



SOCIETY OF ACTUARIES

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Assumption Development and Governance Discussion Group

by Liz Olson



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It is no surprise that companies are devoting more and more resources to assumptions as models become complex and bottom-line results are assumption driven. Best practices around experience studies, assumption approvals and documentation, and monitoring are demanding a much higher level of attention in many companies, whether they have had formal systems in place for years or are just starting to develop them.

A number of actuaries across the industry have met a few times via conference call to discuss assumption

practices, and now, with the endorsement of the Product Development and Financial Reporting Sections of the Society of Actuaries (SOA), we're looking for broader participation. Our calls consist of introductions and brief updates on company initiatives, followed by a discussion around a topic of interest.

If you are interested in joining our conversations, please contact me at olsonl@nationwide.com or 614.249.0605. I can field your questions and add you to our group. Also, look for announcements around our calls in the SOA updates. ■

REQUEST FOR RESEARCH PROJECT INPUT

We need your examples of your experiences with regulatory risk, from the eyes of both those practicing and supervising.

The North American Actuarial Council (NAAC) Collaborative Research Group has recently initiated a study of regulatory risk conducted by Tom Herget and Dave Sandberg. The risk is the unintended results of regulations enacted to achieve supervisory objectives (or the lack thereof) on the market participants (whether policyholders, shareholders or regulators acting on behalf of taxpayers). This study will include examples of regulatory risk.

While the researchers will be contacting individuals in the US, Mexico and Canada, they would also welcome contributions from a wider pool of contributors who can provide their personal examples of regulatory risk both within and outside of North America.

The researchers would appreciate any contributions section members could make. Please email descriptions of regulatory risk to Barb Scott (BScott@soa.org) for consideration by the researchers. Detailed descriptions are encouraged.