



SOCIETY OF ACTUARIES

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RESEARCH CORNER

Update: Task Force on Research Effectiveness
The scope and objectives for the Task Force on Research Effectiveness, formed by the SOA Board of Governors at the October 1996 meeting, have broadened as a result of Board and task force discussion. Four categories of research have been defined by the task force for classifying all SOA research activities, and benchmarks have been developed to measure each activity. The categories are:

- Public interest
- Basic
- Develop and expand profession
- Current applications

An integral part of the work plan is interaction with members through surveys and interviews. This spring, task force members are working to identify groups to be surveyed and to determine the content of questions for each group. The task force plans to work with the SOA Communications staff to design, produce, distribute, and analyze the survey.

Task force members will review information gathered by the SOA Research staff on several activities. The task force hopes its review of research activity effectiveness will be completed in time to report to the SOA Board meeting in October. To provide input for the review, contact Warren Luckner (phone: 847/706-3572; fax: 847/706-3599; e-mail: wluckner@soa.org).

News from CKER

Edward A. Lew Award: The first annual award for the best paper in modeling research is expected to be given in 1998. The SOA Committee on Knowledge Extension Research is funding the initial prize of \$10,000. The deadline for notification of the

intent to submit a paper is July 1, 1997. The deadline for paper submissions is December 31, 1997. Additional details are available from Kathie Peters at the SOA office (phone: 847/706-3574; e-mail: kpeters@soa.org).

An Actuarial Index of the

Right-Tail Risk: The researcher is developing/investigating measures for the right-tail risk. The project oversight group (POG) has reviewed and approved a preliminary draft report.

Medical Savings Account (MSA)

Plans A Theoretical and Empirical Analysis: The purpose of the project is to develop a model and evaluate the potential of MSA plans to reduce health care utilization and costs. The POG is reviewing a draft report.

Finance area update

Integrated Approaches to Risk Measurement in the Financial Services Industry call for papers

(CFP): The purpose of the CFP is to stimulate thought and discussion on an integrated approach to risk measurement and management. The emphasis will be on comparing, contrasting, discussing, and proposing appropriate risk measures in an integrated financial risk context. Papers and ideas on this topic will be presented at a conference scheduled for December 1997. All submissions will be peer reviewed by a panel chaired by Cindy Forbes. The CFP is available in the research section of the SOA Web site. For additional information, contact Zain Mohey-Deen (phone: 847/706-3570; e-mail: zmoheydeen@soa.org).

Use of Derivatives Instruments by the Insurance Industry:

Two research papers have been produced detailing the findings of this study. The first paper, "Corporate Hedging in the Insurance Industry: The Use of Financial Derivatives by U.S. Insurers," was published in the January issue of the *North American Actuarial Journal*. The second paper, focusing on the level of participation, has been submitted to the POG for review.

Health benefit systems news
Managed Care Effectiveness: A draft report will be presented at a session of the SOA's spring meeting in Palm Desert, Calif. The presenter will be Jill Schield, a senior research associate at Northwestern University's Institute for Health Services Research and Policy Studies, who prepared the draft.

Life insurance activity

Individual Life Study 1988-89 and 1989-90: The final reports are now available from the SOA Books Department and are on the SOA Web site. They will be published in the 1995-96 *TSA Reports*.

Cause of Death 1983-88: The final report is now available from the SOA Books Department and on the SOA Web site. It will be published in the 1995-96 *TSA Reports*.

Retirement systems update

Impact of Mortality Improvement on Social Security: Emphasis on the United States, Canada, and Mexico:

The funding of social security is affected by mortality improvement, and there has been much debate regarding what improvement rate is appropriate in social security projections. This project will perform a rigorous study of how the magnitude and tilt of mortality improvements affect the funding of social security. Project organizers are soliciting funding from several sources, and they are finalizing the work plan for phase I, a study of past experience.

Comparative Effects of Turnover:

Steve Kopp, the researcher, has made good progress on phase III of the turnover and retirement rates study, comparing the benefits payable to employees from cash benefit plans to those of traditional defined benefit plans. This study uses the turnover experience collected for earlier project phases. Actuaries Online and the SOA Web site will post information on the availability of the final report.

