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CHAIRPERSON'S CORNER

# Time to Reflect

By Tara Hansen

As I sit here writing my last chairperson's corner, we are entering the dog days of summer. It is a time to sit back with our feet up knowing that the last of the 2014 financial statements have been filed and perhaps we can take some time to reflect and recharge for the 2015 reporting season which will very soon be upon us.

Although the upcoming developments in financial reporting are few in terms of new regulations and requirements, the emergence of new products and new environments has forced us to look harder at existing practices and processes which we may not have in the past. In some cases we have to look for problems where none previously existed (profits followed by losses emerging in the low interest rate environment). In others, we are looking to refine our practices with respect to existing valuation approaches as temporary short cuts are no longer good enough for blocks of business that are rapidly growing (GAAP valuation for IUL business). In still others, we have to look at valuation practices in a new light because of the low interest rate environment (PGAAP and the emergence of no or negative VOBA).

All of those items, as well as others I have neglected to mention, are keeping the financial reporting community on its toes as we plan for 2015 year end.

Looking forward, we are awaiting direction from the FASB on targeted improvements to US GAAP and we can see the IFRS insurance standard peaking at us on the horizon, although moving very slowly. In anticipation of the coming IFRS insurance standard, Tom Herget and

Jim Milholland are leading the charge on outlining and drafting the IFRS textbook, sponsored by our section. The author group has begun drafting its chapters after an all-hands meeting in June, so production of that book is underway, with the goal of having it ready when the standard is finalized as an aid to implementation. I would like to thank Tom and Jim for driving that effort forward.

Beyond that, as my time as a member of the financial report-

ing section council draws to a close, I want to thank my fellow council members and countless volunteers for everything you do for the section. It has been a tremendous experience for me and I am so honored to have served with all of you. ■



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