

The Record Delivers the Numbers & Recaps a Banner Year for the Academy

THE 2023 EDITION OF *THE RECORD*—the Academy’s annual report to its membership and the public—is hot off the press. From public policy and professionalism resources and stakeholder engagement to membership growth and value-driven resources, this informative volume recaps the work of Academy volunteers over the past year in serving the public and the profession.

Highlights included the growth of membership to more than 20,000; release of the Social Security Challenge; diversity, equity & inclusion initiatives; the new Health Equity Symposium; digital badges for members to display their MAAA credential;



a new student resource page and enhanced career center for members; and expanded “Hill Visits” and various stakeholder events throughout the year with key federal and state lawmakers and policymakers across all practice areas.

Be sure to check out this lively volume—2023 was a jam-packed, whirlwind year, and *The Record* distills 12 months of activity into just a few easily scannable pages. ▲

Actuary Voices Features a Conversation With President Lisa Slotznick & Executive Director Bill Michalisin

IN A SPECIAL EDITION OF *Actuary Voices*, Academy Executive Director Bill Michalisin sits down with Academy President Lisa Slotznick for a wide-ranging conversation in which they discuss their experiences in their respective positions and what lies ahead for the Academy in the coming year.

Slotznick talks about her focus on delivering value for members, to employers, and for the public through the Academy’s public policy and professionalism work, and the importance of the MAAA credential. She also discusses the Competency Framework for members and the importance of continuing education.

Following up on Academy senior staff priorities as outlined in the January/February issue of *Contingencies*, Michalisin talks about 2024 priorities and value initiatives underway for the Academy in supporting both members



and stakeholders, as well as the value our 1,000 plus volunteers deliver in support of our mission to serve.

Subscribe to *Actuary Voices* wherever you get your favorite podcasts. ▲

‘Hill Visits’ Coming in April

ACADEMY HEALTH, CASUALTY, and risk management & financial reporting volunteers will hold “Hill Visits,” meetings with federal lawmakers and policymakers, April 18–19 in the nation’s capital.

More details will be coming soon. ▲



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Visit the Enhanced Career Center

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Academy Adds Almost 500 New Members

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Professionalism Counts—Comments Wanted on ASOP No. 12

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New Monthly Feature: Life Investment Actuaries’ Corner

CE & OTHER LEARNING OPPORTUNITIES

2024

MARCH

- 5 [Bias in P&C Insurance: Updates from the Committee on Equity and Fairness](#); casualty webinar
- 20 [Post-NAIC Spring National Meeting Recap: Hot Topics from Phoenix](#); recorded webinar; no cost

APRIL

- 18 Professionalism Webinar (ASB)
- 18–19 Academy 'Hill Visits,' Washington, D.C.

MAY

- 1 [An introduction to P&C Risk-Based Capital](#); casualty webinar
- 2 [Discrimination: Considerations for Machine Learning, AI Models, and Underlying Data](#); RMFRC webinar

JUNE

- 3 Professionalism Webinar (ABCD)
- 11–13 [PBR Bootcamp](#); Philadelphia

SEPTEMBER

- 9–11 [Casualty Loss Reserve Seminar](#); San Francisco (co-sponsored by the Academy and the Casualty Actuarial Society)

OCTOBER

- 15–16 [Envision Tomorrow](#); Academy 2024 Annual Meeting; Washington, D.C.

NOVEMBER

- 4–7 [Life and Health Qualifications Seminar](#); Arlington, Va.

DECEMBER

- 9–10 [Seminar on Effective P/C Loss Reserve Opinions](#); New Orleans

Academy NEWS Briefs

Reminder—Renew Your MAAA Today!

