

The Academy Year in Review



2014 RECORD



AMERICAN ACADEMY *of* ACTUARIES

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President's Letter



Tom Terry, President, 2013-2014

Dear Academy Colleague,

This space is typically reserved for a look back—a look back at the year that was, and the achievements and work product of the Academy in its mission to lend actuarial expertise to real problems facing the American public.

But as my tenure as Academy president draws to a close, I find myself instead looking forward to 2015, which is sure to be a banner year for the Academy. That's because 2015 marks the 50th anniversary of the Academy's founding.

Fifty years of serving the public through nonpartisan analysis of complex issues.

Fifty years of raising the profile of actuaries and actuarial science with policymakers and the general public.

Fifty years of planning, providing, and improving a framework for effective self-regulation of the U.S. actuarial profession.

If the past year is anything to go by, Mary D. Miller, our incoming president, will have plenty to report on next time around. In just the past 12 months, the Academy has done a sterling job representing the actuarial profession in a number of ways.

The Academy provides trusted, objective analysis of many of the most important public policy issues

of the day. The implementation of the Affordable Care Act (ACA) has been, and is, a key focus; through the work of the Health Practice Council, we spoke to stakeholders in Washington and across the states, providing our unbiased actuarial perspective on a complicated (and sometimes politically charged) discussion.

The Pension Practice Council continued its work on a framework based on fundamental principles by which the Academy will assess and illustrate the strengths and shortcomings of retirement systems through a forum titled "Retirement for the AGES: Measuring for Success" in April. The effort brought together thought leaders for a spirited discussion about this important topic.

The Life Practice Council has been instrumental in working through the myriad issues involved in the implementation of principle-based reserving (PBR) for life insurance before several committees and working groups of the National Association of Insurance Commissioners. These implementation measures are the culmination of a reform effort that the Academy initiated more than a decade ago to modernize the way insurers determine their statutory reserve requirements.

The Casualty Practice Council provided expert analysis to both houses of Congress as legislators considered the Terrorism Risk Insurance Act, which is set to expire at the end of this year; with the guidance of the council, the Senate has reauthorized this important federal backstop, while the House of Representatives is still considering the matter. These are just a few of the public debates that are being shaped and informed by the Academy's expert, impartial analysis.

This analysis—the work product of the Academy's dedicated team of volunteers—is sought by policymakers and news media alike. The Academy is invited, welcomed and trusted to deliver objective and thoughtful perspectives for congressional hearings. In 2014, Senior Health Fellow Cori Uccello testified twice before Congress, providing an actuarial perspective on the implementation of the ACA, while Senior Pension Fellow Donald Fuerst filed testimony on the condition of and threats to U.S. retirement security. Journalists know they can count

on the Academy for an impartial perspective on the most important news stories of the day—in the past year, Academy analysis was featured in the Wall Street Journal, the New York Times, USA Today, Forbes, and many other leading national media outlets.

The Academy is the only actuarial organization that authoritatively speaks to the issues across all practice areas. Our membership—more than 18,000 strong—is involved in all aspects of actuarial practice.

Volunteers again helped the Academy fulfill its role as the guardian of actuarial professionalism in 2014. The Academy, through the tireless efforts of our next president, Mary D. Miller, has led the charge to meet the needs of state regulators through a proposed voluntary verification process that would help members to illustrate their qualifications. This reporting tool will be of value for qualified actuaries as well as regulators and employers, in reviewing the qualifications of an actuary signing a Statement of Actuarial Opinion. This important effort is still in de-

velopment, and the Academy will continue to work to make this available to U.S. actuarial profession early next year.

I'd like to thank the Academy volunteers, members and staff for your tireless work on behalf of the organization. Our successes in the past year—and our ambitious goals for our semicentennial and beyond—would not be possible without your service. I'm proud of what we've accomplished in 2014, and I'm confident the Academy is well positioned to continue its leadership of the U.S. actuarial profession for many years to come.

Sincerely,

Tom Terry
2014 President
American Academy of Actuaries

Council on Professionalism Highlights

The Council on Professionalism and/or its committees:

■ Continued its focus on improving outreach to state regulators. In particular, representatives from the council—including from the Committee on Qualifications (COQ), the Actuarial Standards Board, and the Actuarial Board for Counseling and Discipline (ABCD)—attended regularly scheduled National Association of Insurance Commissioners (NAIC) meetings throughout the year. At each meeting, the council hosted a regulator-only breakfast to provide a forum that encouraged honest, open, and informative discussions among regulators and professionalism representatives. Discussions included the Academy's continued efforts to encourage actuaries to illustrate to their clients, regulators, and the public, their compliance with the requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States (USQS) issued by the Academy and applicable to all credentialed actuaries practicing in the U.S. Additional topics included encouraging regulators to utilize the ABCD for guidance on matters of particular concern to them, and to refer actuaries who potentially violate the Code of Professional Conduct (the Code) to the ABCD. Discussions also included the nature and scope of actuarial standards of practice (ASOPs) and the extent to which some ASOPs may be more prescriptive than others, and the rationale for the distinctions.

■ Held a regulator-only webinar in October for professionalism representatives to engage with regulators who may have been unable to travel to the national NAIC meetings, and provided a web-based forum to allow peer-to-peer discussions of issues uniquely faced by regulator actuaries. The



*Karen Terry
Vice President,
Professionalism*

Academy continues to reach out to regulators and create forums for discussions with regulator actuaries as part of the Academy's mission to the actuarial profession and the public.

■ Attended and participated in the public meetings of the NAIC Casualty Actuarial and Statistical Task Force, Life Actuarial Task Force (LATF), and Health Actuarial Task Force at the NAIC meetings, keeping regulators apprised of the activities of the professionalism groups housed within the Academy. At the summer meeting, President-Elect Mary D. Miller provided a preliminary glimpse to regulators of a proposed voluntary verification form of actuarial qualifications for actuaries, as requested by the three NAIC task forces, which were acting on a recommendation made by the NAIC Joint Qualified Actuary (JQA) Subgroup, which proposed a uniform definition of a "qualified actuary" requiring Academy membership and a process of Academy verification. The Academy also envisions this form to have value and benefit to all actuaries and their employers.

■ Continued, through the COQ, to serve as a substantial resource on actuarial qualifications to the profession by monitoring recent qualification matters and reviewing the USQS in that context, while continuing to respond to over 100 questions about the USQS generated by actuaries and regulators. In addition, the LATF charged the COQ with the following:

- Recommend to the Principle-Based Reserving (PBR) Implementation (EX) Task Force whether to require actuarial certification for each actuarial responsibility (e.g., NAIC staff, regulators, appointed actuaries, etc.) in principle-based reserving and consider guidance developed by the Appointed Actuary (A/B/C) Subgroup of the actuarial task forces.
- Determine whether specific continuing education requirements should be established for PBR actuaries, and whether those should be regulatory requirements or actuarial professional requirements.

■ COQ provided a preliminary response at the spring NAIC meeting and plans to provide a more comprehensive response at the next national NAIC meeting. n Published a discussion paper, through the Committee on Professional Responsibility (COPR), The Application of Precept 13 of the Code of Professional Conduct. The COPR also created and published a simple infographic, to help actuaries determine what to do when they come across a potential violation of the Code. The COPR plans to release a revised version of The Application of Professional Standards in International Practice before the end of the year, and a revised paper on peer review.

■ Revised and published the Applicability Guidelines for Actuarial Standards of Practice with the assistance of the other councils. The guidelines, in a new, user-friendly format, will be updated regularly in the future. The Applicability Guidelines provide actuaries with a non-authoritative reference to standards that usually apply to various actuarial assignments and tasks within practice areas.

■ Hosted the Academy's annual Life and Health Qualifications (LHQ) Seminar Nov. 10-13 in Arlington, Va. This popular seminar geared toward providing instruction and information for actuaries who wish to be qualified to sign the NAIC life and health annual

statement actuarial opinions reached its maximum capacity of over 100 registrants. The seminar also offers a voluntary exam at the end of the course for those who need to meet Section 3.1.1 of the USQS and have not otherwise satisfied its requirements. Fifty-four attendees took the exam, with all but one passing.

■ Continued its sponsorship and presentation of widely attended professionalism webinars:

- March webinar, [Precept 13: Preserving Integrity and Public Trust](#), attended by more than 3,500 participants.
- June webinar, [Disclosure in the Real World: ASOP No. 41 Case Studies](#), attended by more than 4,900 participants.
- November webinar: [The New ASOP 6, Does Your Actuarial Work Measure Up](#), attended by more than 880 participants.
- December webinar, [Revised FAQs On USQS: Spelling Out The Details](#), attended by more than 5,100 participants.

■ Continued to serve as the primary resource for professionalism speakers and presenters and placed professionalism speakers at actuarial organizations, actuarial clubs, and other forums as requested by the profession and the public.

ABCD Highlights

The Academy and other U.S.-based actuarial organizations undertake to strengthen members' adherence to the actuarial standards of practice (ASOPs), Qualification Standards, and professional conduct through the Actuarial Board for Counseling and Discipline (ABCD).



Bob Rietz
Chairperson, ABCD

The ABCD is an autonomous board housed within the Academy to provide guidance to practitioners, offer an avenue to report grievances regarding professional activities, counsel actuaries concerning their activities relative to the Code of Professional Conduct and ASOPs in specific situations, 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, the ABCD had 10 inquiries in progress and had completed 37 inquiries in 2014. Of those 37 inquiries, 19 were dismissed, 10 were dismissed with guidance, four resulted in ABCD counseling, and four resulted in a recommendation for discipline. The ABCD also responded to 90 requests for guidance.

The ABCD continued its educational outreach throughout the year. ABCD representatives responded to speaker requests and continued to write the

"Up to Code" column in each issue of *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. Topics in 2014 for "Up to Code" included:

■ January/February 2014—["When Harry Met Sally"](#): A walk through the ABCD complaint process.

■ March/April 2014—["A Show of Hands"](#): Why every actuary should read the Code of Professional Conduct at least once a year, paying special attention to Precept 1.

■ May/June 2014—["Owning Precept 13"](#): As a self-regulated profession, we must follow the principle "if you see something, say something."

■ July/August 2014—["CE Checklist for Enrolled Actuaries"](#): The continuing education requirements seek to ensure that the services provided by actuaries are done with skill and care.

■ September/October 2014—["You Sign It, You Own It"](#): Be careful when you rely on the expertise and work of another actuary.

■ November/December 2014—["Must or Should? Read: ASOP No. 1"](#): Defining and highlighting distinctions in language under ASOP No. 1.

