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**Highlights
from the
EA Meeting
Inside**

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Authors' names will be used unless otherwise requested. Correspondence may be submitted anonymously; however, it is helpful to include your name even if you indicate that you do not want it to be used. Please address correspondence to:

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CONFERENCE NEWS

2014 Enrolled Actuaries Meeting Highlights

Over 760 actuaries and guests attended the Enrolled Actuaries Meeting from Sunday, March 23 to Wednesday, March 26, at the Marriott Wardman Park Hotel in Washington, DC.

Continuing education sessions covered timely and relevant topics to keep Enrolled Actuaries up-to-date and well-informed on issues impacting specific areas of interest to pension actuaries. Attendees shared this feedback in the evaluation when asked what they liked about EA 2014:

"I like the fact that the sessions focus on real issues, not strict hypothetical concerns which may be relevant to only a small percentage of the audience."

"The speakers were true experts in the subject matter and well-prepared and there was generally a good range of representation of different firms/organizations/perspectives."

"The general sessions are consistently outstanding."

"I liked that we had the option to view presentation materials on electronic media versus just paper. While I enjoyed all the sessions I attended, the three general sessions were extremely well presented and very informative."

"Representation of lots of different firms in sessions. Lunches were great. Government official representation from IRS, DOL, and PBGC is great."

"Sessions are well organized and presenters are well prepared. Overall a very informative few days."

"Sessions this time covered a broad and very useful range of topics."

"I like that it allows plenty of time for open dialogue and questions."

There were several sessions during which IRS representatives, PBGC representatives, GASB representative and JBEA representative, respectively, offered insights for participants.

"Cybersatirist" Bob Hirschfeld provided laughs at Monday's Luncheon as he lampooned business and technology with his "stand-up with a laptop" satire. Bob finds the humor in challenges such as multitasking, software upgrades, grappling with online government forms and some of the other topics we deal with as Enrolled Actuaries. Bob Hirschfeld's humor has appeared in Newsweek, The Wall Street Journal, The Washington Post and USA Today. For several years, he was a contributing writer to Jay Leno for The Tonight Show. Jay calls Bob "one of the top satirists in the country."

Participants also enjoyed the opportunity to network with colleagues, exchange ideas, and catch up with long-time friends and speak with company representatives at the various exhibits. These exchanges took place during the Exhibit Hall hours, where breakfast and refreshments were served, as a reception was held on Tuesday.

The EA meeting's handouts were available on CD-ROM for participants, as well as being accessible through the meeting's mobile app. For the convenience of all participants, onsite handouts are available for a limited time on the [meeting's webpage](#).

Mark your calendar now for the 2015 Enrolled Actuaries Meeting, returning to the Marriott Wardman Park Hotel in Washington, DC over the dates of April 12-15, 2015.

Enrolled Actuaries Meeting Items Available for Purchase

For those who would like a “refresher” of their conference sessions, or for those who could not attend, there are items available for purchase to provide information for you.

Most of the handouts were received prior to the meeting, and are available on CD-ROM for \$175.

Additionally, most conference sessions were recorded; these recordings are available for \$295.

Newly formatted for 2014, the Super Gray Book now consists of two volumes of materials. Each volume is available for \$125 per copy.

- [Volume One](#) contains the materials released between 1990 and 2009, including a searchable index to these editions.
- [Volume Two](#) contains the materials released since 2010, including the new 2014 materials and a searchable index to the entire twenty-four-year set.

The [2014 Gray Book Update](#) is available for purchase in a single-year format at a cost of \$75. The update CD (which contains the Gray Book, PBGC Blue Book, and an updated index) is ideal for those who have purchased the 2013 edition of the Super Gray Book.

Visit our [website for purchase details](#) for CD-ROMs of the Enrolled Actuaries Meeting handouts, audio recordings of the sessions, the Super Gray Book and more.

CCA Launches Health Reform Meeting

The Conference of Consulting Actuaries hosted its inaugural Health Reform Meeting on March 24-25, 2014 at the Marriott Wardman Park Hotel in Washington, DC. The meeting was held concurrently with the Enrolled Actuaries Meeting.

CCA's Health Reform Meeting provided health actuaries and other healthcare professionals a chance to hear the latest developments on the Affordable Care Act. Equally important, CCA provided networking opportunities with peers on exactly what's happening on the home front of healthcare reform. The meeting featured topical sessions on a variety of healthcare reform issues that provide relevant education for providers, carriers and employers.