ACADEMY MEMBERSHIP DUES are due on Jan. 1 of each year. If you have not done so, please [log in to the membership webpage](#) to conveniently pay your dues online, print your invoice, apply for a partial dues waiver, update your contact information, or update your member profile in the Academy's online membership directory. Questions? Please contact the Academy Membership Department at 202-223-8196 or via the [member support form](#). Need a refresher on all the great benefits available to you as an Academy member? Visit the [Academy website](#) to learn more. ▲

Coming Next Month—the Academy at NAIC

ACADEMY STAFF AND VOLUNTEERS are gearing up for the NAIC Spring National Meeting, to be held March 15–18 in Phoenix. Catch up on all the details during [Post-NAIC Spring National Meeting Recap: Hot Topics from Phoenix](#), a March 20 webinar that will feature Academy policy analysts sharing key highlights from NAIC presentations, offering updates on priority projects, and identifying ongoing opportunities to provide an actuarial perspective with state insurance commissioners, other regulators, industry professionals, and more. ▲



Recently Released

ACONTINGENCIES WEB EXCLUSIVE, “[Using AI to Test AI](#),” covers generative AI technologies like ChatGPT that innovative companies are rolling out and explores how the banking, financial services, and insurance industries can effectively leverage these cutting-edge tools. Looking for more on AI? Read all about it in *Contingencies*’ “Topics in Focus” [AI section](#).

The Winter [Retirement Report](#) leads with a piece by Academy Retirement Vice President Jason Russell on the recent renaming of the Retirement Practice Council, formerly the Pension Practice Council. Also in the issue, the Pension Committee’s issue brief on church retirement plans, a Social Security issue paper and an updated Social Security Challenge, and recent legislative and regulatory activity. ▲



Academy NEWS

Special Editions of *Contingencies*, *Actuary Voices* Mark Black History Month



IN FEBRUARY, *Contingencies* offered a special web exclusive section in honor of [Black History Month](#), and *Actuary Voices* featured a conversation with Monique Hacker, former president of the International Association of Black Actuaries (IABA).

Contingencies—Two web exclusive stories, both of which were penned by Academy member and freelance writer James Lynch, included “[Remembering a Titan of Actuarial Acumen](#),” which profiles Asa T. Spaulding, the first Black actuary in the U.S. The story of Spaulding, a math prodigy who worked out of Durham, N.C., is an inspiring one. “[Steady as a Rock](#)” outlines the history of Black-owned life insurers, which were a prominent part of Black life for nearly a century, and served their constituencies in good times and bad.

Actuary Voices—A Feb. 1 episode featured a conversation with Hacker, a former president and current IABA board member who discusses how she entered the profession and became involved with the IABA. Listen to learn more about the important work of the IABA in support of advancing and strengthening the diversity of the profession. Subscribe to [Actuary Voices](#) wherever you get your favorite podcasts. ▲



Reminder—Submit Your COI/CE Acknowledgments

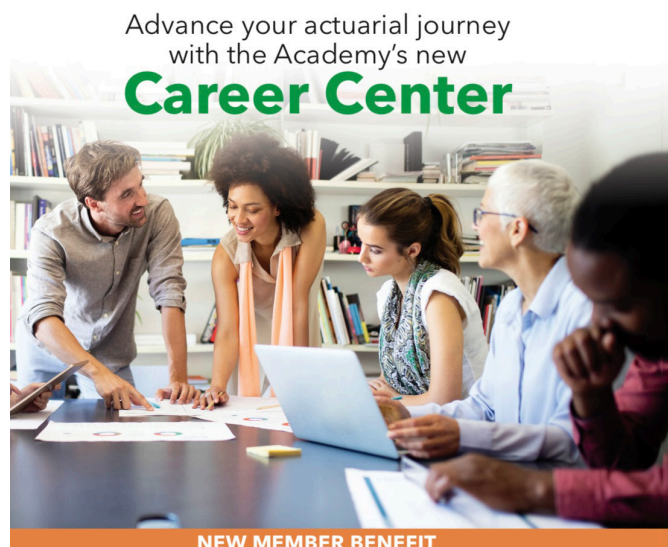
A REMINDER THAT IT'S TIME for volunteers and interested parties serving on Academy boards, councils, committees, subcommittees, task forces, and work groups to submit acknowledgment of the Academy's Conflict of Interest (COI) policy; and members who are volunteers must further attest that they meet the continuing education (CE) requirements of the U.S. Qualification Standards (USQS).

