

# Candidates for the Top 10 Actuarial Stories in 1996

| Story   | Actuarial Significance  | Rank | Sum | #<br>Voting | 1st<br>Place<br>Votes |
|---|---|------|-----|-------------|-----------------------|
| Reinsurers consolidate—Swiss Re; Munich; Gen Re; ACE                | More sophisticated market; less competition or more?            | 1    | 293 | 42          | 12                    |
| CEA qualifies for start-up in California                            | State-run catastrophe insurance pool has gaps in coverage       | 2    | 260 | 38          | 6                     |
| NAIC Footnote 24 disclosures of EIL losses                          | Change in practice standards? Comparison to peers/industry      | 3    | 257 | 34          | 7                     |
| Integrated risk management expands                                  | Actuarial techniques applied to all segments of business        | 4    | 223 | 33          | 7                     |
| Barnett Bank decision by Supreme Court                              | National banks can sell from small towns; federal regulation?   | 5    | 199 | 33          | 6                     |
| Equitas given ok to start   | Survival of Lloyd's; use of new actuarial techniques            | 6    | 185 | 32          | 2                     |
| Florida Hurricane Commission approves standards; no models yet      | Modeling as ratemaking technique not embraced yet by public     | 7    | 177 | 31          | 2                     |
| CIGNA restructuring approved  | Last of good/bad bank formations or the beginning of others?    | 8    | 163 | 33          | 0                     |
| Auto class plan regulations issued for 2/18/97 filing date          | "Weight" as numerical term could temper actuarial indications   | 9    | 137 | 26          | 2                     |
| Direct writing expansion—AIG/20th Century; others                   | Possible transformation of market similar to U.K.               | 10   | 125 | 25          | 1                     |
| Superfund liability can't be retroactive—court rules                | Does this drastically limit insurer obligations? Will it stand? | 11   | 117 | 27          | 0                     |
| Continuing redlining allegations—Allstate, Nationwide               | Is disparate impact versus intent the emerging standard?        | 12   | 117 | 29          | 2                     |
| Tobacco cos. reject paying funds to gain immunity                   | Next asbestos and pollution reserving nightmare?                | 13   | 72  | 17          | 0                     |
| A.M. Best downgrades of companies                                   | Decisions needed on capitalization value                        | 14   | 68  | 13          | 1                     |
| Internet usage expands  | May lead to new distribution system for personal auto           | 15   | 56  | 11          | 1                     |
| NAIC Model Investment Law—"Prudent person" option                   | Would require a DFA type of actuarial analysis                  | 16   | 43  | 8           | 0                     |
| Stock market level  | Capital source or risk of future surplus decline? Use of DFA    | 17   | 37  | 8           | 0                     |
| Total health and disability management become more integrated       | New coverages emerge; pricing, reserving and mgmt issues        | 18   | 34  | 11          | 0                     |
| Emerging tobacco liability cases                                    | Next asbestos and pollution reserving nightmare?                | 19   | 29  | 7           | 0                     |
| Florida amends cat legislation—rates can be resolved by arbitration | Will rate disputes be put into arbitration?                     | 20   | 14  | 2           | 0                     |