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# Financial Reporting Research Update

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**R**esearch is a primary mission of the Financial Reporting Section and a significant use of our section dues revenue. Here is an update, as of March 31, 2016, on projects in process, on the horizon, and recently completed.

## ON THE HORIZON ...

**PBA Change Attribution Analysis**—The section council recently approved moving forward with a study of the drivers of change in principle-based reserves. A project oversight group is being formed and the RFP will come out soon.

**Impact of Targeted Changes to US GAAP**—The council has received a proposal for a project to look at how companies will address the various new requirements. We will likely move forward when FASB's new guidance comes out.

## CURRENTLY IN PROCESS ...

**Nested Modeling**—A company survey on the use of nested stochastic modeling and an analysis of techniques to reduce run time and improve the efficiency of nested simulations is nearing completion with a likely release by end of second quarter.

**PBA Implementation Guide Update**—An update to the earlier version including all current developments. The project oversight group (POG) is reviewing the draft report. It will be discussed at the 2016 Life and Annuity Symposium and released by the end of the second quarter.

**Modern Deterministic Scenarios**—Review of possible deterministic scenario sets that could be useful to company management, regulators, and rating agencies under PBA. The POG is reviewing bids to perform the study.

**Predictive Analytics Call for Papers**—The SOA issued a call for articles on the increasing use of predictive analytics by actuaries. The POG has reviewed submissions. Prizes and publication will follow shortly.

**Retention Management**—Research that examines retention management strategies under a principle-based framework for reserves and capital is essentially completed. It will be presented at the 2016 Life and Annuity Symposium and released during the second quarter.

## COMPLETED IN 2015 ...

**Transition from Low to High Interest Rates:** <http://www.soa.org/Research/Research-Projects/Life-Insurance/research-2015-rising-interest-rate.aspx>

**Multiple Measurement Bases:** <http://www.soa.org/Research/Research-Projects/Life-Insurance/2015-earnings-emergence.aspx>

**VBT/CSO Impact Study:** <http://www.soa.org/Research/Research-Projects/Life-Insurance/research-cso-impact-study.aspx>

**Tail risk/correlation of risk primer:** <http://www.soa.org/Research/Research-Projects/Life-Insurance/2015-extreme-events-for-insurers.aspx>

Many of these projects were co-sponsored with other sections and organizations. Please visit the SOA research website for more information, or contact Jim Hawke or Ronora Stryker directly at [jamesshawke@gmail.com](mailto:jamesshawke@gmail.com) or [rstryker@soa.org](mailto:rstryker@soa.org). ■



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