



SOCIETY OF ACTUARIES

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FROM THE CHAIR

By Kory J. Olsen

This “From the Chair” article is the last in my two-year run as chair of the Taxation Section. The time has gone by quickly.

The Taxation Section has achieved a lot during the past two years. I attribute that success to the great volunteers. The Section Council and the Friends of the Council have given freely of their time and talents. It is under their great contributions that the Section has grown and prospered.

I would like to expressly thank Jim Reisky¹ whose term on the Council will be ending in October, as will mine. Like many of the Council Members before us, we will continue to be involved. It is just that our title will change from Section Council Member to Friend of the Council.

The accomplishments of the Section over the last two years are many. They cover a variety of areas, including education (continuing and basic), *TAXING TIMES* and research.

The Section Council has responded to the adoption of Continuing Professional Development requirements with added tax educational opportunities. The first Taxation Section webcast was done this past March and was very successful. Additional webcasts are soon to follow. In November, the Section will be sponsoring our bi-annual Company Tax Seminar. To complement the Company Tax Seminar, the Section is also preparing a Tax Reserve Seminar.

In addition to seminars sponsored by the Section, the Council has continued to expand the Section involvement at other meetings. The Section has sponsored sessions at ReFocus, Product Development Symposium, Life Spring

Meeting, Health Spring Meeting and the Annual Meeting. The Section has also been represented at non-SOA events such as the South East Actuary’s Club and the American Bar Association.

In addition, the Section was involved in expanding the tax content on the SOA exams. Extensive tax material was developed and included on the FSA modules. A system was also put in place so that the Taxation Section is available to the SOA exam committees to review tax related questions and answers. All of this increases the exposure of newer actuaries to tax topics.

TAXING TIMES has been a great publication from the beginning. During my term as chair, we have maintained its high standard of excellence. The publication provides timely information and thoughtful opinions on a variety of insurance tax topics written by the industry’s top tax experts.

With the writing of this article, I assembled the *TAXING TIMES* publications from the last two years. It was my intent to mention a few of the articles that I thought were particularly interesting. I was unable to do this for two reasons. First, I wasn’t able to narrow the interesting articles down to just a few. Secondly, a stack of *TAXING TIMES* for a two-year period takes on the form of a book. The stack totaled about 300 pages of high quality articles.

The Section also has some research projects under development. The Taxation Section has tackled everyone’s favorite topic, Deferred Taxes. A Deferred Tax Monograph is the result of this research. This monograph clarifies the theory behind deferred taxes and discusses how they are addressed under current accounting regimes. Another research project

that is being developed is a Tax Actuary Survey. The intent is to provide an overview of where actuaries are involved in a company's tax functions, where they could be involved and how the tax actuary position is structured.

There have been significant achievements over the past two years. However, from my perspective, we have just begun. The Taxation Section will soon be entering its sixth year and there are many opportunities ahead.

The next few years will be an interesting time for the Taxation Section and its members. The Obama administration has already presented a few tax proposals that would impact the life insurance industry, if adopted. It is expected that there will be more tax proposals coming that will also impact our industry. In addition to proposed federal tax law changes, the first wave of Principle-Based Reserves (VACARVM – AG 43) will be effective on Dec. 31, 2009, impacting both statutory and tax reserves. The product tax actuaries haven't been left out with the recent publication of Notice 2009-47.

The future of the Taxation Section will hold many challenges. However, I know, as in the past, the dedicated and talented volunteers of the Section will continue to exceed all expectations. ◀

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