Asset Valuation Methods, project

survey: The objective of this project is to improve actuarial practice in the determination of the actuarial value

of assets in pension plan valuations for funding and accounting purposes. Pension Section members are encouraged to respond to the project survey planned for this spring.

Safest Annuity Rule: The purpose of this research was to assess the impact of Department of Labor Interpretive Bulletin No. 95-1 on the annuity market. Actuaries Online and the SOA Web site will announce the availability of the final report.

Special research activity

The 32nd Actuarial Research Conference (ARC) will be held August 6-8, 1997, at the University of Calgary in Alberta. ARC provides a central meeting place for academics and practitioners interested in all aspects of actuarial science. Registration materials have been distributed to members and non-members who may have a special interest in the conference. Others may obtain registration material by contacting Mary Rocuskie in the SOA Research Department (phone: 847/706-3502; fax: 847/706-3599; e-mail: mrocuskie@soa.org). Additional information is available on the Web (<http://balducci.math.ucalgary.ca/32ndARC.html>). Committee news

The Ph.D. grants program is designed to encourage graduate students to complete research in topics related to actuarial science and to pursue an

academic career in North America upon completion of the doctoral program. Eighteen individuals submitted applications for the 1997-98 academic year by the March 14 deadline. Fifteen were new applicants, and three were requesting grant renewals. The Ph.D. grants task force will notify recipients by June 16, 1997.

The Committee on Research Coordination recommended the SOA Board of Governors approve policy guidelines for the solicitation and evaluation of proposals to conduct research activities. The board approved this recommendation at its March 13-14 meeting. The guidelines will be included in the *SOA Policy Manual* and the *Research Volunteer Reference Manual* and circulated to committee and section council chairpersons for implementation.

The Experience Studies Oversight Subcommittee is working to finalize the experience studies guidelines. The guidelines will formalize reporting procedures and other aspects of the experience studies process.

The Research Project Oversight Subcommittee (RPOS) has identified research project activity and submitted preliminary budgets for August 1, 1997, through December 31, 1998. Research ideas are always welcome. Please contact Judy Yore with your suggestions (phone: 847/706-3573; e-mail: jyore@soa.org)

SOA Monograph Series
Monographs based on SOA research projects available through the SOA Books Department include:

- *A Study of Public Employee Retirement Systems*
- *A Study of Public Financial Guarantee Programs*
- *A Comparative Analysis of Methods of Health Risk Assessment*
- *Group Medical Insurance Large Claims Data Base Collection and Analysis*

The monograph *Valuation of Interest Sensitive Financial Instruments* is available through Frank Fabozzi Associates (215/598-8926).

Keep in touch with Research
An updated "Resources from Research" brochure is being prepared for the spring meetings. Additional copies will be available from the SOA's Research Department. The brochure presents concise information about SOA research reports and how to obtain them.

Information on the SOA's research activities regularly appears on Actuaries Online (the SOA's electronic bulletin board on CompuServe) and the SOA's Web site (<http://www.soa.org>). Requests for proposals, calls for papers, research reports, and other research news and information are available. Questions and comments about any SOA research activity can be directed to the Society's Research Department at 847/706-3500.

Call for abstracts on health data research

The National Association of Health Data Organizations (NAHDO) is looking for abstracts for presentations to be made at the organization's 12th annual meeting, "Health Data Initiatives," November 17-18, 1997.

Accepted abstracts will be copied and disseminated at the conference and will be placed in the National Library

of Medicine's HSTAR database and NAHDO's National Health Information Resource Center Web site.

Submissions are due May 30. For details, submission guidelines, and more information, contact NAHDO (phone: 703/532-3282; fax: 703/532-3593; e-mail: nahdo@pipeline.com).

Mail alert

The *1997 Society of Actuaries Yearbook* has been mailed to all members. Any member who has not received a copy by May 15 should contact Cathy Cimo in the Books Department (phone: 847/706-3526; fax: 847/706-3599).