Volunteers and interested parties can make their submissions by following the instructions in the COI/CE email sent on Feb. 28, or by [logging in to the Academy website](#) and following the appropriate link under “Volunteer Acknowledgments.” For more information, visit the [Professional Objectivity at the Academy webpage](#). ▲

Post Your Résumé—Visit the Academy Career Center

IF YOU HAVEN'T DONE SO ALREADY, be sure to visit the [Academy Career Center](#)—a one-stop shop for job seekers and employers looking to make a match. The Career Center allows you to showcase your experience and achievements in a professional and accessible format, helping you stand out to employers and recruiters actively seeking your skills and expertise. Post your résumé and take advantage of specially tailored assets—the latest valuable benefit for Academy members. [Post your résumé today](#).

Get Ready for Job Seeker—Make March your month. Not only can you explore resources on the Academy's Career Center to find your next opportunity or your next new team member, but you'll also gain even more insights with the March/April edition of *Contingencies'* special Job Seeker. This supplement discusses the latest practices in the actuarial recruitment and job search realm. ▲



Save the Dates—Volunteer Webinars Coming Soon

THE ACADEMY IS TAKING a different approach to its annual volunteer orientation process with two, separate webinars focused on committee leaders and general committee members.

On March 26, President Lisa Slotznick, President-Elect Darrell Knapp, and Executive Director Bill Michalisin will host a webinar with volunteer leaders, including committee chairpersons and vice-chairpersons, covering various governance-related topics including roles and responsibilities, structures, policies, and more that are specific to volunteer leaders.

On April 25, we will host a similar webinar for all committee members covering broader topics, including the Academy's role, governance and operational structures, available resources, policies, and more.

Whether new or existing, volunteers will benefit from the targeted approach and attempt to ensure the content is relevant and helpful to their roles as volunteers. Additional orientation will be held in late summer to onboard new volunteers who get involved after April. Look for more information coming soon.

Interested in volunteering?—To learn more about how you can contribute your talents to aid the Academy's mission to serve the public and the U.S. actuarial profession, visit the [Academy website](#). ▲

Reminder—Research Award Submissions Due March 31

A REMINDER THAT submissions are due in March for the Academy's second annual [Award for Research](#), which recognizes an early-career scholar whose work contributes significantly to an actuarial perspective on a public policy issue of interest to U.S. actuaries and public policymakers. The award includes a monetary prize of \$7,500, and the recipient will be invited to present their research at Envision Tomorrow, the Academy's Annual Meeting in October. Submissions are due March 31—for more information and to submit, [click here](#). ▲

Academy Welcomes Almost 500 New Members in July–Dec. 2023

THE ACADEMY WELCOMED 498 new members in the second half of 2023. Health was the most popular practice area with 263 (53%), followed by life with 111 (22%); property/casualty, 76 (15%); and pension, 26 (5%). Nine listed risk management and 12 listed other, and one did not specify.

There were 308 (62%) employed by an insurance organization, and another 157 (32%) are consulting actuaries. The remaining listed government service (9), nonprofit (8), broker (5), university (1), and miscellaneous (10). The average age was 31, and there were 327 men (66%), 168 women (34%), and three identified as other.

[Click here](#) to see the new Academy members who have taken the next step in their careers to demonstrate their commitment to professionalism and to serving the public. ▲

Academy Matching Contributions to TAF's 'Modeling the Future Challenge'

IN ADDITION TO ITS ANNUAL SUPPORT of The Actuarial Foundation (TAF), the Academy is matching donations to TAF's [Modeling the Future Challenge](#) (MTFC) for up to a total of \$10,000 in 2024. The MTFC is a real-world competition for high school students—a challenge in which students learn how and why the most pressing public policy issues require the sound application of actuarial principles. Read more about the program and the opportunity to donate on the Academy's [MTFC webpage](#).

TAF released its first podcast in a series marking its [30th anniversary celebration](#). TAF Immediate Past Chair (and past Academy Life Vice President) Jeff Johnson talks with Chair (and past Academy Board member) Andy Ferris, and Chair-Elect Sharon Robinson, who highlight how TAF's work helps students. [Listen to the podcast here](#).

