



SOCIETY OF ACTUARIES

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Actuaries involved in GATT lobbying

by Cecilia Green

The pension funding changes tucked away in the General Agreement on Tariffs and Trade Congress (GATT) passed in December made headlines in most business and industry publications. Chris Bone, chair of the SOA's Retirement Systems Research Committee, was tapped to offer some insight to readers of *The Actuary*. Bone and other actuaries have been monitoring pension funding reform issues since 1992. Bone has lobbied on behalf of AT&T's consulting firm, Actuarial Science Associates, where he is chief actuary.

"The Retirement Protection Act came out in 1993," he said. "There were hearings in 1994, and the American Academy of Actuaries testified at several. By summer 1994, we knew that this would be attached to GATT." The 1993 initial proposal's funding

changes were more stringent than the final legislation that passed. "When the bill got attached to GATT, employer groups were able to exert some influence to end up with a more reasonable proposal," Bone said.

Actuaries working with lobbying organizations or representing their employers were successful in getting more sensible rules for determining when a plan needs to be funded on a faster schedule, Bone said. Lobbyists also were able to get an Administration proposal removed that would have given the Pension Benefit Guaranty Corporation the right to interfere in corporate business transactions such as acquisitions.

Volatility in interest rates used to measure funded status was a key concern in this bill, which changes the rules for the mandatory interest rate

used to determine plans' funded status. It also mandates the 1983 group annuity mortality table be used at least through the year 1999, with an updated table specified by the Treasury Department for use beginning in the year 2000 or later.

"The SOA is exploring whether it can help the Treasury [with the updated table] by collecting data and studying mortality of uninsured pension plans," Bone said.

What should actuaries be doing now?

"I think it's important that the pension community look at emerging legislation more rapidly," Bone said. "We need to keep up on the trends in Congress to alert our clients about the future of retirement plans. The debate on retirement will pick up steam, and it's clear consulting opportunities — and risks for companies — are ahead.

Advanced technology (continued from page 15)

serves its members and embrace technology as it emerges, rather than waiting for the optimum technology. As understanding, interpreting, and communicating analysis results become a more important part of the pension

actuary's job, the use of technology is imperative. Recent technological advances will help gather current information, facilitate actuaries' use of sophisticated mathematical methods, and help develop alternate approaches

to providing retirement income.

For a copy of the "Report of the Retirement Practice Area Advanced Technology Working Group," contact Lela Hord at the SOA, 708/706-3500.

Actuary joins staff



Robert A. Conover, FSA, has joined the Education and Examination Department (E&E). Conover will coordinate the Individual

Life and Annuities Track within the E&E system and will work in the Life Practice area.

He brings to the SOA an extensive background in the insurance industry and in education. His most recent experience was with The Acacia Group in Washington, D.C., from 1989 through 1994. Conover has a Ph.D. in mathematics from the University of

Rochester and has had academic appointments at Trinity College (Hartford) from 1966 through 1968 and at Loyola University (New Orleans) from 1971 through 1973.

He is a former E&E volunteer, having served as examination chairperson for the Part 5 Examination (151, 160, 161, and 165 in the current exam system).