In March, the ABCD issued an expanded [Annual Report](#), providing members with a state of the profession report, including statistics and analysis on the types of violations alleged in the previous year, the final disposition of those cases, and the recurring issues found in requests for guidance.

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 recommendations from the ABCD, these committees addressed the disciplinary recommendations

the Academy received from the ABCD in 2014. 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 2014, the Academy suspended one member and publicly reprimanded one member.

ASB Highlights

The Actuarial Standards Board (ASB) sets standards for appropriate actuarial practice in the United States through the development and promulgation of actuarial standards of practice (ASOPs). These ASOPs describe the procedures an actuary should follow when performing actuarial services and identify what the actuary should disclose when communicating the results of those services.



*Patricia Matson
Chairperson, ASB*

The ASB:

- Adopted a revision of ASOP [No. 6](#), *Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions*.
- Adopted a revision of ASOP [No. 38](#), *Catastrophe Modeling (for All Practice Areas)*.
- Approved a second exposure draft of a [proposed](#)

[ASOP](#) titled *Principle-Based Reserves for Life Products*.

- Adopted a revised version of ASOP [No. 35](#), *Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations*.
- Approved an [exposure draft](#) of a proposed ASOP titled *Medicaid Managed-Care Capitation Rate Development and Certification*.
- Approved an [exposure draft](#) of a proposed ASOP titled *Property/Casualty Ratemaking*.
- Issued a [discussion draft](#), *Determining Minimum Value and Actuarial Value under the Affordable Care Act*.
- Issued a [request for comments](#) on ASOPs and public pension plan funding and accounting.
- Approved an exposure draft of a proposed ASOP titled [Determining Minimum Value and Actuarial Value under the Affordable Care Act](#).
- Approved an exposure draft of a proposed ASOP titled [Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions](#).

Public Policy Highlights

Annual Meeting and Public Policy Forum

The Academy's annual meeting was held Nov. 13-14 in Washington. The gathering, adopting a new format this year, combined the traditional business of the Academy's annual meeting with a robust public policy forum including guest speakers and education sessions devoted to each practice area and to actuarial professionalism.

Keynote speakers included former Secretary of Health and Human Services Kathleen Sebelius, discussing her experiences shepherding adoption and implementation of the Affordable Care Act, and former U.S. Senator and current NAIC Chief Executive Ben Nelson, outlining his organization's goals and how they intersect with Academy work. Nora Super, executive director of the 2015 White House Conference on aging, briefed attendees on planning for that conference.

Mary D. Miller was inaugurated as Academy president at the meeting, while outgoing president Tom Terry moved into a senior role with the Board of Directors. Six Academy volunteers were honored

with awards for their service (detailed below). Political satirist Mark Russell provided lively entertainment during a very well-received awards dinner.

Breakout and plenary sessions offered attendees more than a dozen educational opportunities. Topics included:

- A pension session devoted to revealing assessments grading retirement systems and retirement reform proposals according to the principles of the Academy's Retirement for the AGES framework;
- Updates from congressional staff on the operation of, and congressional efforts to extend, the Terrorism Risk Insurance Act;
- An update from congressional staffers on the future of health-related legislation, including the ACA, long-term care proposals and Medicare, in the wake of the recent midterm elections;
- Academy, consumer, and industry representatives speaking on the feasibility of a new nonforfeiture law for life insurance and annuities;
- A session examining the issues that price optimization and disparate impact portend for actuarial rate setting in the casualty field;



Anne Montgomery, senior policy analyst at the Altarum Institute and National Academy of Social Insurance Visiting Scholar, briefs Summer Summit attendees on preparations for the 2015 White House Conference on Aging.

- An update on international insurance regulations, including speakers from the Federal Reserve Board of Governors and the Financial Stability Oversight Council;
- A cross-practice session examining lifetime income options with representatives of the federal Office of Tax Policy, think-tank experts, and a state insurance regulator; and,
- A discussion of how to protect yourself from the risk of insider trading in your dealing with public officials, hosted by a veteran defense attorney and a Securities and Exchange Commission prosecutor.

Summer Summit

Leaders of the actuarial profession gathered in Washington in July for the Academy's annual Summer Summit, focused this year on "The Aging of America." The group discussed how the Academy can bring actuarial science into public policy, and help the nation address the challenges of a surge in population reaching traditional retirement age.

Speakers at the daylong session included Rep. Michelle Lujan-Grisham (D-N.M.), representatives of AARP, the National Council on Aging, and the U.S. Senate Special Committee on Aging. Social Security Chief Actuary Steve Goss and Deputy Chief Actuary Alice Wade addressed the sustainability of federal old-age benefits, while Centers for Medicare and Medicaid Services Chief Actuary Paul Spitalnic briefed members on the state of that agency. Chris Carlson, chief actuarial officer of the Ohio Bureau of Workers' Compensation, detailed the changing dynamics of workers' compensation claims, and Phillip Barlow, associate commissioner of the D.C. Department of Insurance, Securities and Banking, discussed the long-term care insurance market. Oliver Kim of the Senate Special Committee on Aging discussed aging policy.

National Academy of Social Insurance (NASI) Vice President for Health Policy Lee Goldberg and Anne Montgomery, a senior policy analyst at the Altarum Institute and NASI visiting scholar—both of whom are actively involved in planning efforts for the 2015 White House Conference on Aging—spoke of the need for actuaries to be prepared to contribute.

Richard Jackson, founder and president of the Global Aging Institute, discussed how other countries are handling similar retirement challenges. Brookings

Institution scholar William Gale outlined a proposal to enroll new retirees automatically in a temporary annuity plan representing a portion of their retirement savings, in an attempt to familiarize more Americans with the importance of lifetime income.

Leaders of the Academy's practice councils briefed attendees on their efforts to address the aging challenge, and facilitated discussions on how the Academy can focus its efforts and resources on educating policymakers and the public about possible solutions.

Public Interest Committee

The Public Interest Committee is developing a white paper on sustainability of public programs, which is intended to offer a non-technical, high-level overview of issues involved in public program sustainability. This effort began with the 2013 Summer Summit, which focused on mandatory spending programs and the Academy's role in helping to make entitlement programs sustainable.

Essential Elements Papers

In 2014, the Academy introduced *Essential Elements*, a new series of concise and informative papers designed to provide a quick and easy-to-understand overview of key public policy issues of interest to Academy members, policymakers and the general public. Each paper provides the important points and analysis, supplemented by graphics, so that the reader can quickly understand the issue and its significance to the public debate.

In 2014, the Academy published 10 papers in the series:

[Raising Social Security's Retirement Age](#)

[Long-Term Care Financing](#)

[Plugging Holes in U.S. Flood Insurance](#)

[Principle-based Reserving: A New Way to Insure for Life](#)

[The 80% Pension Funding Myth](#)

[What Drives the Growing Cost of Health Care?](#)

[Terrorism Risk Insurance](#)

[Securing Social Security](#)

[Medicare's Long-Term Sustainability Challenge](#)

[Medicaid Overview](#)

The Academy Capitol Forum: Meet the Experts Webinar Series

The Academy began hosting a new webinar series in late 2013 intended to offer actuaries from all practice areas an opportunity to learn about public policy topics and organizations, as well as the role actuaries can play, from policy experts inside and outside the Beltway. To date, there have been 10 Capitol Forum webinars, each allowing attendees to interact with experts from government agencies and external organizations on topics important to the actuarial profession—health care quality, Medicaid expansion, and the state of the new exchanges; the National Flood Insurance Program; the stability of the U.S. financial system; solvency of the disability insurance trust fund; and pension and retirement security. Most of the webinars are archived on the Academy's website and can be accessed at any time:

[Diagnosing Which Health Treatments Improve Outcomes: A PCORI Overview and How to Get Involved](#) (October 2013)

[Navigating the International and U.S. Regulatory Environment](#) (November 2013)

[Winning the Oregon Medicaid Lottery: A Case Study on Medicaid's Effect on Utilization, Finances, and Health Outcomes](#) (December 2013)

[Eighteen Months After Biggert-Waters: Is the NFIP Staying Afloat?](#) (January 2014)

[Systemic Risk Monitoring at the Office of Financial Research](#) (February 2014)

[Actuary Serving Congress: A Conversation with GAO's Chief Actuary](#) (March 2014)

[Disability Insurance Trust Fund: Behind the Numbers with SSA's Chief Actuary](#) (April 2014)

[State of Exchanges](#) (May 2014)

[PBGC: Protecting Pensions and the Role of the Actuary](#) (June 2014)

[A Conversation with the Congressional Research Service](#) (September 2014)

[NCOIL: Impacting State Insurance Policy](#) (November 2014)

Casualty Practice Council Highlights

The Casualty Practice Council:

■ Hosted three sessions during the Academy's Annual Meeting and Public Policy Forum:

- *Natural Disasters, From Global to Local*, which delved into the potential impact on actuarial practice of climate change and natural catastrophes. Panelists also discussed the future of the National Flood Insurance Program after the Biggert-Waters Reform and subsequent rollbacks of key provisions of this reform legislation;
- *Price Optimization/Disparate Impact*, which examined issues that price optimization and disparate impact portend for actuarial rate setting; and,
- *TRIA: Terrorism Risk*, which provided an overview of the federal Terrorism Risk Insurance Program, including an update on the congressional prospects for renewal of the federal backstop and the issues raised during the legislative debate over its reauthorization.

■ Submitted [comments](#) to the Federal Insurance Office on the availability and affordability of auto insurance; served as a resource to representatives from the Congressional Budget Office on its cost estimate of terrorism risk insurance bill S. 2244; met with representatives from the Government Accountability Office to discuss NFIP rate setting.

■ Provided actuarial expertise to the National Association of Insurance Commissioners (NAIC) on a variety of topics: [comments](#) on a proposal to change the basis of insurance regulatory information system ratios 11, 12, and 13; continued dialogue with regulators on Casualty Practice Council approval process for Academy members seeking to sign NAIC Statements of Actuarial Opinion (SAOs); the development of an Actuaries Climate Index and Actuaries Climate Risk Index; two [comment letters](#) on the Reinsurance



Shawna Ackerman
Vice President, Casualty

Association of America's updated proposal on credit risk factors; and a risk-based capital (RBC) [comment letter](#) outlining concerns with a proposal on operational risk.

■ Participated in the *Climate Risk Forum: Bridging Climate Science and Actuarial Practice* at Stanford University. The event was designed to bring together climate scientists and actuaries to discuss the risks posed by climate change. The actuarial panel, which featured Academy volunteers, addressed the means by which climate risk could be assessed and then integrated into actuarial practice and featured a presentation on the Actuaries Climate Index.

