



SOCIETY OF
ACTUARIES®

2019 **ANNUAL
MEETING**
& EXHIBIT

October 27-30
Toronto, Canada

Session 058: Setting Assumptions in the Tail

[SOA Antitrust Compliance Guidelines](#)

[SOA Presentation Disclaimer](#)

Setting Assumptions in the Tail

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SOCIETY OF ACTUARIES

Antitrust Compliance Guidelines

Active participation in the Society of Actuaries is an important aspect of membership. While the positive contributions of professional societies and associations are well-recognized and encouraged, association activities are vulnerable to close antitrust scrutiny. By their very nature, associations bring together industry competitors and other market participants.

The United States antitrust laws aim to protect consumers by preserving the free economy and prohibiting anti-competitive business practices; they promote competition. There are both state and federal antitrust laws, although state antitrust laws closely follow federal law. The Sherman Act, is the primary U.S. antitrust law pertaining to association activities. The Sherman Act prohibits every contract, combination or conspiracy that places an unreasonable restraint on trade. There are, however, some activities that are illegal under all circumstances, such as price fixing, market allocation and collusive bidding.

There is no safe harbor under the antitrust law for professional association activities. Therefore, association meeting participants should refrain from discussing any activity that could potentially be construed as having an anti-competitive effect. Discussions relating to product or service pricing, market allocations, membership restrictions, product standardization or other conditions on trade could arguably be perceived as a restraint on trade and may expose the SOA and its members to antitrust enforcement procedures.

While participating in all SOA in person meetings, webinars, teleconferences or side discussions, you should avoid discussing competitively sensitive information with competitors and follow these guidelines:

- **Do not** discuss prices for services or products or anything else that might affect prices
- **Do not** discuss what you or other entities plan to do in a particular geographic or product markets or with particular customers.
- **Do not** speak on behalf of the SOA or any of its committees unless specifically authorized to do so.
- **Do** leave a meeting where any anticompetitive pricing or market allocation discussion occurs.
- **Do** alert SOA staff and/or legal counsel to any concerning discussions
- **Do** consult with legal counsel before raising any matter or making a statement that may involve competitively sensitive information.

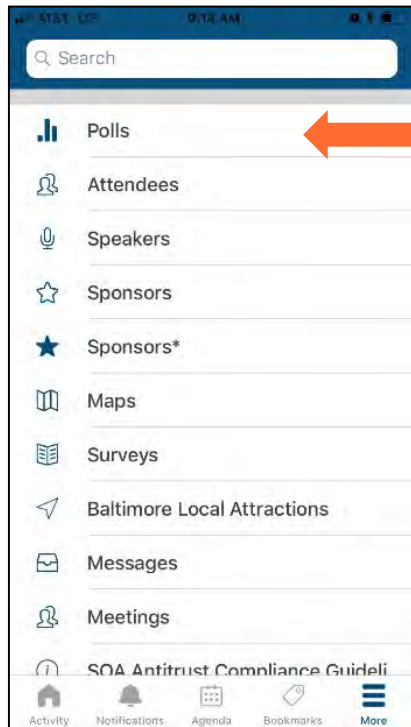
Adherence to these guidelines involves not only avoidance of antitrust violations, but avoidance of behavior which might be so construed. These guidelines only provide an overview of prohibited activities. SOA legal counsel reviews meeting agenda and materials as deemed appropriate and any discussion that departs from the formal agenda should be scrutinized carefully. Antitrust compliance is everyone's responsibility; however, please seek legal counsel if you have any questions or concerns.

Presentation Disclaimer

Presentations are intended for educational purposes only and do not replace independent professional judgment. Statements of fact and opinions expressed are those of the participants individually and, unless expressly stated to the contrary, are not the opinion or position of the Society of Actuaries, its cosponsors or its committees. The Society of Actuaries does not endorse or approve, and assumes no responsibility for, the content, accuracy or completeness of the information presented. Attendees should note that the sessions are audio-recorded and may be published in various media, including print, audio and video formats without further notice.

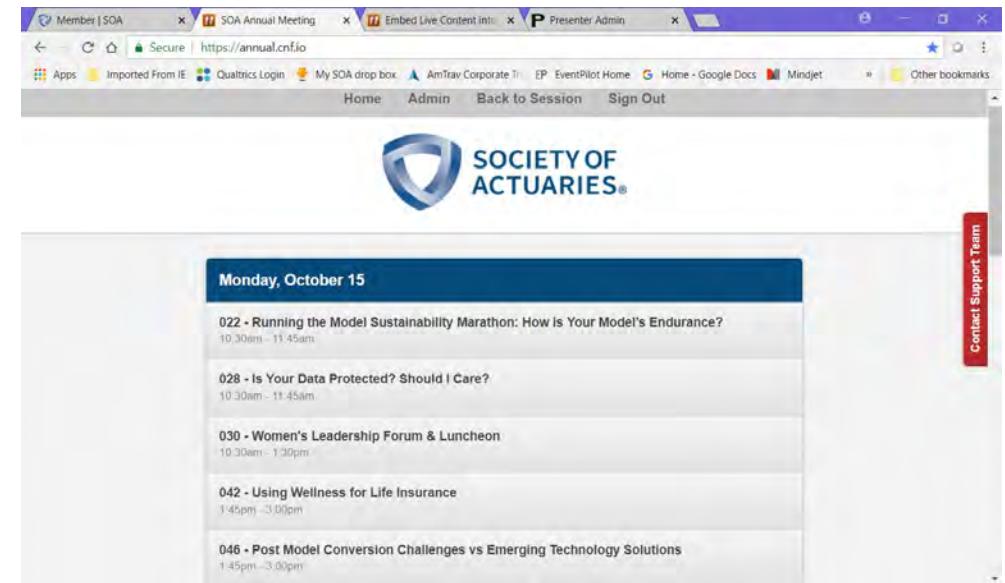
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Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: Please tell us about your primary product lines. Tick all material lines that apply.

Topic:

Please tell us about your respective companies, the types of business you are writing, and what applications you are using at your companies that require an understanding of how risks behave in the tail.

Live Content Slide

When playing as a slideshow, this slide will display live content

**Poll: Does your company do either
Economic Capital or another Internal
Capital calculation?**

Topic:

Why is there a need for Economic or Internal Capital, when we have Regulatory Capital? Is RBC/LICAT not good enough? Where do they overlap? How do you think the regulatory view of risk differs from your own?

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: Please tell us about the main non-operational risks to which you are exposed. Tick all material risks that apply.

Topic:

What are the largest risks you focus on and how do you think about the thickness of the tail risk? Over what time horizon?

Live Content Slide

When playing as a slideshow, this slide will display live content

**Poll: In assessing correlation /
diversification benefits, which approach
do you use? Tick all that apply.**

Topic:

How do you assess tail correlations and hence diversification benefits?

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: Please tell us about your scenario testing. Tick all that apply.

Topic:

What is the role of scenario testing? What pitfalls of scenario testing do you try to avoid? How much judgment is involved in creating appropriate scenarios?

Live Content Slide

When playing as a slideshow, this slide will display live content

**Poll: Are you happy with how the results
of your tail risk analysis are
communicated to senior management?**

Topic:

How is tail risk analysis communicated at your respective companies? What are things you are pleased with, and things you feel could improved?

Thank you!

