



SOCIETY OF ACTUARIES

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SECTION CORNER

Computer Science

A proposal to create an electronic database of mortality tables, discussed in the September 1994 issue of *CompAct*, generated so much interest that the Computer Science Section Council approved development of the project at its October meeting. Now a reality through Actuaries Online, the file has been accessed 79 times.

Based on a prototype version of an actuarial table, these compressed archive tables can be extracted by either ASCII or WKI format and then added to the database using files in that format. The title is "Prototype Mortality Table Database," and the keys for searching are "Mortality Tables Software Spreadsheets." This prototype is designed to foster comment and to encourage participation in developing a standard means of distributing actuarial tables through an electronic medium.

Questions and comments about the program can be directed to Stephen J. Strommen at his CompuServe e-mail address: 74017,2177. Strommen is treasurer of the Computer Science Section Council.

The spring meeting in Vancouver, British Columbia (June 26-28) offers several sessions planned by the Computer Science Section:

• Technology News Flash

How are actuaries using new technology? Hear panel members discuss actual experiences, successes, and challenges.

• Actuarial Surfing on the Internet

What can the Internet offer actuaries? See and hear what services are offered, and what companies are doing to utilize this technology of the future today.

• Successfully Managing Systems Development

Having a problem with project management tools? Discover what makes systems methodology and its expectations different from actuarial work and how to utilize this valuable technical discipline.

• Successfully Managing Systems Development (follow-up)

Who can solve systems development problems? Find creative solutions to systems development challenges by brainstorming with fellow actuaries.

Financial Reporting

The National Association of Insurance Commissioners (NAIC) Life and Health Actuarial Task Force (LHATF) gave final approval of the Valuation of Life Insurance Policies—Special Rules—Model Regulation (Guideline XXX), and Guideline GGG during their March meeting. The task force also began work on a draft statement of principles and objectives to underlie the Second Standard Nonforfeiture Law for Life Insurance.

An update of the NAIC Model Law for Minimum Reserve Standards for Individuals and Group Health Insurance contracts can be found in the March 1995 issue of *The Financial Reporter*. Two laws that directly impact reserving for health products are examined: the Model Law for Minimum Reserves Standards for Individual and Group Health Insurance Contracts (A&H Model) and the Standard Valuation Law (SVL). Included with the article are tables that list the major provisions of the current NAIC A&H Model, the states that passed the A&H Model Law, and which of

those states passed the valuation actuary provisions of the NAIC SVL.

Also in the March issue of the *Financial Reporter* is an article on new cost views. The report identifies the audiences needing better cost information, lists the issues and objectives each audience must face, and concludes with a review of the evolution, techniques, and deficiencies of costing.

Five projects were discussed at the NAIC Life and Health Actuarial Task Force meeting last December. The Actuarial Opinion and Memorandum Regulation was listed as a priority one project.

Pension

The March 1995 issue of *Pension Section News* carries a partial reprint from the policy paper, "Troubled Tomorrows—The Report of the Canadian Institute of Actuaries Task Force on Retirement Savings." Citing a similar situation with the United States (where the working population that supports social security funding is expected to go from "boom" to "bust"), the study examines the impact retirement savings plans could have in keeping Social Security viable. Copies of the full report are available from the Canadian Institute of Actuaries, 613/236-8196.

Some of the sessions prepared by members of the Pension Section for the upcoming spring meeting, June 26-28 in Vancouver, are:

• Pension Provisions of GATT: Funding Issues and the Deficit Reduction Contribution

What funding issues are associated with the changes brought about by the Retirement Protection Act of 1994? This seminar outlines changes to the full-funding limitation, provides details on figuring deficit reduction contributions, and outlines continuing needs.

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Section Corner

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• Pension Provisions of GATT: Non-Funding issues

What are the non-funded issues of the Retirement Protection Act of 1994? Premium changes, the effect on excise taxes, and the calculation of lump sums are some of the seminar topics.

• Balancing Defined Benefit and Defined Contribution Plans

How should these pension plans be handled? Seminar attendees can expect to find a fresh approach on this important subject.

• Social Security Programs in Canada and the United States

Will Social Security be there for future retirees? Alternative funding prospects and benefit stipulations on the financial security of participants are going to be explored.

Reinsurance

The March 1995 issue of *Reinsurance Section News* contains a regulatory update. The report discusses reinsurance tax, federal and state regulations, NAIC regulatory activity, industry group activity, and financial news.

Smaller Insurance Company

Smaller Insurance Company Section Chairman John M. O'Sullivan, now

vice president of Protective Life Insurance Company, Birmingham, Ala., outlines his goals as Section chair in the December 1994 issue of *Small Talk*. Sullivan stresses the need to build on work accomplished during the Section's first year and his desire to explore new areas. One proposal emphasizes building a resource manual of organizations, service bureaus, or software vendors able to assist Section members with getting their jobs done more efficiently. Another idea is to share previous project outlines from Section members so others may benefit from previous experience.

Society member reprimanded

The Society of Actuaries Committee on Discipline has voted for a public reprimand of William B. Dandy, FSA. This action was taken following an investigation and hearing by the Actuarial Board for Counseling and Discipline (ABCD) and evaluation of their findings by the Society's Committee on Discipline.

The ABCD found that Mr. Dandy violated Precepts 2, 3, and 4 of the Code of Professional Conduct. He agreed to undertake an assignment to calculate the unpaid claim liability and provide a Statement of Actuarial Opinion for the 1991 annual statement of a small life insurance company. His work was completed in six days, and he

issued a "clean" statement of Actuarial Opinion, although:

- a) He did not obtain the Statement of Actuarial Opinion for the 1990 annual statement.
- b) He did not obtain information about the adequacy of the unpaid claim liability reported in the 1990 annual statement, and he did not analyze the relationship of that liability to the liability he calculated for the 1991 annual statement.
- c) He made no effort to determine why the assignment was requested so close to the filing deadline.
- d) He stated in his opinion that reserves "are computed on the basis of assumptions consistent with those

used in computing the corresponding items in the annual statement of the previous year-end," when he had no information as to how items had been computed at the previous year-end.

- e) He exhibited an inadequate understanding of his professional obligation with respect to the appropriate Qualification Standards and his need to maintain personal records of his compliance with these Standards.

The Committee believes that the deficiencies in the approach to the assignment that Mr. Dandy undertook are especially serious when considered in the context of the public trust placed in the resulting Actuarial Opinion.

Thesis supervisor needed in Nankai

Nankai University in China needs another volunteer thesis supervisor for the 1996 fall semester. During the three-week stay on the Nankai campus, supervisors hold seminars on contemporary issues in insurance and social security and on applying actuarial techniques to solve problems.

They help guide students in selecting topics, preparing research, and writing theses.

The supervisor needs to be a senior SOA member who has practical experience in the insurance business or academic experience in supervising graduate students' theses.

Interested persons should contact Dr. Kailin Tuan, Program Coordinator, 212 South View Drive, Cherry Hill, NJ 08034; telephone: 609/429-7997; fax: 609/429-4053.