■ [Presented](#) at the National Conference of Insurance Legislators' (NCOIL) Summer Meeting on the role of the private market in the future of flood insurance.

■ Provided several comments on congressional efforts to modify the Biggert-Waters National Flood Insurance Reform Act of 2012, including a comment letter to the U.S. House on H.R. 3370, the Homeowner Flood Insurance Affordability Act of 2014. The council also sent a comment letter to the U.S. Senate on S. 1926, the Homeowner Flood Insurance Affordability Act, which would have delayed implementation of some provisions of Biggert-Waters. Met twice with representatives of the Government Accountability Office to discuss actuarial issues relating to the implementation of the NFIP.

■ Submitted comments to the U.S. Senate [concerning](#) S. 2244, the Terrorism Risk Insurance Program Reauthorization Act of 2014; and to the House [concerning](#) H.R. 4871, the TRIA Reform Act of 2014, emphasizing the council's support for the reauthorization of the terrorism risk insurance program and the differences between insuring terrorism risks and other types of risk; and later sent a [comment letter](#) to Senate leadership urging reauthorization of the terrorism risk insurance program.

■ Provided [comments](#) on CAS Statement of Principles on P&C Ratemaking revised draft; provided a [comment letter](#) to the NAIC concerning the development of objective actuarial education measurement criteria that could be used by regulators to make a recommendation regarding the ability of Society of Actuaries Fellows in General Insurance to sign P&C SAOs.

- Conducted the Academy's ninth annual seminar on loss reserve opinions. Seminar topics included applicable actuarial standards of practice and U.S. Qualification Standards, documentation and disclosures, and risk of material adverse deviation.
- Published an [update of its 2007 paper](#) on how members of audit committees and boards of directors can most effectively utilize the loss reserve expertise of their actuaries.
- Made a [presentation](#) before the NAIC Casualty Actuarial and Statistical Task Force on the topic of price optimization.
- Updated the annual [Statements of Actuarial Opinion on Property and Casualty Loss Reserves practice note](#), which is designed to help appointed actuaries comply with the NAIC Annual Statement requirements for property/casualty SAOs.

Health Practice Council Highlights

The Health Practice Council:

- Hosted three sessions during the Academy's Annual Meeting and Public Policy Forum:
 - *The Outlook from Capitol Hill*, which discussed the legislative outlook following the midterm elections, including not only Affordable Care Act (ACA)-related issues but also issues related to long-term care and Medicare;
 - *2016 Benefit and Payment Parameters*, where Federal regulators and Academy representatives discussed key ACA rules for 2016, including the 3Rs and the actuarial value and minimum value (AV/MV) calculators; and,
 - *Latest Developments on Rate Review Requirements*, in which Federal regulators and Academy representatives discussed relevant changes to the unified rate review template (URRT) and related rate review requirements.
- Launched an initiative, "Examining the Health Care



Catherine Murphy-Barron
Vice President, Health

Equation-Actuarial Perspectives on Cost and Quality," that examines health care cost growth and explores options to reduce long-term spending growth and promote high-quality care. In conjunction with the launch, the council released a [paper](#) in April, "New Models of Care Delivery," and held a Capitol Hill [briefing](#) to highlight the new paper.

- Conducted Capitol Hill visits in March and met with 35 congressional offices and government agency staff to discuss current health-related issues, including ACA implementation, long-term care, and improving the solvency of Medicare.

- Academy's Senior Health Fellow Cori Uccello [testified](#) before the U.S. House Committee on Oversight and Government Reform's Subcommittee on Economic Growth, Job Creation, and Regulatory Affairs with an objective actuarial assessment of the three ACA risk-sharing mechanisms.

- Submitted comment letters to the Centers for Medicare and Medicaid Services on the [ACA rate review template](#), [ACA risk-sharing mechanisms](#), [benefit and payment parameters for 2016](#), [guidance on the ACA's health insurance providers fee](#) for the Medicaid program, and the implication of [breakthrough therapy designation medications](#) on Medicaid program costs.

- Submitted comment letters to the National Association of Insurance Commissioners (NAIC) on [the impact of ACA risk-sharing mechanisms on health risk-based capital](#), and [the potential effects of new accounting proposals for the risk-sharing programs of the ACA](#).

- Released issue briefs on several topics, including the drivers of 2015 health insurance premium changes and addressing the high cost of diabetes internationally.

- Continued to work with the NAIC on projects related to the Medicare supplement refund formula, a valuation table for individual disability insurance, a monograph on credibility as it relates to long-term care insurance, 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; continued work on a stochastic model for principles-based reserving for long-term care insurance; and worked on gathering data for long-term care terminations.

- Released an [issue brief](#) on the 2014 Medicare Trustees Report. The issue brief provides a description of Medicare's current financial state, as well as changes needed to improve Medicare's long-term solvency and sustainability.
- Held a number of webinars for members on topics ranging from health care spending trends, Medicaid, an examination of the newly revised group long-term disability table, and an update on the status of state-run health insurance exchanges.
- Finalized a [practice note](#) for members on the calculation of minimum value and actuarial value under the ACA. The practice note includes a discussion of plan designs not accommodated by the calculators.
- Continued publication of [HealthCheck](#), a monthly newsletter that keeps members up to date on Academy health-related publications, Academy mentions in news stories on health issues, and recently released regulations related to the ACA.

Life Practice Council Highlights

The Life Practice Council:

- Hosted three sessions during the Academy's Annual Meeting and Public Policy Forum:
 - *Is Nonforfeiture Ready for a Change? Issues and Concerns*, which featured Academy regulatory, consumer, and industry perspectives on ideas regarding the feasibility of a new nonforfeiture law for life insurance and annuities;
 - *The Other Side of PBR: Reviewing Results*, which provided insights into possible answers to the question: In a post-state implementation/enactment principle-based reserving (PBR) world, how will the review process work for regulators, auditors, and rating agencies?; and,
 - *Lifetime Income*, cohosted with the Pension Practice Council, examined the question of how to secure an income stream for life.



Mary Bahna-Nolan
Vice President, Life

Speakers addressed initiatives designed to bring about more widespread access to and use of lifetime income options.

- Made many [presentations](#) to the National Association of Insurance Commissioners (NAIC) at its three national meetings and dozens of conference calls during 2014 on principle-based reserving (PBR) implementation, capital requirements and other issues. The council updated the NAIC's Life Actuarial Task Force (LATF) on the development of the 2014 Commissioners Standard Ordinary Table and the 2014 Valuation Basic Table; gave presentations to the NAIC's Investment Risk-Based Capital Working Group on C-1 factors for corporate bonds; and gave a presentation to LATF regarding AG 33 and non-elective incidence reserves.
- Academy Senior Life Fellow Nancy Bennett made several presentations to the National Conference of Insurance Legislators (NCOIL) during their three national meetings in 2014 regarding PBR.
- Hosted, along with the Society of Actuaries, its annual PBR seminar, "Implementing VM-20: A Practical Approach," regarding life principle-based reserve requirements. The seminar looked at how to implement the new requirements and included basic sessions such as how to make a VM-20 calculation, as well as more advanced sessions focused on specialized issues.
- Hosted post-NAIC Update/PBA webinars after the three NAIC national meetings. The presenters provided updates on the LATF meetings and the Life Risk-Based Capital (E) Working Group meetings, as well as developments on VM-22, VM-20, and captives.
- The senior life fellow [presented](#) to the Financial Stability Oversight Council Insurance Industry Work Group on regulatory capital requirements for U.S. life insurers. The presentation focused on risk-based capital and solvency modernization.
- Drafted an update legislation-in-brief and FAQ [document](#) supporting the adoption of the NAIC Standard Valuation Law and PBR. The document addresses the difference between principle-based reserves and current reserves and explains why the new revisions to the Standard Valuation Law are in the best interests of consumers, the life insurance industry, and regulators.

- The Actuarial Opinion and Memorandum Discussion Group published a [report](#) summarizing the work of the group and ideas on how to improve the communication of issues within the Appointed Actuary's Memorandum.
- Sent over 30 [letters, updates, and other documents](#) to the NAIC with Academy comments on NAIC exposure drafts, and in response to requests made of the Academy.
- Drafted three [practice notes](#), relating to life principle-based reserves under VM-20, treatment of intangible assets under Purchase Generally Accepted Accounting Principles, and asset adequacy analysis.

Pension Practice Council Highlights

The Pension Practice Council:

- Hosted three sessions during the Academy's Annual Meeting and Public Policy Forum:
 - *Retirement for the AGES*, which focused on principles illustrating the strengths and shortcomings of retirement systems and proposals to reform them—[South Dakota Retirement System](#), [USA Retirement Funds](#), [New Brunswick Shared Risk Model](#), [Traditional Defined Benefit Plan Under Current System](#), and [Safe Harbor Defined Contribution Plan Under Current System](#);
 - *Multiemployer Plan Reform*, concentrating on how circumstances over the past 15 years have created unfunded benefit obligations in multiemployer plans that jeopardize both participant benefit security and the competitiveness of the contributing employers; and,
 - *Public-Sector Pension Plans Plenary*, centering on what makes a public pension plan sustainable or unsustainable and what the actuarial profession can do to provide more reliable information to the public.



Eli Greenblum
Vice President, Pension

- The Pension Practice Council's Forward Thinking Task Force launched its [Retirement for the AGES initiative](#), which introduces a framework to examine retirement plans and policy proposals designed to provide a secure and sufficient retirement. In 2014, the task force [released](#) a public policy monograph explaining the initiative, hosted a [Capitol Hill briefing](#) introducing it to congressional staffers and the media, and hosted [Retirement for the AGES: Measuring for Success](#), a forum that brought together retirement community leaders for an in-depth discussion and thought-provoking assessment of retirement plans and current proposals.
- Issued the Social Security Committee's updated monograph, [Social Security Reform Options](#), which analyzes proposals to address Social Security's financial challenges. Released the Social Security Committee's [issue brief](#) on the 2014 Social Security Trustees Report. The Committee also published an [issue brief](#) that analyzes Social Security design changes to create a defined contribution system within the program for workers to accumulate contributions in individual accounts to fund their retirement income, and updated its [issue brief](#) on the quantitative measures policymakers can use while evaluating Social Security reform.
- Published an [issue brief](#) examining the different measurements of the obligations of defined-benefit pension plans using two common measurements: solvency value and budget value.
- Published the Public Plans Subcommittee's [issue brief](#) introducing the objectives and principles for funding pension plans for state and local government. The brief states that policies used to establish funding for these plans should be formulated to maintain an appropriate balance among the competing objectives of benefit security, generational equity, and contribution stability.
- Submitted, along with the [Pension Finance Task Force](#) (PFTF), letters to congressional leaders on concerns about proposals to raise revenues by changing private sector pension law to offset unrelated spending increases. Also, Senior Pension Fellow Don Fuerst sent a [letter](#) to members of the U.S. House of Representatives regarding their request to make Generally Accepted Accounting Principles (GAAP) consistent with the pension funding rules in the Moving Ahead

for Progress in the 21st Century Act (MAP-21).

