



SOCIETY OF ACTUARIES

Article from:

The Financial Reporter

June 2012 – Issue 89

Financial Reporting Research Scorecard

by Mark Alberts

Research is a primary mission of the Society of Actuaries Financial Reporting Section Council and is the largest use of section dues. The section spent \$141,000 in 2011 and anticipates spending \$80,000 in 2012 on research. This scorecard will keep section members informed about research projects sponsored or co-sponsored by the section.

Do you have an idea for a research project? Please send it to Mark Alberts at mark@albertsactuary.com.

Research initiatives in process:

PROJECT NAME	DESCRIPTION	TARGETED COMPLETION	STATUS	PROJECT OVERSIGHT GROUP CONTACT
Monograph on Rate Discounts	An IAA-sponsored monograph on the concepts and practical methods used in discounting for insurance company financial reporting.	TBD	In process	Frank Grossman
Monograph on Risk Adjustment	A monograph addressing the of risk and uncertainty in the measurement of insurance liabilities.	TBD	In process	Mark Yu
Comparative Failure Experience in the Insurance and Banking Industries	Identification of the factors that have been effective for the insurance and banking industries to reduce failure rates.	Q2 2012	Preliminary draft reviewed by Project Oversight Group (POG)	Larry Rubin
Premium Persistency Study of Flexible Premium Products	A survey of assumptions used by life insurers on their flexible premium products.	Q2 2012	POG is preparing feedback for final draft	Jeff Beckley
Credit Risk Modeling Techniques for Life Insurers	A survey of life insurers with respect to actuarial modeling of credit losses and an evaluation of current practice.	Q2 2012	Survey set to be finalized Q1	Mark Alberts
Actuarial Modeling Controls	A survey of control systems currently implemented for actuarial models in the United States and Canada.	Q3 2012	In process	Ronora Stryker
Volatility of Fair Value Accounting	Identification of methodologies currently in use by life insurers as well as potential new strategies to manage accounting volatility resulting from fair value accounting.	Q3 2012	In process	Katie McCarthy
Behavioral Economics Applications to Life and Health Insurance Policyholder and Annuitant Behavior	A call for papers to expand actuarial understanding of the theory of behavioral economics and its to insurance customer behavior.	TBD	Call for papers issued	Ronora Stryker
IFRS	Examines the impact to life insurance financial reporting of the upcoming IASB exposure draft on accounting of insurance contract liabilities.	TBD	In process	Tom Herget

Recently published research of interest to Financial Reporting Section members:

PROJECT NAME	LINK
Policyholder Behavior in the Tail Risk Management Section Working Group Variable Annuity Guaranteed Benefits 2011 Survey Results	http://www.soa.org/research/research-projects/risk-management/research-policy-behavior-tail-results.aspx
Model Efficiency Study Results	http://www.soa.org/research/research-projects/life-insurance/research-2011-11-model-eff.aspx
Financial Reporting for Insurance Contracts Under Possible Future International Accounting Standards—2011 Extension	http://www.soa.org/research/research-projects/life-insurance/research-fr-insurance-contracts-extension.aspx
Cost of Implementing a Principle-Based Framework for Determining Reserves and Capital Survey Results	http://www.soa.org/research/research-projects/life-insurance/research-cost-pba-survey.aspx

Mark Alberts, FSA, MAAA is president of Alberts Actuarial Consulting and chair of the Financial Reporting Section research team. He can be contacted at mark@albertsactuary.com.

Research projects out for proposal:

PROJECT NAME	PROPOSAL DUE DATE	LINK
All section research projects are currently past the proposal stage		