TAF's "[Formula 2024 Virtual Gala](#)," set for May 9 from 6 to 7 p.m. EDT, will feature Ellen Ochoa as the keynote speaker. As the first Latina astronaut, Ochoa has been inducted into the Astronaut Hall of Fame and is a strong advocate for STEM careers among minorities. Registration is free; [RSVP today](#). ▲



Member Spotlight

Tony Pistilli



READ THE LATEST Academy “Member Spotlight” to learn more about Tony Pistilli, a 2023 Academy Rising Actuary Award Recipient. Visit the [Member Spotlight page](#) to read more about Pistilli, his interest in both jazz and statistical and data science tools, the rewards of volunteering, and his (very) busy family life. ▲

THE ACADEMY IN THE NEWS

A [Newsweek](#) article on potential future Social Security retirement benefit cuts cited the Academy’s issue brief [Reforming Social Security Sooner Rather Than Later](#). [InsuranceNewsNet](#) also cited findings from the issue brief.

THIS MONTH IN SOCIAL MEDIA



During Black History Month, we encouraged our followers to learn more about the work being accomplished by the [International Association of Black Actuaries](#) to increase the number of Black actuaries in the profession through programs and partnerships.



IABA
INTERNATIONAL ASSOCIATION OF BLACK ACTUARIES

Stay on top of the latest Academy news by following us on [Facebook](#), [X](#), and [LinkedIn](#). Like what you see? Help us spread the word by liking and sharing our updates.

PROFESSIONALISM NEWS



ASB Adopts Revised ASOP No. 29

THE ACTUARIAL STANDARDS BOARD (ASB) adopted a revision of Actuarial Standard of Practice (ASOP) No. 29, now titled *Expense Provisions for Prospective Property/Casualty Risk Transfer and Risk Retention*. The revision applies to developing or reviewing expense provisions for prospective P/C risk transfer or risk retention. The ASOP, which was exposed for comment twice and received 13 comment letters, is effective for work performed on or after July 1, 2024.

Reminder: ASOP No. 7—A reminder the ASB is also seeking comments on ASOP No. 7, [Life, Health, or Property/Casualty Insurance Cash Flow Risk](#), which affects multiple practice areas. Comments are due June 1; for more, see the January [Professionalism Counts](#).

ASOP No. 12—Comments are due May 1 for revised ASOP No. 12, [Risk Classification \(for All Practice Areas\)](#). See this month’s Professionalism Counts, p. 6. ▲

CASUALTY NEWS



Upcoming CE Opportunity—P/C Bias Webinar

A MARCH 5 WEBINAR, “[Bias in P/C Insurance: Updates from the Committee on Equity and Fairness](#),” will feature presenters from the Academy’s P&C Committee on Equity and Fairness, who will share updates on the regulatory outlook in Colorado and Washington, D.C., and preview its upcoming papers on fraud, governance, and marketing and underwriting. The Academy will host a series of webinars that will explore bias and its implications within each practice area this year. Bias continuing education (CE) is available—[register today](#). ▲

NEW CASUALTY VOLUNTEER POSITIONS/ROLES

➔ **Susan Kent** is chairperson and **Michael Woods** is vice chairperson of the P/C Committee on Equity and Fairness and **Lauren Cavanaugh** is a member of the committee.



Mullen

Proposed Revisions to ASOP No. 12: ASB Wants Your Input on Risk Classification

THE ACTUARIAL STANDARDS BOARD (ASB) released an exposure draft of a proposed revision to Actuarial Standard of Practice (ASOP) No. 12, [Risk Classification \(for All Practice Areas\)](#). ASOP No. 12 Task Force Chairperson Brian Mullen offered insight on the proposed changes.

The proposed revisions would broaden the scope of the ASOP. What activities would fall under ASOP No. 12 that didn't previously?

Brian Mullen: The current version of ASOP No. 12 applies to “designing, reviewing, or changing risk classification systems.” The proposed revision would also apply to “developing, selecting, evaluating or opining on any elements of a risk classification framework.” Another change is that the standard would apply to actuaries “using any elements of a risk classification framework in connection with financial or personal security systems, to the extent practical and consistent with the scope of the actuary’s assignment.”

The exposure draft includes several new terms, such as “risk measure,” “unintended bias,” and “risk subject.” Why was it important to add these to the ASOP?