- Provided Senior Pension Fellow Donald Fuerst's written [testimony](#) to the U.S. Senate Committee on Banking, Housing and Urban Affairs Subcommittee on Economic Policy hearing on the state of U.S. retirement security. His testimony addressed lifetime income public policy initiatives and education on retirement income options.

- Sent Janet Barr, former chairperson of the Academy's Social Security Committee, to [testify](#) before the U.S. Senate Committee on Finance hearing, "Social Security: Is a Key Foundation of Economic Security Working for Women?"

- Submitted comments from the [Pension Committee](#) and the [Joint Committee on Retiree Health](#) to the Actuarial Standards Board (ASB) on revisions to ASOP No. 35, *Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations*. The Joint Committee on Retiree Health, Pension Committee, and Pension Finance Task Force sent a [letter](#) to the ASB on coordinating Actuarial Standards of Practice (ASOPs) involving retirement benefits. The Pension Committee also submitted [comments](#) to the ASB on its recent modeling ASOP exposure draft that included concerns that the potential ASOP could be applied too broadly.

- Sent a Pension Committee [letter](#) to the Internal Revenue Service and Treasury Department regarding guidance needed regarding the Highway and Transportation Funding Act of 2014. The Pension Committee also sent [comments](#) to the IRS regarding Notice 2014-5, *Temporary Nondiscrimination Relief for Closed Defined Benefit Plans and Request for Comments*; [comments](#) on Notice 2013-49: *Updated Static Mortality Tables for the Years 2014 and 2015*; [comments](#) regarding the *Annual Return/Report of Employee Benefit Plan (Form 5500)* that focus on the electronic submission of data on Schedules SB and MB; and comments regarding the updated final and newly proposed regulations for hybrid retirement plans (REG-132554-08 and REG-111839-13).

- Sent [letters](#) to the Governmental Accounting Standards Board from the Pension Committee's Public Plans Subcommittee and the Joint Committee on Retiree Health commenting on an Exposure Draft on accounting and financial reporting for pension plans that are not administered through trusts and

amendments to certain provisions of GASB Statements 67 and 68, and [commenting](#) on proposed statements of accounting and financial reporting by governmental employers for other postemployment benefits (OPEBs).

Risk Management/Financial Reporting Council Highlights

The Risk Management/Financial Reporting Council:

- Submitted written testimony to the U.S. House of Representatives Financial Services Subcommittee on Housing and Insurance for its hearing, "[The Federal Insurance Office's Report on Modernizing Insurance Regulation](#)" and to the U.S. Senate Banking, Housing, and Urban Affairs Subcommittee on Financial Institutions and Consumer Protection for its [hearing on capital regulation for insurers](#).

- Submitted [comments](#) in support of the Insurance Capital Standards Clarification Act of 2014 (S.2270/H.R.4510) to all members of the U.S. House of Representatives. Sent a follow-up letter to further express [support](#) to members of the U.S. House of Representatives and the U.S. Senate for the Insurance Capital Standards Clarification Act of 2014 (S.2270/H.R.4510).

- The Academy's Solvency Committee has submitted comments to the International Actuarial Association (IAA) on a number of topics of global interest in the past year. They have offered input on the International Association of Insurance Supervisors' (IAIS) [revised proposal regarding basic capital requirements for global systemically important insurers](#), on an IAIS paper on a [common framework for the supervision of internationally active insurance groups](#), and on an IAIS proposed approach for a [global insurance capital standard](#).

- Provided [testimony](#) to the House Financial



William Hines
Vice President, Risk Management and Financial Reporting

Services Subcommittee on Housing and Insurance, [feedback](#) to the Government Accountability Office, a [letter](#) to the National Conference of Insurance Legislators, and [comments](#) to the NAIC on proposed group solvency capital standards.

■ The Academy's Financial Reporting Committee (FRC) has worked with both the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) on several issues. In January, the FRC sent [comments](#) to the IASB and the FASB on their joint project on classification and measurement of financial instruments. In 2014, they sent [comments](#) to the IASB on the treatment on participating contracts as part of its insurance contracts project, [book yield versus effective yield approaches](#), and the [treatment of reinsurance and ceding commissions](#). Volunteers also met with members and staff of FASB on its November tentative Board decision on long-duration contracts measurements and the FRC's [letter](#) on short-duration contracts disclosures.

■ Provided three separate sets of comments the National Association of Insurance Commissioners (NAIC), in [March](#), [May](#), and [July](#) on its *Guidance Manual for the Own Risk and Solvency Assessment*, which will be included in NAIC's Financial Analysis

Handbook and Financial Condition Examiners Handbook, and provided [guidance](#) to actuaries on the ORSA process.

■ Produced three webinars for Academy members, on [systemic risk monitoring at the Treasury Department's Office of Financial Research](#), the [IASB and FASB insurance contracts project](#), and [recent updates from the IAA](#).

■ Developed an [overview](#) on the importance of actuaries in financial and insurance systems for the Financial Stability and Oversight Council (FSOC).

■ Released an exposure draft of the [practice note](#) on profits followed by losses in long-duration contracts.

■ Met with the American Institute of Certified Public Accountants' Insurance Experts Panel to discuss domestic and international insurance accounting standards and best practices, including the Academy's comments to the Public Company Accounting Oversight Board's draft [Auditing Accounting Estimates and Fair Value Measurements](#) staff consultation paper and the IASB's [Accounting for Dynamic Risk Management: a Portfolio Revaluation Approach to Macro Hedging](#) discussion paper.

Academy Elections

The Academy Board of Directors at its Oct. 7 meeting elected a slate of officers:

- Tom Wildsmith, president-elect.
- Art Panighetti, treasurer.
- John Moore, secretary.
- Shawna Ackerman, vice president, casualty.
- Cathy Murphy-Barron, vice president, health.
- Ken Kent, vice president, professionalism.

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

- Mike Angelina.
- Richard Dailak.
- D. Joeff Williams.

Academy President Mary D. Miller and the recently elected officers and board members began their terms following the Academy's Annual Meeting on Nov. 13.



Mary D. Miller delivers her opening remarks as the Academy's 50th president.

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 our profession.

Reflecting the growing interest in contributing to the public policy and professionalism work of the academy, 642 members in 2014 completed the annual volunteer survey, offering their time, talent, and expertise in the service of many Academy projects.

To assist members in choosing volunteer opportunities that match their needs as well as the expectations of 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 that option to assign 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) has initiated several programs in recent years to support members who volunteer, and to enhance their volunteer work. With the help of the Young Actuaries Committee and the VRC, the Academy's leadership will be looking at new ways to 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 to have a productive and positive experience.



Academy health volunteers gather to brief congressional staff on actuarial issues during their annual visit to Capitol Hill.

Thanks to all our Academy volunteers.