Session topics covered:

- Premium stabilization programs: risk adjustment, reinsurance and risk corridors;
- Employer reactions to healthcare reform;
- Private exchanges;
- AV/MV calculators;
- New regulations coming down the pipe,
- Lessons learned on the state exchanges; and
- Healthcare cost trends from the perspective of the national health accounts and private health insurance.

Seeking Nominations for Distinguished Awards

Do you know someone who has made outstanding contributions in the profession? Consider nominating them for one of the following awards by the **June 1st deadline**.

Lifetime Achievement Award

This is awarded to a volunteer for contributions made to the Conference of Consulting Actuaries, or the actuarial consulting profession in general, during his/her professional career. The award is announced at the Conference's Annual Meeting, where the recipient is given a plaque, a small gift, and waiver of registration fees for that meeting. Although nominations are accepted throughout the year, nominations made by **June 1st**, of each year would be considered for presentation at the upcoming Annual Meeting. [Follow this link for details about the Lifetime Achievement Award or to submit a nomination.](#)

Most Valuable Volunteer Award

This is awarded to a volunteer for contributions made to the Conference of Consulting Actuaries, or the actuarial consulting profession in general, during the past 12 to 24 months. The award is announced at the Conference's Annual Meeting, where the recipient is given a plaque, a small gift, and waiver of registration fees for that meeting. Although nominations are accepted throughout the year, nominations made by **June 1st**, of each year would be considered for presentation at the upcoming Annual Meeting. [Follow this link for details about the Most Valuable Volunteer Award or to submit a nomination.](#)

Wynn Kent Public Communications Award

In 2005, a prize was established by family and members of the Conference Board in memory of Irwin I. "Wynn" Kent (Conference President 1989-1990) and his contributions to financial risk and the profession's work product. The Wynn Kent Public Communications Award is given to members of the actuarial profession who have contributed to the public awareness of the work of the actuarial profession and the value of actuarial science in meeting the financial security of society in the fields of life, health, casualty, pensions and other related areas. Any actuary is eligible for the Award.

The recipient of the Award can be recognized for a single event or for a lifetime of making the public aware of the profession. The nomination deadline is **June 1st** of each year.

[Follow this link to The Actuarial Foundation website for details about how to submit a nomination for this award.](#)

John Hanson Memorial Prize

The Actuarial Foundation is accepting nominations for this year's John Hanson Memorial Prize to recognize the best paper addressing an Employee Benefits topic. Nominations are not limited to U.S. actuaries and self-nominations are accepted and encouraged. The nomination deadline is June 1st of each year.

For eligibility requirements and to submit a paper for consideration, visit the [Foundation's website](#).

Mark Your Calendar!

CCA Annual Meeting: October 19-22, 2014

The Meeting

“The Premier Meeting for Consulting Actuaries”

The CCA Board of Directors and Annual Meeting Program Committee thoroughly review our post-meeting evaluations and thoughtfully assemble the best meeting possible, selecting resort venues offering a blend of recreation and atmosphere that caters to all. This year we return to one of our best reviewed locations, the Westin Mission Hills Resort & Spa in Rancho Mirage, California (near Palm Springs).

The Venue: [Westin Mission Hills Resort & Spa](#)

Just a short drive from downtown Palm Springs, the Westin Mission Hills enjoys a prime 360 acre setting, surrounded by charming landscaped courtyards and extensive waterways. Golf one or both of the renowned courses, enjoy The Spa at Mission Hills, cool off in the pools, take center court on one of seven lighted tennis courts and enjoy fine dining options.

The Sessions

Tailor your Annual Meeting experience to match your specific needs and interests. Sample from a wide spectrum of sessions on Healthcare, Public Plans, International Issues, Consulting Skills, and Pensions, or select a full track in any of these specialty areas and you'll come away with all the latest knowledge.

The Networking

The CCA Annual Meeting provides prime networking opportunities with the leaders of the profession. You'll have opportunities for chance encounters at breaks between sessions, at our luncheon and evening gala, and you'll enjoy networking forums dedicated specifically to Public Plans, Healthcare Reform, and Small Firms issues.

Seeking Session Coordinator/Recorders for 2014 CCA Annual Meeting

Would you like to be a Session Coordinator /Recorder at the next Annual Meeting? Duties include writing a brief description of specific sessions, collecting continuing education forms, and may involve assisting the moderator in setting up and conducting planning calls with the speakers in advance of the session, and other duties as requested by the moderator.

New actuaries are especially encouraged to consider serving in this capacity as it is an excellent way to network into other continuing education opportunities, gain exposure within the profession, and potentially participate in speaking opportunities.

