



SOCIETY OF ACTUARIES

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Annual meeting features James Baker

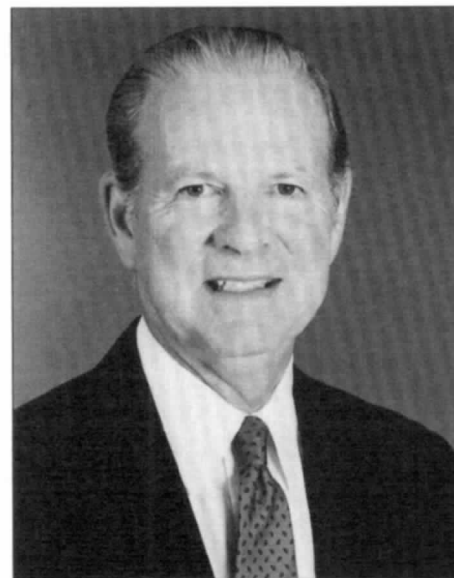
The keynote speaker for this year's annual meeting in Orlando, October 27-30, has held several senior government positions under three U.S. Presidents. James A. Baker, III, has a long record of service that began in 1979 as President Ford's Under Secretary of Commerce. From 1981-85, he was President Reagan's White House Chief of Staff. From 1985-1988, he was Secretary of the Treasury in the Reagan Administration. He served as President Bush's Secretary of State from 1989-1992.

A wide range of sessions, many designed to be interactive, are available for annual meeting attendees. Insurance companies on the Internet, "They Came for AIDS, They Stayed for Liver" (Laboratory Testing), assessing the "Old Age Crisis," and an Actuarial Circles session that offers

media training are just a few of the provocative offerings.

The meeting hotel, the Walt Disney World Dolphin and Swan, is located in the heart of the Epcot Resort Area, offering boundless free-time choices and a perfect family vacation spot. For registration information, call the Society's meetings department, 847/706-3500.

SOA Board of Governor's meetings in Orlando are open to interested Society members. The outgoing Board meets on October 27 and the incoming Board meets on October 29. For more information or to request a copy of the minutes, call the Society office, 847/706-3500.



James A. Baker, III

Financial derivatives research presented at annual meeting

A session at the Orlando annual meeting moderated by SOA Director of Research Warren Luckner will present preliminary results of an important research project. The project examines the use of derivatives by insurers and the factors that lead them to enter the financial derivatives market. The session is a panel discussion at 10:30 a.m., October 30.

"The increasing importance of interest sensitive insurance products and intensified competition from banks, mutual fund companies, and other financial services firms has led insurers to search for new and innovative financial risk management

techniques," said J. David Cummins, professor of insurance at the Wharton School of the University of Pennsylvania and one of the researchers. "Many insurers have turned to the rapidly growing financial derivatives market to manage various types of risk and enhance firm value."

In addition to Cummins, the study is being conducted by Richard Phillips, assistant professor of risk management and insurance at Georgia State University, and Stephen D. Smith, professor of finance at Georgia State. It is funded in part by the Society of Actuaries, the Casualty Actuarial Society, and

Bankers Trust Company.

The project research team will be joined on the panel by speakers selected to provide a variety of perspectives. They include Larry Gorki, a state insurance regulator; Thomas Cavity, with the life insurance investment department perspective; and Lucien Barnett, an investment banker. The session will discuss the use of derivatives by both property-liability and life insurers to manage insurer exposure to interest rate, foreign exchange, and equity risk and to conduct asset-liability management. The role of regulation in monitoring insurer use of derivatives also will be discussed.