Noel J Abkemeier Michael S Abroe Yazeed F Abu-Sa'a Shawna S Ackerman Heather M Adams Jeffrey L Adams Stephanie Adelhardt Kenney William Aguayo Daniel L Ahlgrim Thomas M Ahmann Mark E Alberts Robert P Aldoriso Stephen A Alexander Terry J Alfuth Melissa R Algayer Jeffrey H Allen Scott A Allen Stephen A Alpert Robert A Alps Jeffrey N Altman Alan T Anderson David M Andreae Susan G Andrews Chester D Andrzejewski Jennifer A Andrzejewski Michael E Angelina Amy P Angell Clifford W Angstman Roger K Annin Matthew W Anthony G Michael Antrobus Jaron Arboleda Michele L Archer Adam L Arians Nancy L Arico Sara Ark Rita Arora James P Ash Eric J Atwater James G Auger David V Axene Bethany Axtman Christine S Bach Robert O Bacher William S Bade Rory J Badura Mary J Bahna-Nolan Michael L Bain Simpa A Baiye James C Balfe Linda C Ball Brent A Banister Stephen Banks Lee Barclay Guy V Barker Rex E Barker Philip A Barlow Cindy D Barnard Katharine Barnes Joan C Barrett Jay A Barriss John E Bartel Susan K Bartholf Frederick B Bass Craig E Bauer Robert W Beal Jeffrey A Beckley Albert J Beer Saeeda Behbahany Nancy A Behrens Rowen B Bell P J Beltrami Karen Bender Nancy E Bennett T Scott Bentley David E Berger Margaret S Berger Mark S Bergstrom Barnett N Berin Daniel C Berry Raymond D Berry Thomas S Berry Eric B Best John F Bevacqua Mark E Billingsley Alfred A Bingham Mark W Birdsall Kenneth S Birk Carolyn A Bittner Wayne E Blackburn Frank T Blair Ralph S Blanchard Sue Blanck Robert G Blanco Stephen P Blaske John L Blocher Vincent L Bodnar Neil M Bodoff Michael W Boerner Steve Boger Joyce E Bohl Kristi M Bohn LeRoy A Boison Joseph Bojman Karin A Bombard Dave Bond Peter J Bondy Michael A Boot Delmer F Borah Ashlee M Borcan Kevin J Borchert Lesley R Bosniack Richard J Bottelli Terryn J Boucher Theresa W Bourdon Linda L Bournival Amy S Bouska Samuel Boustani Jerome E Bownes Peter M Boyko Mark E Bracher Andrew J Bradford J Scott Bradley John M Bradley Nancy A Braithwaite Paul Braithwaite Timothy G Branch Roger T Brand Ben S Brandon Sharlene T Braun Susan L Breen-Held Gayle M Brekke Adam E Bremberger Justin J Brenden Joseph P Brennan Jr David A Brentlinger Guillaume Briere-Giroux Elizabeth K Brill Joanne M Briody Kelli A Broin Martha E Bronson Jill H Brostowitz Peter A Brot Linda S Brothers Raymond R Brouillette Brian Z Brown Jeremy J Brown Leonard G Brown Roger A Brown Kyle P Brua John K Bruins Larry J Bruning Elaine K Brunner James A Bryant Yiwen Bu Rod L Bubke Victor J Buonopane Richard H Burd Mark E Burgess James D Burke John C Burkett Bryan P Burningham Jason B Bushey Anthony R Bustillo Anne M Button Stephen G Butz J'ne E Byckovski Cecil D Bykerk Bruce Cadenhead Sandra L Cagley Sandra J Callanan Jonathan H Camire Katherine S Campbell Mary Pat Campbell Thomas A Campbell Alp Can David R Cantor Katie Cantor Mary E Caramagno Christopher S Carlson Christopher S Carlson Thomas P Carlson Bruno Caron D Wayne Carstens Janet M Carstens Michael V Carstens John S Cathcart Lauren J Cavanaugh Ronald Scott Cederburg Michael R Celichowski Matthew S Chamberlain Steven C Chamberlin Lina S Chan Margaret A Chance Mary T Chandler Kelly C Chang Suzanne E Chapa Ioannis Chatzivasiloglou Xiangyu Cheng Christopher Chernick Malcolm A Cheung Thomas J Chisholm April S Choi Cindy H Chou Wanchin W Chou Gregory R Chrin Tristan T Christ Andrea B Christopherson Mike T W Chuang Scott A Claflin Donna R Claire Franklin C Clapper Adrian L Clark Charles J Clark Christopher E Clark Kenneth L Clark Matthew P Clark Michael S Clark Janine Cleland Gary E Cline Jo Ellen Cockley Maryellen J Coggins Warren M Cohen David H Cohn Brian M Collender Matthew P Collins J Christian Conradi Ann M Conway Thomas P Conway Charles F Cook Michael C Cook Clint L Copeland Kevin A Cormier David A Coronel M Olivia Corrao Elaine T Corrough Heather L Costello Matthew A Covalle Errol Cramer Dean M Crawford John B Cumming A David Cummings Jonathan S Curlee Ron A Curran Kelly K Cusick Peter J Da Silva Sarkis Daghlilian Rui Dai Richard H Daillak Constance B Dalmadge Hall Robert M Damler Sophia L Dao Robert W Darnell Melisa Louise Darnieder Daniel R Davidson Herschel E Day Armand M De Palo Francis de Regnacourt Susan T Deakins Thomas J DeFalco Kris D DeFrain Ann M Delaney Timothy A DeMars Wesley J DeNering Tim P Deno Erin M Derksen Elizabeth E Desmonds Carl Desrochers Lawrence Deutsch John G Di Meo Richard H Diamond Arnold A Dicke Morton M Dickstein John T Dieck Mick L Diede Robert A Diefenbacher David L DiMartino Robert A DiRico Bradley M Dirks Deborah K Distler Devin B Dixon Douglas C Doll Kevin M Dolsky Rachel C Dolsky Kathryn I Dominguez Gayle L Donato Eli N Donkar Mathieu Doucet William F Dove Mita D Drazilov James E Drennan Colleen O Driscoll David L Driscoll Michael C Dubin Michael E Dubois Paul B Dugan Mark K Dunbar Ian G Duncan Janet E Duncan Paul B Dunlap Anita Dunn David P Durant Linda M Durman Brett B Dutton Kevin M Dyke Edward A Echeverria Douglas A Eckley Anthony Edwards Randall S Edwards Marvin P Ehly Warren S Ehrlich George E Eknaian Robert L Ellerbruch Nicole L Elliott Brian Emanuel Alan Mark Emmer John L Engelhardt Jerry F Enoch Seong-Min Eom Robert P Eramo Richard A Erickson Todd H Erkis Catherine Jo Erwin John O Esch Moji S Esho Jonathan P Evans Philip A Evensen Shane Ewen Janet L Fagan Gary T Fagg Gary L Falde Jenna L Fariss Alex Faynberg Sholom Feldblum Joshua D Feldman Martin Feldman Andy Ferris Debra L Fickett-Wilbar Troy Michael Filipek William E Finch Thomas W Fineis Thomas J Finnegan Wayne H Fisher Jeffery A Fitch Scott L Fitzpatrick Robert F Flannery Matthew Lucas M Fleischman David Fleiss Alice M Fontaine Harold E Forbes Alan D Ford Edward W Ford Jennifer Y Ford Sarah J Fore Susan J Forray Robert J Foskey David W Fox

Andrew France Dennis A Franciskovich Byron B Frank Michael W Frank Michael L Frank Sara Frankowiak Robert G Frasca K Eric Freden Mark J Freedman Howard A Freidin Derek Freihaut Darren French Aldwin P Frias Julianne H Fried Mark A Friederich Bruce A Friedland Michael C Frings John J Froehle Donald E Fuerst Alan R Furan Patricia A Furst James M Gabriel Andrew L Gaffner Bruce C Gaffney Roger J Gagne Glen C Gahan James P Galasso Vincent P Gallagher Todd C Galloway Randall T Gantt Roberta J Garland Dieter S Gaubatz Anne M Gaudet Edwin S Gauld J Timothy Gaule Joseph E Gaworski Gerhard J Gebauer Ronald Gebhardtsbauer Timothy J Geddes Anne M Gehant Murray David B Gelinne L Andrew Gennarelli Douglas K German Margaret W Germani Thomas L Ghezzi John D Gibson Sabrina H Gibson Kurt J Giesa Jennifer L Gillespie Steven A Ginnan Luke N Girard Michelle M Girton Jason S Gladden Lorenz R Glaza John Gleba Karen P Glenn N Terry Godbold David R Godofsky Barbara R Gold Jeremy Gold Sara W Goldberg Steven B Goldberg Roy Goldman Victoria A Gomez Andrew E Gordon Amy R Gorham Bela P Gorman Stephen C Goss Stacey C Gotham Leon R Gottlieb John B Gould John R Governale Francis X Gowen Michael B Gower Loic Grandchamp-Desraux Vincent J Granieri Patrick J Grannan Keith A Grassel Daren M Gravlin Laura S Gray Eli Greenblum Dale C Griffin Ken Griffin Steven J Groeschen Frank M Grossman Brian C Grossmiller Denis G Guenthner Larry W Gulleen Lijia Guo Gregory A Gurlik Glen A Gusewelle C David Gustafson Kristin K Gustafson Timothy D Gustafson James M Gutterman Sam Gutterman Derek N Guyton Kevin M Hacker Monique N Hacker Larry A Haefner Dale S Hagstrom Lee M Hakert Elizabeth A Hale R Dale Hall Winston T Hall William R Hallmark Aaron Halpert Audrey L Halvorson Allison Hamata Jane L Hamrick Mark E Hamwee Robert A Hanes Judith Hanna Noel H Harewood Paul Harmon Ejaz Haroon Jeffrey C Harper John M Harrington William D Harrington Timothy F Harris Guo Harrison Victor P Harte Stephen M Harter Thomas Hartl Ryan D Hartman Lise A Hasegawa Robert W Hastings Scott M Haugh Peggy L Hauser David G Hayes Michael C Hayes Gregory L Hayward James P Hazelrigs Matthew K Heaphy Philip E Heckman Kathryn E Hedke John K Heins Clark A Heitkamp Lori L Helge Peter G Hendee Alan R Hendren Don Henson David E Heppen Richard H Herchenroether R Thomas Herget Sanford B Herman Thomas G Hess Chandra Hicks Joseph F Hicks Jay T Hieb Kimberley Hiemenz Edwin E Hightower Michael R Hill Nathan J Hill Norman E Hill Barbara J Hilligoss Clark F Himmelberger William C Hines David J Hippen Scott A Hittner Kevin E Hoch Basha H Hoffman Earl L Hoffman Jeremy S Hoffman Kenneth F Hohman Indira Holder Brian D Holland James E Holland Troy W Holm R Jerome Holman Paula R Holt Daniel L Homan Nancy M Hoppe William R Horbatt Mary T Hosford Scott D Houghton Nyi N Htoon Zhi Hu Liaw Huang Nancy J Hubler Jeffrey R Huddleston Chad A Hueffmeier Peyton J Huffman Dennis J Hulet Dana N Hunt Suzette L Huovinen James D Hurley Pamela A Hutchins Li Hwan Hwang R Evan Inglis David N Ingram Frank S Irish Loretta J Jacobs Olga T Jacobs Corinne R Jacobson Daniel P Jaeger Jay M Jaffe Steven T James Mark J Jamilkowski Harry N Jamison Jr Malgorzata Jankowiak-Roslanowska David R Jarrett Kamil K Jasinski Burton D Jay Shereen J Jensen Shiraz Jetha Shiwen Jiang Yi Jing Jeffrey L Johnson Richard L Jolley Bruce R Jones Derek A Jones Leslie E Jones Scott O Jones Van A Jones Warren R Jones Robert L Jordan Leslie J Joseph Novian E Junus Joel C Kabala Linda M Kahn James A Kaiser Thomas P Kalmbach Ahmad Kamil Kenny W Kan Hye-Sook (Erin) Kang Margot D Kaplan Jason A Karcher Joseph P Karlovich Kenneth R Kasner Michael L Kaster Laurel A Kastrop Allan M Kaufman Sara V Kaufman David T Kausch Brian B Kavanagh Jeffrey S Kay Iris H Kazin Jacqueline M Keating Christopher P Keene Eric A Keener Jason E Kehrberg Elizabeth L Keith Craig B Keizur Tom M Keller Stephen G Kellison Gareth L Kennedy Kristina L Kennedy Sean M Kennedy Kevin Kenny Kenneth A Kent David E Kerr David J Kershner Emily K Kessler Andrew J Kiener Don Killian Matthew G Killough Jeffrey D Kimble Deborah M King John P Kinney John P Kinney III Mark E Kinzer Gregory L Kissel Matthew J Klaus Ellen L Kleinstuber Barbara W Klever Eric J Klieber Martin G Kline Darrell D Knapp Catherine L Knuth Stephen J Koca Tracy K Koch Christine K Kogut William R Kopcke Michael F Koppen John E Kovach Ethan E Kra Matthew E Kranovich Kerry A Krantz Donald R Krouse Stephen P Krupa Alex Krutov Sarah Krutov Joshua M Kuai Andrew E Kudera Ronald T Kuehn Kristin J Kuhn Howard A Kunst Perry Kupferman Nancy Lai David A Lalonde James R Lamenzo Stacey Lampkin James W Lamson Andrew C Lang Dennis L Lange Larry F Langer Leon L Langlitz Linda M Lankowski Matthew G Lantz Matthew R Larrabee Lisa A Larsen Kenneth A LaSorella Gordon J Latter Alexander J Laurie Barbara J Lautzenheiser Paul R Lavallee Jennifer W Lazio Giuseppe F Le Pera Robert K Leach Jennifer D Leazzo Chanhoo Lee Kuanhui Lee Ramona C Lee Raymond J Lee Sing W Lee Scott J Lefkowitz Charles W Leggette Timothy R Leier Weng K Leong Julia K Lerche James T Lescoe Brian R Lessing Charles Letourneau Alexander T Leung Mike Y Leung Cynthia J Levering Douglas B Levit Thomas D Levy Chester T Lewandowski Kok Bin Liew Craig F Likkel Jinn-Feng Lin Steven C Lin Brad S Linder Kenneth K Lining Walter T Liptak Fiona E Liston Mark E Litow Mark W Littmann Jeffrey Litwin Joshua P Liu Zhihua Liu Barry I Llewellyn John C Lloyd Simon K Lo Michael J Lockerman Mita N Lodh Shawn T Loftus Brett J Logterman Louis J Lombardi Roger D Loomis Valerie M Lopez Jeffrey R Lortie Stephen P Lowe John H Lowell Thomas B Lowman Jean C Lu June Lu Douglas B Lubliner Leslie J Lucas Ronald L Lucas