[Sign up now to volunteer for the CCA Annual Meeting](#)

CCA Welcomes New Members

The Conference congratulates and welcomes the following new members since our last issue.

Joseph B. Altman, FCA

Talih M. Daniel Arbid, FCA

Joshua Barbash, ACA

William Bednar, FCA

Dave Bond, FCA

Christopher Borcik, FCA

Eric P. Brandon, FCA

Erin Roberts Breyman, FCA

Lynn Bullard, FCA

Curtis Jay Chin, ACA

Sonja J. Coffin, FCA

Robert Jonathan Egnor, ACA

Paula C. Freiman, FCA

Charles S. Fuhrer, FCA

John D. Gibson, ACA

Robert W. Hazy, FCA

Bryan Kenneth Hoge, FCA

Ernest Gerald Jaramillo III, FCA

William Klunk, FCA

Judy S. Lopatin, ACA

Steven Mendelsohn, FCA

James J. Meulemans, FCA

David Patrick Moore, FCA

William Thomas O'Brien, FCA

Kon-Kyu Pak, FCA

John R. Rath Jr., FCA

Mary Elizabeth Redding, FCA

Curtis Lee Robbins, ACA

Michael John Rozsa, FCA

Dianne Schmidt, ACA

Brett Anthony Schwab, FCA

Dan Shachak, ACA

Julius Smetona, FCA

Brian Stentz, ACA

Tammy Patricia Tomczyk, FCA

Jennifer Wagner, FCA

Robert M. Weatherford, FCA

Dianna Welch, FCA

Amy Whaley, FCA

Paul B. Wroblewski, FCA

Bonita Jo Wurst, FCA

Brienne K Wyllie, FCA

In Memoriam

We remember these members who have died recently:

Rowland E. Cross, FCA

John F. Tapson, FCA

Neil Savasta Found to Materially Violate Code of Conduct

The Conference of Consulting Actuaries (“CCA”) received a report and recommendation from the Joint Discipline Council (“JDC”) that concluded CCA member Neil Savasta materially violated the Code of Professional Conduct (“Code of Conduct”). Pursuant to Article X of the CCA bylaws, the CCA President appointed a Special Review Panel to review the JDC report and record. The Special Review Panel held a hearing on April 23, 2014. After careful deliberation, the Special Review Panel concurred with the JDC’s recommendation that the discipline should be a five-year suspension from the CCA.

The purpose of this article is to inform CCA members of the decision regarding Mr. Savasta and to provide an overview of the conduct leading to the violation of Precepts 1, 2, and 3.

PRECEPT 1. An Actuary shall act honestly, with integrity and competence, and in a manner to fulfill the profession’s responsibility to the public and to uphold the reputation of the actuarial profession.

ANNOTATION 1-1. An Actuary shall perform Actuarial Services with skill and care.

ANNOTATION 1-2. An Actuary shall not provide Actuarial Services for any Principal if the Actuary has reason to believe that such services may be used to violate or evade the Law or in a manner that would be detrimental to the reputation of the actuarial profession.

ANNOTATION 1-3. An Actuary shall not use a relationship with a third party or with a present or prospective Principal to attempt to obtain illegal or materially improper treatment from one such party on behalf of the other party.

ANNOTATION 1-4. An Actuary shall not engage in any professional conduct involving dishonesty, fraud, deceit, or misrepresentation or commit any act that reflects adversely on the actuarial profession.

Precept 1 Violation

Mr. Savasta materially violated Precept 1 of the Professional Code of Conduct. In finding a violation of Precept 1, the JDC focused in particular on Annotation 1-1. Mr. Savasta was the responsible actuary for the June 30, 2008, and June 30, 2009, actuarial valuations of the postretirement benefits for employees of the Nassau Board of Cooperative Educational Services (“BOCES”) prepared to be in compliance with the Governmental Accounting Standards Board (“GASB”) Statement No. 45. Mr. Savasta was the only qualified health actuary working at his company but did little review of these valuations. Mr. Savasta failed to ensure that the actuarial valuations of the postretirement benefits for the Nassau BOCES were performed with skill and care. In reaching this conclusion, the JDC noted the following:

1. This was the first valuation Mr. Savasta prepared in accordance with GASB Statement No. 45, and yet he did not familiarize himself with the requirements of the standard. One of the most important results of the valuation, the “Annual Required Contribution,” was not prepared in accordance with the standard.
2. Mr. Savasta did not provide appropriate supervision of the process.