BM: The current ASOP makes numerous references to “expected outcomes.” This could lead an actuary to think primarily only of the expected value, or mean, of the loss distribution. The proposed change to using the term “risk measure” is to reinforce that the actuary may want to consider other aspects of the loss distribution.

The term “risk subject” would replace the current term “risk(s)” and would have an almost identical definition. The change is to differentiate between the use of the word “risk” to mean a risk subject and the use of the word “risk” to mean a peril that has the potential to lead to a loss.

Unintended bias is an emerging issue. Actuaries may need to be aware of this issue and monitor how it evolves and whether that evolution has an impact on their work

Several new sections have been added, including Data and Model, Multivariate Effects, Effectiveness, Potential for Unintended Bias, Protected Classes. What are some of the things the actuary needs to know about this new guidance?

BM: In the current ASOP, the word “risk” appears more than 100 times in the body of the ASOP and in the appendix; the word “model” does not appear at all. The use of models is highly embedded in much risk classification work today. The proposed additional language would help the actuary to find guidance with respect to the use of these models.

Technological advances since the current ASOP was approved in 2005 allow the actuary to do many

new forms of analysis and better understand multivariate effects and correlations. The proposed revision to the ASOP includes guidance for the actuary on this subject.

The current ASOP, in section 3.4.1, addresses that adverse selection can potentially threaten the long-term viability of a financial or personal security system. The proposed section on effectiveness highlights that the actuary should evaluate the impact of the risk classification framework on the viability of the security system. We hope that giving this concept its own section will encourage actuaries to evaluate other ways that a risk classification framework could impact a security system beyond just the effect of adverse selection.

Protected classes and unintended bias are issues that actuaries need to stay informed about.

Is there anything else you'd like to highlight?

BM: Each of the practice areas has seen tremendous change over the past 20 years in the ways that risk classification work is done and in how the results of that work are incorporated into other business practices. The proposed revisions to ASOP No. 12 give the actuary more guidance in relation to these changes. Because of the tremendous evolution of practice, the proposed changes to this ASOP are robust. The ASB highly values feedback on the proposed changes and encourages the submission of comments. ▲

Please consider submitting comments on ASOP No. 12; the deadline is May 1. The draft and instructions for submitting comments may be found on the [ASB website](#).



Investment Actuaries' Corner

Beginning with year-end 2023, the life risk-based capital (RBC) instructions require insurers to calculate two separate RBC ratios with regard to the residual tranches of asset-backed securities (ABS) with primary focus on collateralized loan obligations (CLOs). Reported RBC ratios will be based on a 30% C-1 factor, and the regulators are requiring an informational calculation based on a 45% C-1 factor.

As the selection of a 45% factor was based primarily on regulator discretion, insurers represented by the American Council of Life Insurers (ACLI) have retained a modeling firm to perform an analysis of residual tranches to demonstrate an evidence-based justification for a different C-1 factor for reported RBC ratios for year-end 2024 with initial results expected in the second quarter of 2024. The NAIC's RBC Investment Risk and Evaluation Working Group (RBCIRE WG) is overseeing this effort. ▲

LIFE NEWS IN BRIEF

The Economic Scenario Generator (ESG) Subcommittee [submitted comments](#) to the NAIC's Life Actuarial (A) Task Force (LATF) on the Dec. 12 exposure of the updated Generator of Economic Scenarios (GOES) Targeting Criteria and Evaluation Statistics.

The ESG Subcommittee [presented](#) to the LATF's GOES (E/A) Subgroup on proposed "quadrant" criteria for the joint distribution of interest rates and equity returns.

The Life Valuation Committee submitted a [comment letter](#) to LATF on the re-exposure of APF 2023-12 concerning equity return

volatility in VM-30 cash-flow testing.

The Annuity Reserve and Capital Subcommittee [commented](#) to the NAIC's Valuation Manual (VM)-22 (A) Subgroup of the Life Actuarial (A) Task Force on the November exposure of VM-31, VM-G, and the VM-22 PBR Supplement Blank. ▲

NEW LIFE VOLUNTEER POSITIONS/ROLES

- ➔ **Jonathan Heldmann** is chairperson of the Life Reserves Subcommittee.
- ➔ **April Rijng Shen** is vice chairperson of the PBR Implementation Subcommittee.
- ➔ **Marc Altschull** is a member of the Life Practice Council and the Life Investment and Capital Adequacy Committee.

