



SOCIETY OF ACTUARIES

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Financial Reporting Research Scorecard

By Sam Keller

Research is a primary mission of the Financial Reporting Section and is the largest use of section dues. This scorecard will keep section members informed about research projects sponsored or co-sponsored by the section.

Research initiatives in process (updated as of 10/1/2013):

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Project Name	Description	Targeted Completion	Status	Project Oversight Group (POG) Contact
Monograph on Risk Adjustment	A monograph addressing the application of risk and uncertainty in the measurement of insurance liabilities.	Q3 2014	The POG (Project Oversight Group) is reviewing an alternative project plan to accommodate delays encountered around the sourcing and vetting of research materials.	Mark Yu
Principle-Based Approaches Implementation Guide	This study will produce a resource for practitioners regarding practical implementation issues around PBA.	Q4 2013	The research team has begun drafting the report. A final draft is targeted for the end of September. A webcast based on results is scheduled for November 5.	Ronora Stryker
Setting Dynamic Policyholder Behavior	This is a survey of current practice of life insurers and annuity companies on setting dynamic policyholder behavior.	Q4 2013	An online survey was distributed to insurers. The research team is analyzing responses and anticipates project completion by end of year. A webcast based on results is scheduled for Dec. 19, 2013.	Katie McCarthy
Behavioral Economics Applications to Life and Health Insurance Policyholder and Annuitant Behavior	This is a call for papers to expand actuarial understanding of the theory of behavioral economics and its application to life and health insurance consumer behavior.	Currently ongoing	One paper has already been awarded prize money (\$4K) and is out on the SOA website at: http://www.soa.org/Research/Research-Projects/Risk-Management/Behavioral-Simulations/ . A second paper was recently received and is being evaluated.	Ronora Stryker
IFRS	Examines the impact to life insurance financial reporting of the upcoming IASB Exposure Drafts on accounting of insurance contract liabilities.	Q4 2013	The research team is working with the participating companies to model their product blocks under the proposed accounting requirements. Project completion is expected by the end of October.	Tom Herget

Recently published research of interest to Financial Reporting Section members:

Project Name	Link
Volatility of Fair Value Accounting	http://www.soa.org/Research/Research-Projects/Life-Insurance/research-how-fair-value.aspx
Actuarial Modeling Controls	http://www.soa.org/Research/Research-Projects/Life-Insurance/Actuarial-Modeling-Control.aspx
Monograph on Discount Rates	http://www.actuaries.org/index.cfm?lang=EN&DSP=PUBLICATIONS&ACT=DISCOUNT_RATES
Comparative Failure Experience in the Insurance and Banking Industries	http://www.soa.org/Research/Research-Projects/Life-Insurance/Actuarial-Modeling-Control.aspx

Research projects out for proposal: Please visit <http://www.soa.org/Research/Research-Opps/Research-Opportunities.aspx> at any time for a comprehensive list of SOA research opportunities.

Project Name	Proposal Due Date	Link
Illustrating Multiple Measurement Bases and their Application	11/1/2013	http://www.soa.org/Research/Research-Opps/Proposal-Request/Illustrating-Multiple-Measurement-Bases-and-their-Application.aspx

Have an idea for a research project? Send it to Matt Clark (MatthewClark@deloitte.com) or John Esch (John.Esch@allianzlife.com). ■