3. When preparing the valuations for Nassau BOCES, Mr. Savasta failed to adequately consider a number of relevant Actuarial Standards of Practice (“ASOPs”). Mr. Savasta was not aware of ASOP No. 6, Measuring Retiree Group Benefit Obligations, and he was unaware of the revisions to ASOP No. 41, Actuarial Communications.
4. Mr. Savasta did not effectively implement and maintain the recommendations contained in the ABCD’s counseling letter dated August 18, 1998, to ensure that his work and the work performed under his supervision were performed with skill and care.

PRECEPT 3. An Actuary shall ensure that Actuarial Services performed by or under the direction of the Actuary satisfy applicable standards of practice.

ANNOTATION 3-1. It is the professional responsibility of an Actuary to observe applicable standards of practice that have been promulgated by a Recognized Actuarial Organization for the jurisdictions in which the Actuary renders Actuarial Services, and to keep current regarding changes in these standards.

ANNOTATION 3-2. Where a question arises with regard to the applicability of a standard of practice, or where no applicable standard exists, an Actuary shall utilize professional judgment, taking into account generally accepted actuarial principles and practices.

ANNOTATION 3-3. When an Actuary uses procedures that depart materially from those set forth in an applicable standard of practice, the Actuary must be prepared to justify the use of such procedures.

Precept 3 Violation

Mr. Savasta materially violated Precept 3 of the Professional Code of Conduct. In finding a violation of Precept 3, the JDC focused in particular on Annotation 3-1, which states, “It is the professional responsibility of an Actuary to observe applicable standards of practice that have been promulgated by a Recognized Actuarial Organization for the jurisdictions in which the Actuary renders Actuarial Services, and to keep current regarding changes in these standards.” Mr. Savasta failed to ensure that the Actuarial Services performed by him or under his supervision for Nassau BOCES met the applicable ASOPs.

1. Mr. Savasta failed to follow ASOP No. 6. The valuation used a single per capita claims cost for all ages which reflected Medicare coverage, despite the fact that the plan permitted employees to retire as early as age 55, and over half the current retirees had retired before age 65. This was in clear violation of Section 3.4.7. The valuation used a single healthcare cost trend rate for all years, which did not meet the requirements of Section 3.8.1.a. The valuation used a single retirement age assumption at age 65; in clear violation of Section 3.8.2.c. Mr. Savasta did not consider reflecting future mortality improvements, in violation of Section 3.8.2.d. The valuation report did not identify the plan provisions, per capita claims rates, and other key data with sufficient clarity that another actuary could make an objective appraisal of the reasonableness of the actuary’s work, in violation of Section 4.2.
2. Mr. Savasta failed to follow ASOP No. 35. The plan covered over 1,600 employees with a large number of retirements expected to occur at different ages, as evidenced by the experience of the over 1,000 retirees, over

half of whom retired under age 65. Despite this evidence to the contrary, the actuary used a single retirement decrement of 100% at age 65, in violation of Section 3.3.5.a. Mr. Savasta did not familiarize himself with the pension plan provisions applicable to the same employee population and was not aware if Nassau BOCES provided pension benefits. This is a violation of Section 3.5.1.c.

3. Mr. Savasta failed to follow ASOP No. 41. The communication of the valuation results did not identify the actuary responsible for the work, in violation of Section 3.1.4. Mr. Savasta did not effectively implement and maintain the strong recommendations contained in the ABCD's counseling letter dated August 18, 1998, that sought to ensure that all future valuation reports produced by Mr. Savasta or under his supervision would comply with Precept 3 and be signed by the responsible actuary.

PRECEPT 4. An Actuary who issues an Actuarial Communication shall take appropriate steps to ensure that the Actuarial Communication is clear and appropriate to the circumstances and its intended audience and satisfies applicable standards of practice.

ANNOTATION 4-1. An Actuary who issues an Actuarial Communication shall ensure that the Actuarial Communication clearly identifies the Actuary as being responsible for it.

ANNOTATION 4-2. An Actuary who issues an Actuarial Communication should indicate the extent to which the Actuary or other sources are available to provide supplementary information and explanation.

Precept 4 Violation

Mr. Savasta materially violated Precept 4 of the Code of Professional Conduct. Mr. Savasta failed to take steps to ensure that his Actuarial Communications were appropriate under the circumstances and satisfied the applicable ASOPs for the following reasons:

1. Mr. Savasta failed to sign two GASB 45 actuarial valuation reports issued by his firm and communicated to Nassau BOCES in 2008 and 2009, despite the fact that he was the actuary responsible for those reports.
2. Mr. Savasta's reports did not provide adequate documentation and disclosures as required under ASOP No. 6 and ASOP No. 41.
3. Mr. Savasta did not effectively implement and maintain the strong recommendations contained in the ABCD's counseling letter dated August 18, 1998, that sought to ensure that all future valuation reports produced by Mr. Savasta or under his supervision were clear, appropriate, and included all information required by the applicable actuarial standards of practice.

