 was a study funded by the SOA and the CAS on the risk of severe inflation and deflation. In 2012, the group issued a request for proposals for a paper on regulatory risk in North America to explore the commonalities and differences in regulatory risk as well as appropriate insurance company responses in the United States, Canada, and Mexico. The group also has shared information on a variety of ongoing projects, including the Actuaries' Climate Volatility Index, the work of the Joint Risk Management Section, and research on retirement and systemic risk.

- Participated actively in the work of the IAA. The IAA brings together actuaries from across the globe for its twice-yearly meetings. NAAC members regularly discuss their organization's positions on the IAA's many initiatives, including model ISAPs and activities of the IAA's Interim Actuarial Standards Subcommittee, particularly its role in supervising five task forces charged with developing model standards related to general practice, International Financial Reporting Standard (IFRS) 4, International Accounting Standard (IAS) 19, social security, and enterprise risk management.

- Supported increased information-sharing among NAAC member organizations on topics such as rising health care costs, longevity risk, environmental scanning, the structure of the Groupe Consultatif, and regulatory convergence. For more information, go to the [NAAC](#) annual report.

# International Activities

The American Academy of Actuaries serves as the voice of the U.S. actuarial profession internationally, coordinating activities among the five U.S.-based actuarial organizations to identify emerging international issues affecting U.S. actuaries and, where possible, to seek consensus on positions under consideration by international organizations.

As the actuarial organization with the largest membership of U.S.-based actuaries, the Academy also is committed to advancing the U.S. profession in the international arena with multilateral stakeholders that are concerned with insurance and actuarial matters. Among these are the International Association of Insurance Supervisors (IAIS), the International Accounting Standards Board (IASB), the Organization for Economic Co-Operation and Development (OECD), and, in particular, the International Actuarial Association (IAA). Within its overall mission to serve the public and the U.S. actuarial profession, the Academy continues to develop and provide input on actuarial issues to international stakeholders, including policymakers and standard-setters, to ensure that the interests of U.S. actuaries are known and considered.

At the IAA, signature issues of 2012 involved the Academy's continuing work to emphasize that any international standards of actuarial practice (ISAPs) adopted through the IAA must be model standards—examples for associations or areas of the world in which few or no standards of actuarial practice exist—and that these standards must be voluntary, not mandatory. The Academy is working hard to make sure that any model standards adopted by the IAA are consistent with existing U.S. standards. Discussions at the IAA regarding the desirability and feasibility of achieving convergence of actuarial standards around the globe are ongoing.

## Highlights of IAA activity and Academy involvement for 2012:

- In response to a request from the five U.S.-based actuarial organizations, the Actuarial Standards Board (ASB) established a process for reviewing exposure drafts of ISAPs developed by the IAA. The ASB submitted a report in late 2011 outlining comments on ISAP 1—*General Actuarial Practice*. The Academy strongly endorsed the ASB's comments in a [letter](#) to the IAA's Interim Actuarial Standards Subcommittee.
- A revised due process document, released in early 2012, is intended to ensure the more efficient development of ISAPs. The IAA Executive Committee at its October 2012 meeting considered a report on due process for ISAP 1 issued by the IAA's Professionalism Committee.
- Draft statements of intent were released in 2012 for two proposed ISAPs—a standard on enterprise risk management (ERM) and a standard related to International Accounting Standard (IAS) 19 (employee benefits). The Academy provided comments in response to the survey questions included with the discussion drafts. The IAA has created working groups to consider potential ISAPs on international financial reporting standards (IFRS) and social security.
- The IAA in January created a new Own Risk Solvency Assessment (ORSA) Working Group that will be responsible for monitoring ORSA developments, contributing to international discussions, and preparing the profession for implementation of ORSA. The Academy has a representative on the ORSA working group.
- The Academy's Solvency Committee sent comments in July to the IAA on the IAIS *Draft of Common Framework for Supervision of Internationally Active Insurance Groups* that addressed the relationship between the Internationally Active Insurance Groups (IAIGs) and supervisors and the framework for supervisors to address groupwide activities and risks. The Academy continues to monitor other developments at the IAIS.
- The IAA exposed a new draft educational monograph on setting discount rates used in financial reporting. The primary focus of the monograph is financial reporting for insurance contracts and certain employer-sponsored pension and employee benefit plans.