



Article from

**The Actuary**

August/September 2015  
Volume 12 Issue 4



## JOINT ACTUARIAL RESEARCH IN NORTH AMERICA

BY R. DALE HALL

From identifying new methodologies and best practices to understanding emerging trends and different approaches, research is an important area of interest for the actuarial profession. In addition to Society of Actuaries (SOA) experience studies and research that supports the actuarial profession and the insurance industry, the SOA also frequently partners with other associations, companies, universities and others through the North American Actuarial Council (NAAC). NAAC's Collaborative Research Group works to identify and support joint actuarial research projects on a range of topics.

For further background, NAAC's Collaborative Research Group was created at NAAC's February 2009 meeting to help identify opportunities for partnered research. The group members include the SOA, the American Academy of Actuaries, the Canadian Institute of Actuaries (CIA), the Casualty Actuarial Society (CAS), the Conference of Consulting Actuaries, the

American Retirement Association (formerly the American Society of Pension Professionals & Actuaries), the Asociación Mexicana de Actuarios, the Asociación Mexicana de Actuarios Consultores, A.C. and the Colegio Nacional de Actuarios, A.C. NAAC's Collaborative Research Group hosts quarterly conference calls, and recently it presented a recap of the recent success from joint research efforts to NAAC. CIA President Rob Stapleford serves as the current chair of NAAC's Collaborative Research Group. A future SOA president-elect will serve as the group chair from 2017 to 2018.

Some of the joint project topics from NAAC's Collaborative Research Group include risk management, regulatory issues, financial risks and health, among other topics. Recently funded joint research projects include the regulatory risk paper series and climate research.

The regulatory risk paper series includes

a paper on regulatory risk and North American insurance organizations. Authored by Tom Herget, FSA, CERA, MAAA, and Dave Sandberg, FSA, CERA MAAA, the paper examines regulatory structures in the United States, Canada and Mexico. The paper identifies the key influencers of insurer regulation, examines risk management strategies for insurers and regulators to consider, and provides examples of how regulatory risks can surface. The paper by Sim Segal, FSA, CERA, focuses on corporate perspectives on regulatory risk. This project includes a survey of 20 North American insurance organizations to understand their top risks, mitigation tactics, risk disclosure methods and risk metrics.

Another example of the collaborative research efforts is the past report on the effect of deflation or high inflation on the insurance industry. This research provides insights on measuring inflation, the effect of inflation or deflation, and risk mitigation strategies.



NAAC'S COLLABORATIVE RESEARCH GROUP INCLUDES NINE MEMBERS LOCATED ACROSS NORTH AMERICA.

In 2011, members of NAAC's Collaborative Research Group completed research on the impact of climate change on insurance risk and the global community. This research was phase one, and focused on key climate indicators. The follow-up project—phase two—consists of the Actuaries Climate Index and the Actuaries Climate Risk Index. Both indices are currently in development. Stay tuned for more details.

NAAC's Collaborative Research Group continues to identify possible research projects, and it is currently exploring ideas on cyber risk liability and climate predictive analytics, among others. Visit the research page on the SOA website for more information about these joint research projects and other related research efforts. **A**

R. Dale Hall, FSA, CERA, MAAA, is managing director of Research at the Society of Actuaries. He can be reached at [dhall@soa.org](mailto:dhall@soa.org).

**RELATED LINKS**

**NAAC Group Members**

<http://bit.ly/1GQJiWE>

**Past Inflation Report**

<http://bit.ly/1UclrsA>

**Tom Herget and Dave Sandberg Paper**

<http://bit.ly/1UclULs>

**Sim Segal Paper**

<http://bit.ly/1Kobe8I>

**Climate Phase One**

<http://bit.ly/11RxnZa>

**SOA Research**

<http://bit.ly/1R717NZ>