Timothy J Luedtke John A Luff Aaron J Lundgren Pedowitz Michael Lundquist Harry S Lutz JoDee L Lymburner Benjamin E Lynam James M Lynch
 Robert G Lynch Rimma Maasbach Robert A Macagnano John A MacBain Scott W Mack Carol E Mackey Alistair Macpherson Kevin M Madigan Karl
 Madrecki Timothy W Magnotta Mark B Magnus Craig A Magnuson Kevin B Mahoney Michael W Mahoney Lauren Mak Steven F Malerich Padraic
 M Malinowski Ann E Malone Matthew R Maloney John I Mange Albert B Manning Jeanette E Manning Tonya B Manning Rocco A Mariano Jr Leslie
 R Marlo Timothy J Marnell Andrew C Martin Matthew J Martin Roger L Martin Susan Lynn Mateja Steven E Math Stuart B Mathewson Stephan
 Mathys Youri N Matiounine Patricia E Matson Richard S Mattison Keith W Matzen Mahrukh Mavalvala Bonnie Maxie Dee Dee Mays Reginald G
 Mazyck Kevin C McAllister Sean M McAllister Jeffrey F McCarty George W Mccauslan Richard F McCleary Jacob O McCoy James B McCreesh Cindy
 L McDonald Jeff McDonald Joseph N McDonald Megan A McGee Leslie A McIntosh Thomas S Mcintyre Neil H McKay James J McKeogh Catherine
 M McKevitt Charles H McLaughlin Daniel R McMonagle Sarah K McNair-Grove Stephen J McNamara James P McNichols Pamela C Means John D
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 James M Merwald Carol A Meyer Scott M Meyer Shawna A Meyer Glenn Meyers Robert S Miccolis Jon W Michelson Katherine K Miehlke Michael
 E Mielzynski James B Milholland John R Miller Judy A Miller Mary D Miller Mary Frances Miller Scott D Miller Alan W Milligan Peter E Mills Gerard
 C Mingione Farhad K Minwalla Paul D Miotke Robert L Mishler Charles W Mitchell Claudine Modlin Victor Modugno Martha A Moeller Edward P
 Mohoric David F Mohrman Dennis M Monaghan Joanne P Mooney John H Moore Alexander D Morgan IV Courtney M Morin Francois R Morin
 Jeffrey S Morris John W Morris Rodney S Morris Paul D Morrison Craig D Morrow Jay B Morrow Scott E Morrow Matthew H Morton Matthew C
 Mosher Roosevelt C Mosley Jaime Mosquera Judy Mottar Kevin J Moynihan Kenneth P Mungan James C Murphy Richard C Murphy Stephen R
 Murphy Catherine M Murphy-Barron Colleen M Murray Rade T Musulin Michael J Muth Judith A Naanep Walter A Neeves Dean M Nelson Nancy
 F Nelson Valerie F Nelson Marc L Nerenberg Mary C Neumann David E Neve Chern C Ng Kim M Nicholl Carly Nichols Daniel P Nichols Keith L
 Nichols Barbara P Niehus Aaron L Nieuwsma John O Nigh Daniel A Nitz Mien S Niu Alejandra S Nolibos Michael E Nordstrom Robert C North
 Donna C Novak Jason T Nowakowski G Christopher Nyce John A Nylander Sean O Dubhain Marc F Oberholtzer William A Obert Gina Collopy
 O'Connell James T O'Connor Kathleen C Odomirok Brendan O'Farrell F Ronald Ogborne David F Ogden Glen B O'Halleran Brian N O'Konski Jack
 D Oldenburg Christopher D Olechowski Mark C Olleman Cande Olsen Kory J Olsen David E Olsho Vanessa M Olson Michael A Onofrietti Nadine
 H Orloff Alejandro A Ortega Nickolas J Ortnr Charles J Osicka Keith D Osinski Bruce P Osterweil Steven L Ostlund Keith X Oswald David J Otto
 Rebecca Owen Justin W Owens Richard E Owens Chad Padgett Joseph Paesani Valerie A Paganelli Amy Pahl Alan M Pakula Jeremy D Palmer Keith
 J Panetta Sandra V Pangburn Arthur V Panighetti Susan E Pantely James L Paprocki Jennifer Parkes John P Parks Martha M Parrish Keith A
 Passwater Nicholas E Pasyanos Surangi U Patel Bela H Patel-Fernandez Lisa M Pawlowski Richard C Payne Marc B Pearl John R Pedrick Tracie L
 Pencak Ying Peng Alan C Pennington Janet L Perrie Godfrey Perrott Thomas E Persichetti Eric H Petersen S K Petersen Todd M Petersen Andrew J
 Peterson Shaun L Peterson Todd D Peterson Jeffrey P Petertil Judith A Pettit Timothy C Pfeifer Peter A Pham Julia T Philips Howard M Phillips
 Steven J Phillips John Pierce Susan E Pierce Kurt F Piper Robert J Pipich James B Pisano Michael L Pisula Christopher M Place Richard A Plano
 Mearl B Platt Lauren J Plenner Jayne L Plunkett Lynn Pogas Lawrence I Pollack Michael F Pollack Jonathan M Pollio Jeffrey Mark Pomerantz Robert
 M Ponsonby Alison L Pool Brian Dale Poppe Dale S Porfilio Sandra Potasky John A Potts Amy J Powers Brian Prast Emily J Prawalsky T Michael
 Presley Michael B Preston Virginia R Prevosto Daniel S Pribe John A Price Michael D Price Jonathan D Prince Robert A Pryor Kyle A Puffer David S
 Pugel Ralph S Pulis John M Purple Marianne Purushotham Kathryn Y Qin Kathleen Quinn Kenneth Quintilian Kelly J Rabin Bernard Rabinowitz
 Steven M Rabinowitz Heidi Rackley Christine Radau Dennis Radliff Francis Radnoti Joseph M Rafson David D Ramsey Merideth A Randles Scott K
 Randles Arthur R Randolph Brian D Rankin Anna M Rappaport Darin L Rasmussen Francis Ratnasabapathy Peter S Rauner Kevin D Rease Leonard
 J Reback Anita M Recchio Brian N Rees Brian W Regan Enid M Reichert James F Reiskytl Anthony L Render Kevin M Reopel Theresa M Resnick
 Jeremiah D Reuter Craig W Reynolds Frank G Reynolds Daniel J Rhodes Thomas E Rhodes Cynthia L Rice Link K Richardson Sara A Richman Zoe F
 Rico David P Rigby Kathleen A Riley Jay C Ripps Lawrence B Risch Christopher R Ritter Charles E Ritzke Alex Rivera Saba Rizvi Stephen A Robb
 Curtis L Robbins Edward L Robbins James M Robinson John W Robinson Timothy K Robinson Linda Rodway Elizabeth C Rogalin David Y Rogers
 Phillip A Romello Stephen Rook Carlos G Rosado John A Rose Roland R Rose Stephen H Rosen Jay P Rosenberg Alice Rosenblatt Dreighton H
 Rosier Gail M Ross Randall D Ross Peter G Rossi Alan J Routhenstein Mark C Rowley David A Royce Dave S Rubadue Larry H Rubin Michelle L Rubin
 Adam L Rudin Karen K Rudolph Max J Rudolph David M Ruiz F Kevin Russell Jason L Russell Allan W Ryan Michal Ryduchowski Jeffery M Rykhus

