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Henry Egesi, Council Member
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Chairperson's Corner

By Rob Frasca

Every year, at the Society of Actuaries Annual Meeting, the Financial Reporting Section Council meets to begin planning a new year of activities for the section membership. The meeting is a transitional one during which we welcome newly elected council members to the beginning of their three-year terms and say goodbye to departing members. This year's new council members are Henry Egesi, Craig Ryan and Bill Sayre. We look forward to their contributions to leading the Financial Reporting Section in the years ahead. Council members completing their terms are outgoing chair Craig Buck, treasurer Mark Davis and secretary Mike Sparrow. We thank them for their work and dedication in leading the section over the last three years. I am pleased to be filling the role of chair of the section council for the upcoming year with Matt Clark serving as vice chair and Dan Harris as secretary/treasurer.

As we look forward to 2012, several developments are emerging that will be of great interest to large numbers of the Financial Reporting Section members. The IASB and the FASB continue down paths towards the wholesale revision of insurance accounting with exposure drafts and maybe even a final standard on tap for 2012. Insurance regulators around the world are revising capital and solvency requirements with significantly revised methods on the horizon in Europe and elsewhere. Principle-based approaches to statutory reserving continue to gain momentum as controversies around U.S. statutory reserve practices seem to emerge with increasing frequency. All the while, the economic environment both in the United States and abroad presents surprises and challenges unforeseen just a few years ago.

These developments require us, as financial reporting actuaries, not only to keep up with the changes, but also to lead and to define the direction they take.

In order to assist our membership, the Financial Reporting Section Council will be organized in 2012 to focus clearly on its two main objectives: research and education.

Council member Mark Alberts will lead research efforts for the section in 2012. There are currently seven research projects underway or in proposal status that are either fully funded or partially funded through the Financial Reporting Section. Topics range from IFRS to credit risk to fair value accounting with additional topics under consideration in the pipeline as well. With the movement towards clarity of approach from the FASB and IASB in 2012, we expect the need for research into the implications of accounting change and the potential interpretations of emerging guidance to increase greatly, and we look to focus our research investments in those areas of most immediate interest to the section membership.

Rapid change will likely increase the needs of our members for education as well. Council member John Roeger will be leading our education efforts in 2012. Over the years, the Financial Reporting Section has sponsored educational programs using a number of delivery methods, from sessions at the Society of Actuaries Annual Meeting to full-day workshops on specific technical topics to one hour webcasts on emerging issues. John will be looking to organize

the section's education offerings under a single planning umbrella and bring the right balance between delivery methods and content offerings. The goal is to ensure that each section member has the opportunity to obtain education on the most important emerging issues of the day and has options in terms of timing, depth of content and delivery method. Also in 2012, work will continue on the planning and development of a new text book on insurance accounting, similar to the popular US GAAP textbook developed under the sponsorship of the section several years ago, to be published following the release of final guidance by the IASB and the FASB.

In addition to these primary objectives, the section council aims to expand its reach in 2012 in a number of ways. Geographically, the section council continues to look for ways to offer educational and research content that is of interest beyond the U.S. industry. Special focus is being placed on Canada and Asia where high and growing concentrations of our membership reside. With respect to content, we are looking to expand offerings by collaborating with other sections on issues that cross actuarial disciplines. The year-end financial reporting update webcast, co-sponsored by the Small Insurance Company Section, as well as the joint sponsorship of several of our current research projects are examples of how we can expand the issues we cover as well as the breadth of the audience we reach through interaction with other sections. Council member Mark Yu will lead our efforts to expand our reach in a special role examining our strategic direction.

Finally, as we look forward to 2012, the Section Council continues to ask section members to support our efforts. The Section Council's work is greatly enhanced through the contributions of numerous "friends of the council" who assist in many of the section council's educational and research activities. First on this list is Lisa Markus, who serves as editor of our quarterly section newsletter, *The Financial Reporter*. Though the list of other volunteers is too long to include here, we thank each of them for the work they provide and the invaluable assistance they are to the council. We also continue to look to the Financial Reporting Section membership to inform the section council of ideas and needs for education and research. The Council is only effective if it is addressing the needs of the membership, and without input from the members, we will never be entirely certain that those needs are being met. So please reach out to myself or to any section council member with ideas on how we can be more effective. We all would welcome the input.

2011 has been an interesting year for financial reporting actuaries characterized both by change and by delays in anticipated change. We don't know yet how 2012 will unfold, but it's a fair bet that it will offer ample surprises to keep things interesting. The Financial Reporting Section Council looks forward to serving in 2012 and in helping the Financial Reporting Section membership to navigate whatever challenges may develop. ■



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