Conclusion

The Special Review Panel agreed with the Joint Discipline Council's recommendation that Mr. Savasta's violations of Precepts 1, 3, and 4 of the Code of Conduct warranted a five-year suspension from the CCA.

CONTINUING EDUCATION



CCA Audio/Webcasts

Keep up with the latest developments and earn your CE credits by participating in [CCA's Audio/Webcasts](#). You may participate online, or by phone. Registration is available by annual subscription – which includes any “pop-up” programs to address late-breaking issues – or à la carte.

All sessions are presented from 12:30 PM–1:45 PM ET. Upcoming programs include:

ASOPs Update

June 11 – 12:30 -1:45 PM ET

NEW DATE!

PBGC – Not (Just) Premiums

June 18 – 12:30 -1:45 PM ET

Is There an Actuary in the House? Financial Planning and Taxation for Actuaries

July 9 – 12:30 -1:45 PM ET

Retirement Adequacy

September 10 – 12:30 -1:45 PM ET

Healthcare Cost Trends

September 24 – 12:30 -1:45 PM ET

Exchanges – Fact or Fiction?

November 12 – 12:30 -1:45 PM ET

Professionalism: ASB Powerball–ASOPs 1, 4, 6, 27, 35 – Did You Hit the Jackpot?

December 3 – 12:30 -1:45 PM ET

Capital Market Expectations

December 10 – 12:30 -1:45 PM ET

[For more information and to register, please click here to visit our website.](#)

OTHER PROFESSION-WIDE NEWS

CCA Arranges for S. Jay Olshansky as Speaker for ICA 2014 Opening Plenary

The Conference of Consulting Actuaries recruited S. Jay Olshansky as the presenter for the Opening Plenary Session at ICA 2014. ICA 2014 was held on March 30-April 4, 2014 at the Marriott Wardman Park Hotel in Washington, DC.

Dr. Olshansky spoke on, "The Longevity Dividend: Altering the Future Course of Health and Longevity?" The Plenary Session was moderated by Dale Yamamoto, FCA, Penultimate President of the Conference of Consulting Actuaries.

The conventional view held by many is that the historical increase in life expectancy will continue throughout this century in most parts of the world. Some scientists even contend that most babies born today will reach 100 years of age. Yet, empirical evidence demonstrates that neither of these scenarios is likely. Rather, evidence has emerged indicating that two subgroups of the population are forming — one that will experience more rapid increases in life expectancy than anticipated by conventional forecasting methods, and another that has already experienced declines in life expectancy, or is about to do so.

Given the vast differences in longevity prospects among subgroups of the population across the globe, questions have arisen about the appropriateness of forced retirement at ages near 65 years. Dr. Olshansky illustrates the significance of these trends by exploring what the retirement age should be today, hypothetically, given the secular changes in survival and longevity that have occurred since Social Security (or its equivalent in other countries) came into existence in the 20th century.

An important new effort is now underway to secure what has become known as the Longevity Dividend — the social, economic and health benefits that would accrue to individuals and populations as a consequence of a successful effort to slow the aging process in people. Why is this initiative taking off now? How might it come about? And, what are the implications for the future course of health and longevity?

S. Jay Olshansky received his Ph.D. in Sociology at the University of Chicago in 1984. He is currently a Professor in the School of Public Health at the University of Illinois at Chicago and Research Associate at the Center on Aging at the University of Chicago and at the London School of Hygiene and Tropical Medicine. The focus of his research to date has been on estimates of the upper limits to human longevity, exploring the health and public policy implications associated with individual and population aging, forecasts of the size, survival, and age structure of the population, pursuit of the scientific means to slow aging in people (The Longevity Dividend), and global implications of the re-emergence of infectious and parasitic diseases. Dr. Olshansky is on the Board of Directors of the American Federation of Aging Research and is the first author of *The Quest for Immortality: Science at the Frontiers of Aging* (Norton, 2001) and author of a new book entitled "A Measured Breath of Life" (2013).



JAY OLSHANSKY PRESENTING

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C.L.R.S.



***100 Years of Reserving...
Where will it be 100 Years from Now?***