



SOCIETY OF ACTUARIES

Article from:

The Actuary

February 1995 – Volume 29, No. 2

RESEARCH CORNER

Highlights of recent research activity include:

- The draft of the final report on "Public Employee Retirement Plans Research: Experience Studies, Valuation Reports and Unfunded Liabilities" has been reviewed by the project oversight group. Recommendations have been given to the researchers. Upon completion, the final report will be available from the Research Department. Patrick Brockett has completed the report on "Operations Research in Insurance: A Review." This report addresses the uses of operations research for insurance company problems such as insolvency prediction. The completed report is available from the Research Department.
- After reviewing the proposals received for the Public Financial Guarantee Programs project, the project oversight group selected the Price Waterhouse Office of Government Services in Washington, DC as researcher.
- Allan Brender, William M. Mercer, Ltd., and Donna Claire, Claire Thinking, submitted final reports on all five topics for the "Dynamic Solvency Testing Definitional Project" (Time Frame for Analysis, Scenario Interpretation, Credibility/Reliability, Confidence Standards and Reliance Guidance). The reports are available through the SOA Books Department.
- Robert Fillingham has submitted a final report on "The Potential Role of Dynamic Solvency Testing in

Preventing Insolvencies of Insurance Companies." The report reviews the causes of insolvency for six insurers and discusses what role dynamic solvency testing might have played in preventing such collapses. The report is available through the SOA Books Department.

- The deadline for submission of papers in response to the Call for Papers on the topic of "Market Valuation of Insurance Liabilities" has been extended to April 30, 1995. The Investment Section has agreed to underwrite a seminar based on the papers resulting from this call.
- The proposed research for "Boundaries of Risk" has been divided into two phases. The first phase is to identify the risks that may affect insurer solvency and the methods that can be used to analyze these risks, describing one or more methodologies for evaluating the advantages and disadvantages of the methods of analysis.
- A new project investigating the implications of the long-term nature of pensions and insurance on the estimation of expected returns is being sponsored by the Investment Section.
- A draft of the final report on "Analysis of Health Carrier Insolvencies" has been submitted to the Project Oversight Group for review.
- The first progress report of the "Risk Adjuster Data Base and Analysis" research project has been submitted to the project oversight group. Work has focused on data issues, including format, quality, and consistency.
- The report on "Long Term Care Experience" is scheduled to be available early in 1995 through the SOA Books Department.
- The "Catastrophic Claims Health Data Base" project is proceeding

with the additional work the Project Oversight Group believed necessary to complete the project. Upon completion, the availability of the project product will be announced.

- Work is progressing on a draft final report for the "Pension Plan Terminations in Ontario Since 1988" study.
- The Group Annuity Valuation Table Task Force and the UP-94 Table Task Force are working to release their exposure drafts. Details on the availability of these reports will be included as an insert with an issue of *The Actuary*.
- The "Exposure Draft of Principles Regarding Provisions for Life Risks" was mailed to members in November. Comments are due by March 1, 1995.
- Information and application forms for SOA Ph.D. Grants have been distributed to various groups and individuals. Anyone interested in receiving these materials should contact the SOA Research Department.

Each year, the various research committees identify potential topics for research activities to be promoted and funded by the Society of Actuaries. These committees welcome suggestions submitted on a one-page "Research Suggestion" form available upon request from the Research Department. All suggestions are forwarded to the appropriate research area committee for consideration.

Remember to check Actuaries Online, the SOA's electronic bulletin board, for requests for proposals, research reports, project status reports, and other research information, or contact the Research Department at the Society's office (phone: 708/706-3500 or fax 708/706-3599).