



SOCIETY OF ACTUARIES

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Chairperson's Corner News You Can Use

By Donna Megregian

Your section council has been hard at work evaluating the recently held Life and Annuity Symposium and planning the upcoming Annual Meeting. We have taken the responses from the survey we sent in February and shaped some professional development opportunities including a webcast(s?), sessions and research. We send out a big "Thank You!" to everyone who participated in the survey. We hope that we can continue to increase the value you see in your membership in the Product Development section.

Once again, it is election time ... for the country and for your section council. The section council slate will likely be finalized by the time this article is published. Although you don't have to be a section council member to participate in the section council meetings and events, being on the council allows you to join with your peers in shaping professional development opportunities and decide strategic directions for the section as a voting council member. We thank all those who have volunteered to put their names on the ballot for this year's elections. We have a talented group and the council will benefit from any of the candidates that will fill the three open slots.

Very soon, two research projects that the section has sponsored will be published if they have not been already. First, there is a research project that focuses on Market Consistent Embedded Value (MCEV) and comparing MCEV to profit measures that actuaries may be familiar with already, such as IRR. MCEV has gained popularity in recent years. The report compares MCEV to various profit measures for select life and annuity products and delivers the pros and cons on using this profit measure. We may also sponsor a webcast on this research. **Please look for that opportunity and use your \$25 coupon for being a section member!**

The other research project results from a survey on premium persistency assumptions for flexible premium products. With the development of new products and the possibility of principal-based reserves coming, various assumptions are in need of some industry data to help support them. Premium persistency is an area that most have little outside experience to validate their assumptions. The research from this project can be leveraged to validate and benchmark premium persistency.

As many of you know, we have launched a LinkedIn group to help facilitate discussions on topics of interest from our members. Please join the discussion and post questions through your LinkedIn pages. Some of the topics that have been discussed include:

- How would you feel about section benefits being restricted to section members only?
- What type of life insurance do you own?
- Discussion related to transparent lifetime income annuity features.
- What is your comfort level with principal-based reserves?

If you have any ideas or questions, please contact a member of the section council or send a message to Christy Cook at cccok@soa.org.

I've tried to use this corner to provide you with some transparency in regard to what the section council is doing. I hope you can find it useful, and if you wish to be more directly involved, become a friend of the council and join the monthly meetings to help plan and discuss topics pertinent to the section. Again, if you are interested contact cccok@soa.org or fill out a volunteer form on the SOA website. □



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