Rajesh V Sahasrabuddhe Zenaïda M Samaniego Nilabh Sanat David K Sandberg Eric G Sandberg Manalur S Sandilya Geoffrey C Sandler Sujata S Sanghvi John Sardelis Maria M Sarli Keith T Sartain Andreea N Savu Tia G Sawhney Ruth Y Sayasith Letitia M Saylor Shereen J Sayre William M Sayre Michael D Schachet Richard D Schaefer Francis M Schauer Jr Gabriel R Schiminovich Donald D Schisler Jr Greg Schlappich Jeffrey S Schlinsog Graham A Schmidt Jeffrey W Schmidt Chad M Schmitt Allen J Schmitz Robert E Schneider Bruce D Schobel Jared T Scholten Steven W Schoonveld David S Schraub Kathleen Schroeder John J Schubert Mark W Schulte Jason P Schultz Jeffery C Schwandt Allan I Schwartz Jeffrey S Schwartz Patricia M Schwartz William J Schwegler Gary W Scofield Lawrence G Scott Carol R Sears Donald J Segal Mark S Seliber Andrea T Sellars Lawrence A Seller Lyle S Semchyshyn Brian M Septon Tomasz Serbinowski Mitchell I Serota Ahmad Shadman Poojan J Shah James C Shake Hui Shan Joshua A Shapiro Maureen Shaughnessy John L Shaw Mark E Shaw David A Shea Jr David A Shea Martin Sheerin Karen A Shelton Tamara R Shelton Mark Shemtob Quan Shen Sudha Shenoy Linda A Shepherd Lawrence J Sher Brett Shereck Eric C Sherman Harvey A Sherman Steven J Sherman Theodore J Shively Henry W Siegel Peter A Sieviec Irwin Silber George E Silos Achille R Sime-Lanang Mary H Simmons Martin M Simons Rial R Simons Stacey L Sinkula Chris L Sipes Ronald Sleiman Lisa A Slotznick Dean K Slyter Jennifer G Smagula Amy L Smith Andrew T Smith David V Smith Karen Smith Mary Kathryn Smith W Leon Smith Eric L Smithback Patricia E Smolen Thomas D Snook Martin Snow Barbara L Snyder William J Sohn Ashish Sondhi Steven G Sorrentino Vanessa J Soskind Richard C Soulsby Charles J Souza David E Sowers Joanne S Spalla Mark J Spangrud Angela K Sparks Lloyd M Spencer Lloyd M Spencer Jr Bradley C Spenney David Spiegler Isaac Squire Martin E Staehlin Bruce A Stahl David A Stalker P J Eric Stallard John W C Stark Jeremy Starr John D Steele David T Stefanski Robert W Stein Robert D Steinhorn John M Stenson John R Stephens Jo B Stephenson Larry N Stern Jenny E Stevens Randall A Stevenson Steele R Stewart Ellen D Stiefel Tove L Stigum David H Stimpson Jonathan E Stinson Avivya S Stohl John T Stokesbury James G Stoltzfus Edward C Stone Frank P Stone Emily M Stoner Janet M Storace Diane M Storm Norman Storwick Ryan J Stowe Roy W Strewchuk Judy K Stromback Douglas N Strommen Stephen J Strommen Paul J Struzzieri Martha M Stubbs Wayne E Stuenkel Gregory M Stump Peter R Sturdivan Michael G Sturm Hannah L Suh Robert A Sujecki James A Summers Sheldon D Summers Jerome P Swenson Karin M Swenson-Moore John W Swisher Chester J Szczepanski Duncan H Szeto Carmilla Tan Charles W Tan Connie W Tang Richard C Tash Robert G Tate Denis J Tauscheck Douglas W Taylor Thomas N Taylor Frans W Te Groen Arthur H Tepfer Hal Tepfer Sara C Teppema David M Terne Karen F Terry Thomas S Terry Patricia A Teufel Dawn M Thayer Steven J Thiel Gary Thomas Lisa A Thomas Dena Simone Thompson James R Thompson Michael J Thompson William J Thompson Edward H Thomson III Craig W Thorburn Erik J Thoren Jeffrey Philip Thornton Randy E Tillis Thomas C Toce Jason J Tomanda Tammy P Tomczyk Peter Tomopoulos Michael L Toothman Kathleen A Tottle David Tovson Ricardo Trachtman Kevin J Trapp Nancy R Treitel-Moore Chris G Trost Richard J Tucker David M Tuomala Roderick E Turner Thomas J Turner James E Turpin Cori E Uccello Lisa G Ullman Dewayne E Ullsperger Alice Underwood Dale R Uthoff Ferdinand M Uy Douglas S Van Dam Tamra R VanAllen Kenneth S Vande Vrede Jennifer A Vandeleest Laura Vandermolen Vicente E Velarde Paul A Vendetti Yuri P Veomett Jean C Vergara Mark A Verheyen James F Verlautz Steven G Vernon Rina C Vertes Michael J Villa Annie B Voldman Karl G Volkmar Ken Vollmer Carl W Voss John E Wade Kevin J Wade Zorast Wadia Muzammil Waheed Heather A Waldron Eric C Waldschmidt Christopher P Walker Donald M Walker Diane Wallace Eric M Walta Carmen R Walter Matthew J Walter Jon M Wander John A Wandishin Ning Wang David P Ward Kimberley A Ward Michael C Ward P Andrew Ware Aaron M Weatherman Randi E Webber Peter A Weber Robert A Weber Mark Weinblatt Aaron R Weindling David J Weinsier Joan M Weiss Dianna K Welch Alfred O Weller David M Welsh Virginia C Wentz Scott Werfel Mark D Wernicke Lane B West Shari A Westerfield Scott B Westphal Joyce B Whaley Michael C Whelchel Jim Whelpley Marc I Whinston Lawrence White John M Wiechecki David Wiland Timothy J Wilder Thomas F Wildsmith IV Thomas F Wildsmith William Robert Wilkins Russell D Willard D Joeff Williams Jeremy D Williams Laurence C Williams Miles C Williams Rebecca Williams Alexandra R Willson Ernest I Wilson Lawrence F Wilson William H Wilton Josh Windsor Teresa R Winer Matthew J Wininger Ross A Winkelman Chad C Wischmeyer Timothy L Wisecarver Kirby W Wisian Karin H Wohlgemuth Daniel L Wolak Ben H Wolzenski Henry C Wong Kathleen R Wong Ruth Ann Woodley David Woodmansee Jr Dorothy A Woodrum Candace J Woods Patrick B Woods Nathan J Worrell Carl B Wright Scott E Wright Terrence D Wright Kurt J Wrobel Andrew J Wunsch Max E Wyman Panrong Xiao Wei Xie Dale H Yamamoto Jin Yan Yan Yang Daron J Yates Robert K Yee Vincent F Yezzi John P Yonkunas Joshua A Youdovin Lynn M Young Richard A Young Scott G Young Donghai D Yu Jianhua Yu Lynn Yu Mark M Yu Zerong Yu Ali Zaker-Shahrak Anton Zalesky Arthur J Zaremba Navid Zarinejad Ying Zhao Xiaobo Zhou Zengdi Zhuang Carolyn E Zimmerman Darin G Zimmerman Vincent Zink Daniel A Zollars Rita M Zona Robert C Zwick Norman J 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 2014 included:

January

2 Webinar: [IFRS Update: Where in the World Are We Going with Insurance Contracts?](#)

16 Webinar: The Academy Capitol Forum: Meet the Experts Webinar Series: [Eighteen Months After Biggert-Waters: Is the NFIP Staying Afloat?](#)

17 Capitol Hill Briefing: [Retirement for the AGES: Building Enduring Retirement-Income Systems](#)

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

February

6 Webinar: [The Latest Findings on National Health Spending from CMS](#)

21 Webinar Webinar Series: [Systemic Risk Monitoring at the OFR](#)

March

14 Webinar: [Precept 13: Preserving Integrity and Public Trust](#)

20 Webinar: The Academy Capitol Forum: Meet the Experts Webinar Series: [Actuary Serving Congress: A Conversation with GAO's Chief Actuary](#)

23–26 Conference (Washington): Enrolled Actuaries Meeting (Academy, CCA)

April

7 Capitol Hill Briefing: [Examining the Health Care Equation - Models of Care Delivery](#)

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

23 Webinar: The Academy Capitol Forum: Meet the Experts Webinar Series: [Disability Insurance Trust Fund: Behind the Numbers with SSA's Chief Actuary](#)

28 Policy Forum (Washington): Retirement for the AGES: [Building Enduring Retirement-Income Systems](#)

May

15 Webinar: [What You Need to Know on the New Group Long-Term Disability Valuation Table and Actuarial Guideline](#)

23 Webinar: [The Latest Updates on IAA Insurance Accounting, Regulation, and Enterprise and Financial Risk Activities](#)

29 Webinar: The Academy Capitol Forum: Meet the Experts Webinar Series: [State of the ACA Health Insurance Exchanges](#)

June

26 Webinar: [Disclosure in the Real World: ASOP No. 41 Case Studies](#)

30 Webinar: The Academy Capitol Forum: Meet the Experts Webinar Series: [PBGC: Protecting Pensions & the Role of the Actuary](#)

July

14 Policy Summit (Washington): Summer Summit: "The Aging of America"

August

27 Seminar (New York): [Implementing VM-20: A Practical Approach Seminar](#)

September

15–16 Seminar (San Diego): Casualty Loss Reserve (Academy, CAS)

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

25 Webinar: The Academy Capitol Forum: Meet the Experts Webinar Series: [A Conversation with the Congressional Research Service](#)

November

10–13 Seminar (Arlington, Va.): [Life and Health Qualifications](#)

13–14 Annual Meeting (Washington): [American Academy of Actuaries Annual Meeting and Public Policy Forum](#)

December

2–3 Seminar (Baltimore): [P/C Effective Loss Reserve Opinions](#)

Academy Awards

Six long-serving Academy members received awards during the Annual Meeting and Public Policy Forum in Washington, Nov. 13-14.

Steven Kellison received the [Jarvis Farley Service Award](#), which honors an actuary whose volunteer efforts on behalf of the Academy have made significant contributions to the advancement of the profession. Kellison has served on Academy boards and committees for nearly 25 years. He has shown particular dedication to the Actuarial Standards Board (ASB), serving as its chairperson from 2008 to 2010, vice chairperson for operations from 2010 to 2012, and vice chairperson for finance from 2012 to 2014. He chaired the Academy's Social Security Committee from 1990 until 1993, and has served on practice councils covering pension, life, and risk management issues.

The Farley Award was established in 1991 in honor of Jarvis Farley, a charter member of the Academy. The award honors individuals who continue Farley's spirit of volunteer service to the actuarial profession.

Ronald V. Gresch was honored with the [Robert J. Myers Public Service Award](#), which honors an actuary who made an exceptional contribution to the common good, specifically through a single noteworthy public service achievement or a career devoted to public service. A senior health actuary with



Tom Terry presents the Robert J. Myers Public Service Award to Ronald Gresch.

the Office of Personnel Management, Gresch was recognized for his excellent management, negotiation, and analytical skills, and commended for effective communication to the executive and legislative branches regarding benefit and insurance programs upon which millions of public employees rely.

Members who nominated Gresch praised him as a mentor to junior actuaries and an expert in the profession respected by his peers.

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 during his tenure as the chief actuary of the Social Security Administration from 1947 to 1970.

In addition, the Academy honored four members — David Neve, Donna Novak, Robert J. Rietz, and Stephen Strommen — with its Outstanding Volunteerism Award.

Neve is chief actuary for Accordia Life and Annuity in Des Moines, Iowa. He was recognized for his exemplary leadership of the Life Practice Council's principle-based reserves initiative. His tireless work in this area has helped move PBR from a conceptual Academy proposal, through the model law regulation process to present, where it is being considered by state legislatures.

Novak is president and CEO of NovaRest Inc. in Sa-



Outgoing President Tom Terry presents the Jarvis Farley Service Award to Steven Kellison at the annual meeting.

huarita, Ariz. She was honored for her extensive work as a leader of the Health Practice Council, specifically her work with the Health Solvency Work Group on health risk-based capital; her role in the Academy's efforts related to implementation of provisions in the Affordable Care Act, including the medical loss ratio requirements, risk-sharing mechanisms, and rate review requirements; and her contributions on behalf of the Actuarial Standards Board in the development of the new actuarial standard of practice [No. 8, Regulatory Filings for Health Benefits, Accident and Health Insurance, and Entities Providing Health Benefits](#).