- ➔ **Donna Megregian** is a member of the Life Experience Committee.
- ➔ **Michael Crawford, Ashley Hill, and Jeremy Johns** are members of the Life GAAP Reporting Committee.
- ➔ **David Schraub** is a member of the Life Underwriting and Risk Classification Subcommittee.

HEALTH NEWS IN BRIEF

The Individual and Small Group Markets Committee and Active Benefits Committee [submitted comments](#) to the Department of Labor's Employee Benefits Security Administration, responding to a proposed rule on the definition of employer in Association Health Plans. ▲



NEW HEALTH VOLUNTEER POSITIONS/ROLES

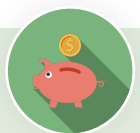
- ➔ **Xiaohui Feng** joined the Health Equity Committee.

NEW RETIREMENT VOLUNTEER POSITIONS/ROLES

- ➔ **Piotr Krekora** is a member of the Retirement Practice Council.
- ➔ **James Nolan** is a member of the Multiemployer Plans Committee.

RETIREMENT NEWS IN BRIEF

The Public Plans Committee released [Introduction to Service Purchases for Public Pension Plans](#), a practice note considering a variety of service purchase programs that can be found across public-sector pension plans, as well as plan administration topics that actuaries should be aware of when working with them. ▲



Actuarial Update

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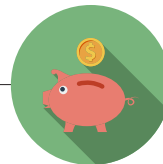
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RETIREMENT NEWS

Social Security Challenge Updated With Latest Data

THE ACADEMY'S [Social Security Challenge](#) has been updated with information based on the 2023 Social Security Trustees Report, which showed fund reserves are projected to become depleted in 2034—potentially leading to a 20% cut in benefits unless legislative changes are adopted to prevent it. That's a year earlier than the 2022 Trustees Report projected.

The Challenge, released last March, immerses users in a simulated trek through “Townsville,” where users can learn about the program's challenges and try their hand at various reform proposals. [Take the Challenge.](#) ▲



RISK MANAGEMENT & FINANCIAL REPORTING NEWS

Issue Brief Examines Bermuda-Ceded Reinsurance Considerations

AN **ISSUE BRIEF** from the Risk Management and Financial Reporting Council's (RMFRC) Asset Adequacy and Reinsurance Task Force, [Asset-Intensive Reinsurance Ceded Offshore From U.S. Life Insurers \(With Focus on Bermuda\)](#), offers a summary of motivations, common practices, and relevant actuarial guidance for U.S.-based actuaries involved in reinsurance transactions based offshore, particularly in Bermuda.

“Increases in reinsurance ceding activity to Bermuda and other offshore jurisdictions suggested that actuaries may benefit from this summary of actuarial considerations and existing guidance related to offshore reinsurance,” said Task Force Chairperson Tricia Matson. [Read the Academy news release.](#) ▲



Work Group Releases Liquidity Risk Practice Note

THE **ERM/ORSA COMMITTEE'S** Liquidity Work Group released the practice note [Liquidity Risk](#), a revision to a previous practice note published in 2000. The updated version broadens the scope by incorporating perspectives from the health and property/casualty practice areas as well as introducing practice-area-specific appendices.

The practice note states that the 2007–2008 financial crisis, the COVID-19 pandemic, and a post-pandemic spike in interest rates have highlighted the importance of liquidity. In response, insurance companies have enhanced their liquidity risk monitoring and refined their liquidity risk management frameworks and policies to reflect heightened expectations from regulators and their own boards of directors—and there has also been more centralization of liquidity risk management and collateral management. ▲

RMFRC NEWS IN BRIEF

The Prudential Regulation Committee [submitted comments](#) to the International Association of Insurance Supervisors on its consultation draft application paper on climate risk scenario analysis in the insurance sector. ▲



June PBR Bootcamp Registration Opening Soon

The wait is over. The PBR Bootcamp is back—and in-person!

[Mark your calendars](#) for **June 11–13** and make plans to join us at Le Méridien Philadelphia to hear the latest on principle-based reserving (PBR) hot topics from experts in this area.

Registration will open next month.