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# Chairperson's Corner

By Bob Leach

This might sound weird, but I'll just say it—now is an exciting time to be an actuary in the world of financial reporting. All of the major reporting bases are on the move, improving approaches to the valuation and reporting of obligations created by life, annuity and health insurance policies. The National Association of Insurance Commissioners is leveraging actuarial knowledge and the power of computers to establish principle-based reserves via modeling techniques outlined in the Valuation Manual. Through its Targeted Improvements initiative, the Financial Accounting Standards Board will make GAAP financial statements easier to understand by simplifying the measurement of deferred acquisition costs and valuing guarantees in a more consistent manner. The International Accounting Standards Board has issued IFRS 17, with the goal of valuing insurance obligations on a more consistent basis across jurisdictions, thereby improving the comparability of IFRS financial statements among insurance organizations and countries.

Amid this sea of change, the financial reporting actuary can potentially become the “go to” person—a knowledge source who can lead by educating actuaries in pricing, product development and risk management, as well as accounting, investment, marketing, tax and other professionals—on the nature of these changes. Opportunity abounds for those who take the time to learn about the new approaches. For those who don't, beware of the risks!

It is my good fortune to serve our profession at this pivotal moment as chair of the Society of Actuaries (SOA) Financial Reporting Section. First and foremost, I'd like to recognize those who have laid a solid foundation for the section. Jim Hawke's sage approach provided thoughtful leadership as chair of the section and overseer of its research efforts during the past year. Len Mangini preceded Jim as chair, and during the past year he exhibited boundless energy in creating education opportunities for our section. Jason Kehrberg provided the spark that produced a successful series of GAAP seminars, while also acting as the section's secretary. As a friend of the council, Kerry Krantz served the section faithfully as webmaster during the past several years. We thank Jim, Len, Jason and Kerry and wish them the very best of luck as they leave the section council (but hopefully not the section!) in search of new adventures.



Last summer's SOA elections yielded three new council members who will serve the section for the next three years. We enthusiastically welcome Lance Berthiaume, Enzinma Miller and Dave Armstrong to the section council.

Our section is among the largest in the SOA, yet its growth rate lags behind the overall rate of SOA membership growth. To close this gap, we intend to focus on adding value for section members while promoting the broader interests of the actuarial profession. Key areas of focus during the next year include:

- Offering professional development opportunities in 2018 through sessions at the Life & Annuity Symposium in Baltimore, the Valuation Actuary Symposium (VAS) in Washington, D.C., and the 2018 SOA Annual Meeting & Exhibit in Nashville. Of note, our section is now the primary sponsor of the VAS.
- Continuing to provide specialized professional development, including GAAP and Economic Balance Sheet seminars.
- Creating virtual professional development through webcasts—these count as “organized” CPD!
- Energizing research on topics such as earnings emergence under various reporting bases and PBA attribution analysis.
- *The Financial Reporter* newsletter will continue to be the section's primary vehicle for providing members with updates on new developments across the financial reporting spectrum.
- Our section's website (<https://www.soa.org/sections/financial-reporting/financial-reporting-landing/>) provides a wide range of resources, including access to recent issues of *The*

*Financial Reporter*, information about upcoming events, research, podcasts and other resources.

- The regulatory web resource (<https://www.soa.org/resources/regulatory-resource/default/>) provides access to a curated list of links to source documents that drive financial reporting requirements.
- The section has started an e-news initiative to keep members informed of breaking news and provide access to in-depth information that may be too extensive for *The Financial Reporter*.

The above doesn't happen without a lot of good work behind the scenes to coordinate efforts with other sections and recruit volunteers to do research, make presentations and write articles for publication. If you'd like to get involved in any of this, please get in touch!

Finally, we offer a special word of thanks to Don Walker, who retired after several years as chair of the VAS. The SOA made the difficult decision to cancel the 2017 VAS in San Antonio in the face of Hurricane Harvey. Don's leadership brought the VAS back to life as an addendum to the 2017 SOA Annual Meeting & Exhibit in Boston. Enjoy your retirement, Don!

On behalf of the section council, we wish everyone a happy and peaceful holiday season, and success in 2018! ■



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