Rietz continues to serve the profession after retirement through his service on the Actuarial Board for Counseling and Discipline (ABCD), serving as its chairperson the past two years. He was nominated by the Academy's Executive Committee itself, to recognize his outstanding efforts this past year in communicating effectively and frequently in many

Academy publications about professionalism and discipline issues. He played a key role in developing the expanded and more informative ABCD annual report, which has been extremely well-received in the profession and regulatory community.

Strommen is the owner of Blufftop LLC, which provides software tools, consulting, and research to the actuarial profession, financial institutions and government regulators. He was honored for his outstanding work on the application of discount rates in insurance accounting, and exemplary stewardship as chairperson of the Insurance Accounting Standards Task Force.

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

Presidential Communications

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

During his term, Academy President Tom Terry wrote about:

■ **A YEAR WELL SPENT:** The profession's opportunity to comment objectively on both the solvency and the sustainability of a number of public programs, and how that is worth the effort even if it ruffles some feathers.

■ **KEEPING UP WITH THE BRITS:** How the actuarial profession might benefit from recognizing paraprofessionals who are qualified to conduct limited actuarial analysis, and why a program of the U.K.'s Institute and Faculty of Actuaries might prove a useful guide.

■ **PUBLIC CONFIDENCE—WHAT DOES IT TAKE?:** Actuaries' responsibility, in the face of dire news about public pension funding, to provide relevant and consistent information, not just to plan sponsors, but to the public. One place to start might be establishing a practice standard unique to public pension plans.

■ **A NEW RETIREMENT PARADIGM:** Our traditional understanding of retirement may not be adequate to the needs of today's workers. Perhaps it's time to reconsider the idea of retirement, focus on making the most of a person's productive capacity throughout their lifespan rather than assuming they'll reach a particular age and stop working, and orient our health care and retirement systems to support more engagement in the final third of life.

■ **THE AGING OF AMERICA:** The entire industrialized world faces the challenge of determining how to care for a large, aging population's needs without placing an outsized burden on those in their working prime, but America has tools other nations don't have. These could include the ability to realign

our retirement and health care systems to support older workers, making the most of their abilities and knowledge rather than losing their talents.

■ **PUBLIC INTEREST: PRESERVING THE TRUST:** Trust in America's public institutions, from Congress to big business to organized labor, is on the decline, and has been for 40 years. What can we, as actuaries, do to build public trust in our profession, in the Academy, and in the institutions we influence?

Throughout his term, Academy President Tom Terry also kept members informed through emails, letters, and occasional columns in other Academy publications addressing specific issues:

■ A [member letter](#) summarizing the financial position of the Academy, announcing that dues would remain unchanged for 2014, and notifying members of the release of the 2013 edition of *The Record*.

■ A [member letter](#) announcing a resolution removing presidential officers of the Society of Actuaries from the Academy's board, and reaffirming the Academy's steadfast commitment to strong relationships with all U.S.-based actuarial associations.

■ A [column](#) in the February *Actuarial Update* on how to move actuarial science from its focus on solvency to a focus on solvency and sustainability.

■ A [column](#) in the March *Actuarial Update* discussing the Academy's values, and its role as an objective, independent, effective voice for the profession.

■ A [member letter](#) extolling the benefits of volunteering with the Academy, and asking members to take the 2014 volunteer survey.

■ A [member letter](#) clarifying what the U.S. Qualification Standards (USQS) require of an actuary who wishes to change practice areas.

■ His [farewell address](#), delivered at the Academy's 2014 Annual Meeting and Public Policy Forum in Washington.

Academy Communications

The Academy produces a number of publications to communicate with both members and external audiences about the standards of the actuarial profession, and its contributions to public policy:

- [Contingencies](#)—The Academy's bi-monthly magazine takes readers into the world of the actuary—insurance, casualty, health, pension, financial and risk management—through a wide array of feature stories, commentaries, interviews, how-to columns, and more. Contingencies won Association Media and Publishing's (AMP) 2014 Excel Award for Feature Article, its seventh AMP recognition.
- [Actuarial Update](#)—Our monthly newsletter, published since 1977, keeps members up to date on their Academy's activities, professionalism news, and evolving public policy issues that affect the work of actuaries.
- [ASB Boxscore](#)—The Actuarial Standards Board's (ASB) newsletter, with progress reports on the ASB's work developing and updating standards.
- [Enrolled Actuaries Report](#)—a quarterly newsletter with news, analysis, and regulatory and standard-setting updates for Academy members who work with public and private pension plans.
- [HealthCheck](#)—The Academy's monthly digital newsletter covering the actuarial perspective on health care reform implementation.
- [PBA Perspectives](#)—New in 2014, PBA Perspectives is a new Academy publication to keep you up to date on activities surrounding the implementation of the principle-based approach for life insurance.
- [Retirement Account](#)—A quarterly digital newsletter for Academy members who work with retirement plans, covering developments ranging from regulations and standard-setting to public policy and legislation.
- [This Week](#)—The Academy's end-of-week digital newsletter, compiling a week's worth of news, updates, events, and media coverage in one convenient, easy-to-use publication.
- [The Record](#)—The Academy's annual report to the membership and the public, recapping the work of Academy volunteers over the past year in serving the public and the profession.
- [Yearbook](#)—An archived resource on Academy bylaws, organization, operations, history, and activities, providing a year-by-year record of organizational and member involvement. The last Yearbook was published in 2009. Since that time, the policies and other information on member involvement formerly printed once a year have instead been updated dynamically on the Academy website.
- [NAAC Report](#)—The North American Actuarial Council Annual Report compiles the cross-border work and collaboration of the nine actuarial organizations serving the United States, Canada, and Mexico.

The Academy maintains a constantly updated suite of websites:

- [Actuary.org](#)—The Academy's flagship site hosts all of its publications, regular alerts on public policy developments impacting the profession, and a professional directory of contact information for all members. Actuary.org is where members go to vote for Academy offices, and learn about and register for Academy events and training.
- [ActuarialStandardsBoard.org](#)—The ASB website hosts the library of current actuarial standards of practice, as well as proposed revisions under discussion, and instructions on how members can offer their input. The Qualification Standards and Code of Conduct, as well as guidance on how they apply, can be found here as well.
- [ABCDboard.org](#)—The Actuarial Board for Counseling and Discipline (ABCD) site offers information on the complaint process, publishes the ABCD's responses to requests for guidance, and allows actuarial organizations to request a speaker from the ABCD.

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 profession-wide issues (not necessarily involving all participating organizations),

and, wherever possible, develop an action plan to address those issues.

The North American Actuarial Council (NAAC) has been involved in several activities:

- NAAC's Collaborative Research Group (CRG) held quarterly conference calls. The project to study the regulatory risk that insurance companies and their actuaries face in North America along with mitigation strategies and communications is moving forward. The group also has shared information on its ongoing projects, which include the Actuaries' Climate Volatility Index.
- NAAC further discussed a possible cross-border discipline agreement, to include Mexico.
- The CIA invited two speakers to address 20 years of NAFTA. Their presentations explored the Canadian, U.S., and Mexican experiences; and the professional mobility issue, the effectiveness of NAFTA, and other international initiatives.
- NAAC supported increased information-sharing among NAAC member organizations by discussing the World Economic Forum's Top 2014 Global Risks. NAAC members also shared information on Solvency II and ORSA, the lack of uniformity in long-term mortality improvement assumptions, the development of the profession, and the development of new foreign actuarial credentials.

International Activities

Coordinates the representation of the U.S. profession globally

—Academy Mission Statement

The American Academy of Actuaries serves as the unique voice of the U.S. actuarial profession in international forums. Where possible, the Academy coordinates activities among the five U.S.-based actuarial associations to identify emerging international issues affecting U.S. actuaries. We work with international organizations to ensure that the U.S. actuarial perspective is recognized. The Academy has identified three guiding principles for its international work:

Assist in raising the standard of actuarial practice throughout the world.

While assuring that U.S. standards are understood and not eroded, volunteers participate in the development of and provide feedback on the International Actuarial Association (IAA) model standards of practice and educational notes (similar to U.S. practice notes) so that countries without access or resources to develop standards on their own can look to the IAA models for templates.

Increase the visibility and recognition of the actuarial perspective globally

The Academy interacts on insurance and actuarial issues with multilateral stakeholders, including the International Association of Insurance Supervisors (IAIS), International Accounting Standards Board (IASB), Organization for Economic Co-Operation and Development (OECD), the European Actuarial Association, as well as the IAA.

Work with other national actuarial associations to find solutions to shared professional challenges

The international actuarial community faces some of the same challenges as the U.S. profession, so working with other national associations to find solutions and build consensus around these challenges will help the profession globally. The Academy participates in the North American Actuarial Council (NAAC), which promotes coordination and cooperation among the leadership of nine participating organizations, which represent actuaries in Canada, Mexico, and the U.S. Similar communication with other national associations around the world will help advance the profession and the Academy has established relationships with several.

The following items represent some of the work that took place at the IAA in the past year, as well as highlights of Academy-specific activity on international issues:

INTERNATIONAL ACTUARIAL ASSOCIATION

The IAA is working on several draft model International Standards of Practice (ISAP). A proposed final version of ISAP 3, [*Actuarial Practice under IAS 19 Employee Benefits*](#), was released at the end of September. It is expected to be approved at the April 2015 IAA meeting. At its September meeting, the IAA Council also approved final statements of intent for three ISAPs on the International Financial Reporting Standard (IFRS) on insurance contracts, insurer enterprise risk models (ERM), and ERM programs and IAIS insurance core principles.

On a related note, to ensure due process for the development of ISAPs, the IAA revised two publications in June—[*Due Process for International Standards of Actuarial Practice*](#) and [*Strategic Action Plan for International Standards of Actuarial Practice*](#).

AMERICAN ACADEMY OF ACTUARIES

The Academy's Solvency Committee has submitted comments to the IAA on a number of topics of global interest in the past year. They have offered input on the IAIS' [*revised proposal*](#) regarding basic capital requirements for global systemically important insurers, the IAIS' paper on a [*common framework*](#) for the supervision of internationally active insurance groups, and the IAIS [*proposed approach*](#) for a global insurance capital standard.

The Academy's Financial Reporting Committee (FRC) also continues to work both the IASB and the Financial Accounting Standards Board (FASB) on several key issues. Specifically, in January, the FRC sent [*comments*](#) to the IASB and FASB on their joint project on classification and measurement of financial instruments, and in September, they sent [*comments*](#) to the IASB on the treatment of participating contracts as part of its insurance contracts project. Members of the Academy's FRC have also met with IASB staff to discuss discount rates, unlocking contract service margins, other comprehensive income, and financial instruments.