



SOCIETY OF ACTUARIES

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SOA/COVARA AIDS Task Force

by David J. Christianson

The new SOA/COVARA AIDS Task Force, formed in June 1988, reports to COVARA, the Committee on Valuation and Related Areas. It, as well as the HIV Research Committee chaired by Harry Woodman, was an outgrowth of the Report of the Society of Actuaries Task Force on AIDS, issued in March 1988.

This new task force will examine and report on the principles and techniques for the financial recognition of AIDS for insurance companies, recognizing both statutory and GAAP accounting. Among items to be considered are reserves, the development of new valuation tables, and the role of the valuation actuary. When our research is concluded, we will recommend actions to be taken by individual actuaries, regulators, actuarial organizations and other interested parties.

We hope to direct and guide companies so they can provide for the financial impact of future AIDS claims. We look favorably on the work of the Institute of Actuaries, which published Bulletins 1, 2 and 3 on AIDS. Already United Kingdom companies have set up extra reserves for AIDS, even though the AIDS problem there appears much less serious than in the United States. The Canadian Institute of Actuaries also is studying the issue.

Few U.S. companies have increased prices or set aside extra reserves for AIDS. The main activity has been in the area of underwriting which, though good and appropriate, will be insufficient to fully blunt the effect of AIDS claims. We hope to move away from discussion of exactly how large the AIDS problem will be and instead provide tools to recognize the financial impact of AIDS and motivate others to deal with it.

We expect to issue a report in mid-1989. When preparing companies' 1988 annual statements, actuaries should be guided by the certification required for U.S. life insurance actuaries that reserves held make good and sufficient provision for the unmaturing obligations of the company. Information in the AIDS

Task Force report dated March 1988 should be helpful.

Task force members are David Christianson (chair), Ardian Gill, Bob Beal, Tom Reese, and Bill Koenig. In addition, Bob Stein, chair of COVARA, is actively involved with the task force. We will expand the task force as needed. Individuals interested in attending meetings or providing input to the task force are very welcome. They should contact Dave Christianson at his *Yearbook* address. (Ed. Note: *The Institute of Actuaries Bulletins 1-3* can be obtained from the Society of Actuaries research department for a nominal fee.)

David J. Christianson is Vice President and Actuary, Lutheran Brotherhood. He is chairman of the SOA/COVARA AIDS Task Force.

Actuarial professorship

The University of Iowa is seeking candidates for The Principal Financial Group Professor of Actuarial Science, beginning August 1989. The Principal Financial Group will supplement the university salary and expense allowance by at least \$7,000 a year. The selection process for the position, which requires excellence in teaching and research, will begin January 1.

Applications also are sought for a less senior, tenure-track or tenured position, and for one-to-two-year visiting appointments. Specialties in either life or casualty are acceptable, and a Ph.D. is required for tenure-track appointment.

Send a C.V. and three letters of evaluation to Jim Broffitt, Department of Statistics and Actuarial Science, University of Iowa, Iowa City, IA 52242. Minorities and women are encouraged to apply.

In memoriam:

Alden T. Bunyan FSA 1922
Barrett N. Coates, Jr. FSA 1951

Election committee invitation

The Committee on Elections is beginning the preparation of the first ballot for the 1989 election. On that ballot, Fellows are asked to nominate up to six FSAs for Board of Governors' positions. To aid them, a list is provided of those who are eligible for election and have met specific criteria for committee and other service to the profession. Fellows who have the experience, interest, and time to serve on the Board of Governors may submit their names for consideration. They are cordially invited to summarize their accomplishments and background in a letter to Harold G. Ingraham, Jr., Chairperson of the Committee on Elections, at his *Yearbook* address before December 15.

Important Announcement to Canadian Candidates in the Group Benefits Track

The Course G-420C examination will be a two-hour written answer examination for 20 credits. The increases in credit and examination time for the course reflect a significant increase in the amount of material on the course of reading. The increased credit for Course G-420C results in a reduction from 20 to 10 of the number of credits required from eligible GB electives. Candidates using the 1988 Fall Fellowship Catalog should mark these changes on page 23 of the Catalog.

Candidates with prior credit for Part 10-Canada who elect the Group Benefits track will receive credit for G-420C plus 30 unrestricted electives, instead of G-420C plus 40 unrestricted electives. Candidates using the 1988 Fall Fellowship Catalog should mark this change on page 56 of the Catalog.

A new transcript based on these changes has been sent to each Canadian Associate who is taking examinations, whether or not the Associate is affected, so that everyone will be aware of the change.