



SOCIETY OF ACTUARIES

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SECTION CORNER

This column will report on newsletters and activities of all special interest Sections on a rotating basis. This month, Financial Reporting, International, and Education and Research are featured.

Memberships in 11 Sections now total almost 24,000, with 78% of all SOA members belonging to an average of two Sections. Two new Sections — Smaller Insurance Company Section and Actuary of the Future Section — are soliciting memberships.

If activities of a Section interest you, you can join that Section and automatically receive its newsletter. To join, either fill in that Section's circle on your dues notice and add its dues to your total or send a note and check to the Society of Actuaries, P.O. Box 95668, Chicago, IL 60694.

The 1993 Section dues are:

- \$5 for Education and Research
- \$7 for Futurism
- \$10 for Actuary of the Future, Computer Science, Product Development, International, Investment, Financial Reporting, Nontraditional Marketing, and Smaller Insurance Company
- \$15 for Health and Pension
- \$20 for Reinsurance

Financial Reporting Section

Issue 17 of *The Financial Reporter* was published in September 1992. Editor is Ken McFarquhar and chairperson is Doug Doll. The lead article, by Richard D. Crago and Randi E. Woods, discusses "FAS 97 — Discontinuities in DAC Caused by Partial Unlocking." Three articles by Marilyn Brown report on sessions from the Anaheim spring meeting. Two other articles are "Change in Status of FASB Project on Market-Value-Based Accounting," by Barbara L. Snyder and "LHATF Report on Life Insurance and Annuity Projects," by Esther H. Milnes.

This Section is sponsoring a research project with the American Academy of Actuaries (AAA) on state-by-state variations in the valuation

law. It also is sponsoring a June seminar on the valuation actuary.

International Section

The first newsletter of this new Section was published in October 1992. The editor is Keith Gubbay. It includes an article by Chairperson Robert L. Collett and an "International Section Membership Survey." Notices call for new study notes authors and for participants in a possible study mission with the People-to-People International exchange program. The lead article, by Camilo J. Salazar, is "Latin America 1992 — The Second Discovery." The newsletter also includes "The Insurance Market in Argentina" by Viviane G. Levy and a discussion of "The Actuarial Profession in Mexico" by Pablo Noriega and Luis Miguel Rodriguez. An article by Stephen T. Clinton explores "Mortality in a National Context."

Among this Section's activities are participation in a research project on international currency risk and plans for sessions at spring meetings.

Education and Research Section

This Section's third newsletter (December 1992) announces the winning entry in a "name the newsletter" contest: *Expanding Horizons*, submitted by Jack Paddon. Bruce Jones is editor. Edward W. (Jed) Frees reports on "Section Directions," and that Don Jones has replaced him as chairperson. Other articles are "Actuarial Science at the University of Iowa" by James D. Broffitt and "Research Papers for Fellowship Credit" by Roy Goldman. Sarah Christiansen presents a "Report from the SOA Program Committee." Robert V. Hogg, University of Iowa, is interviewed in "A Q&A about Q," about Total Quality Management (TQM) in education.

The next Actuarial Research Conference, August 19-21, 1993, will be in honor of retiring Professor Jim Hickman at the University of Wisconsin-Madison. Papers will be solicited in Hickman's areas of interest.

Task force issues interim report

by Bart L. Munson

The Task Force on Valuation Methods for Long-Term Care Insurance was created in fall 1991 to "develop recommendations for the valuation of long-term care insurance products, incorporating, as appropriate, an interim method, available data, the valuation actuary concept, and methodologies suitable for the type of product being valued and its underwriting characteristics."

The actuarial profession and the regulators are the two primary stakeholders in the work of the task force. Accordingly, the task force believed it important to give them an update on progress. It presented its Interim Report to the SOA Board of Governors on October 17, 1992. The Board authorized the task force to continue and to express opinions as necessary in 1993. The task force then presented essentially that same report to the National Association of Insurance Commissioners (NAIC) Life and Health Actuarial Task Force on December 4.

The report primarily is an outline of the issues being addressed. In some cases, a tentative position is described. In others, the large amount of work remaining is identified.

Long-term care (LTC) products addressed include stand-alone, riders on life insurance products, options on annuity products, and insurability guarantees attached to other products.

As the Task Force moves into 1993, it welcomes your input and suggestions. You may request a copy of the Interim Report (Revised) from Joanne Temperly at the SOA office, 708-706-3500, Ext. 4582. If you'd like to help the task force's work with comments or if you have questions, please contact me at my *Directory* address.

Bart L. Munson is Chairperson of the Task Force on Valuation Methods for Long-Term Care Insurance and principal in the Milwaukee office of William M. Mercer, Inc.