



SOCIETY OF ACTUARIES

Article from:

# The Actuary

October 1994 – Volume 28, No. 8

## RESEARCH CORNER

In August, the Research Department distributed the *Research Volunteer Reference Manual* to those involved in Society of Actuaries activities for which the staff provides support. The manual provides guidance and acts as a single-source reference for questions on volunteer roles and responsibilities.

The Research Department also is updating its list of actuarial researchers, which is a compilation of actuaries who are interested in doing research in various areas or in participating in project oversight groups. Those interested in being included on this list who have not received a form should contact Judy Yore at the Society office.

Highlights of recent research activities include:

- Allan Brender, William M. Mercer, Ltd., and Donna Claire, Claire Thinking, submitted draft reports on the dynamic solvency testing definitional project to the project oversight group for review. The project's purpose is to provide information and opinions on techniques now available to the actuary preparing an internal financial condition report to senior management and to specify what additional research may be needed.
- The Committee on Financial and Investment Management Research is calling for papers on "Market Valuation of Insurance Liabilities." Recognizing the diversity of emerging thought on the topic, this call for papers is to stimulate thinking and to develop a body of literature.
- The preliminary report on "Underwritten Mortality Experience for Certain Direct-Marketed Life and Supplemental Health Contacts" appears in the summer issue of *News Direct*, the newsletter of the Nontraditional Marketing Section. The results of the guaranteed issue mortality study will appear in a future issue of this newsletter.
- Peter Bondy is the chair of the Actuarial Aspects of Currency Risks Project. To volunteer for the project oversight group or to help define this project, please contact Bondy at Reinsurance Group of America 314/453-7438.
- The Research Department received 15 proposals for the Health Risk Adjuster research project. The SOA Task Force on Risk Adjustment, chaired by Bill Lane, expects to announce its decision soon.
- Work is progressing on the Catastrophic Claims Data Base Research Project. The researcher submitted an initial report, and additional data analysis was proposed to complete the project.
- Proposals on Public Financial Guarantee Programs were due on September 15. The project oversight group will make a decision regarding this project by November 15, 1994. A final report on this project should be available in summer 1995. The purpose is to perform a public service by providing a foundation for decisions about public financial guarantee programs. The research also can be the basis for additional involvement of actuaries in planning and managing public financial guarantee programs.
- The Committee on Life Practice Research has identified a two-phase project to provide actuaries of life insurance companies with a systematic approach for visualizing the adverse effects of economic developments that could lead to future insolvency. It has prepared a request for proposal for the first phase — the development of sets of econometric series that are relevant to the financial solidity of life insurance companies. Proposals were due October 7, and the committee plans to decide on the submitted proposals by November 14, 1994. Phase two will be to test the series against the yearly financial results of a sample of life insurance companies during the 1970s and 1980s.
- The Committee on Actuarial Principles has revised the Exposure Draft document, "Reserve Principles for Life Risks," in response to comments received from members. The SOA Board is scheduled to consider the document at its meeting October 16, 1994, in Chicago.
- The researchers for the analysis of health carrier insolvencies are collecting data. Work will proceed when a source of accessible HMO data is identified.

Check Actuaries Online, the SOA's electronic bulletin board, for requests for proposals, research reports, project status reports, and other research information, or call the Research Department at the Society's office, 708/706-3500.