



June 14, 2022: Aquarius Capital Announces Michael L. Frank to joins the Membership Committee of the Conference of Consulting Actuaries

Aquarius Capital is pleased to announce that Michael L. Frank, President & Actuary, will be joining the Membership Committee of the Conference of Consulting Actuaries (CCA). Announcement is below.

Michael L. Frank Announcement

I was recently invited and joined the CCA Membership Committee and look forward to volunteering to help CCA grow future members. Whether you want to be an independent/small company actuary or work for a larger organization, CCA would be an association that I believe actuaries could benefit from.

It was approximately thirty-five years (35) years ago this month that I took my first actuarial exam, and it has been an interesting journey. The actuarial profession has changed significantly over the years, especially with the evolution of technology and social media. When I served as chairperson for continuing education for Actuarial Society of Greater New York (ASNY) and later as its president, I witnessed the material growth in the independent actuary in our membership.

Part of the growth in independents was driven by the financial crisis in 2007-2008 since actuaries were not immune from lost employment. While volunteering for ASNY, I met many individuals that had lost their jobs and were looking for resources to assist them in the job search as well as locating lower cost continuing education. The change in the market combined with the growth of technology, larger organizations were able to effectively function with less actuaries. As a result, they hired less actuaries.

Similarly, independents and smaller firms (e.g., firms with 1-3 actuaries) were able to use technology to effectively manage and grow their business, building various niches for themselves. The population of independent actuaries and smaller company actuaries continues to grow. More actuaries were working as independent contractors or subcontractors to other actuaries. It is the fastest growing demographic in the US and potentially worldwide for the actuarial profession.

With the global pandemic of the past couple of years, more actuaries are also working remotely, even if part of a larger organization, so these actuaries are sharing similar experiences as independent and smaller company actuaries.

Over my career as a volunteer, consultant, adjunct professor, guest speaker, writer of articles, and mentor, I have been fortunate to meet thousands of current and future actuaries (students). Through teaching, serving on university advisory boards and doing many presentations to various colleges and universities through the US and internationally, I met many college students and future actuaries. A significant number have become practicing actuaries today. Many of those individuals shared their aspirations of starting their own businesses as actuaries as well as working in non-traditional roles.



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With more employers going to remote employees based on the outcome of the recent pandemic, more actuaries are experiencing various facets of being an independent or smaller company actuary.

Based on the growth of independent actuaries, the actuarial associations supporting its member actuaries will need to evolve with those organizations as their membership continues to grow demographically in the independent actuarial community, including small company actuaries and remote employees.

Twenty (20) years ago, I became one of those independent/smaller company actuaries forming Aquarius Capital. CCA was one of the organizations that was helpful to me as an independent/small company actuary and entrepreneur. I believe others could benefit by joining, including large company actuaries.

I joined CCA in 2006 and have benefited from the services that it provides its members. In addition to webinars for continuing education, CCA has many email communities that actuaries can participate by different specialties, which has been a way for actuaries to connect with other actuaries to find solutions to problems and networking. It is also a great way to stay current on issues since emerging topics are regularly discussed in these communities. These are resources to help actuaries be better consultants. I am also licensed as a life, accident and health broker and the resources of CCA have benefited me in this area as well. The communities of CCA are additional way for actuaries to network to identify solutions to problems and resources (e.g., peer reviews, etc.).

I was recently contacted by CCA to be more active in the organization and be part of its membership committee. I believe CCA can make a difference for the actuarial profession and happy to volunteer.

Personally, CCA has provided me an additional voice to the actuarial community. Many of you may remember an article that I wrote several years ago about being excessively billed and arguably fraudulent billed by a hospital for a partial hip replacement. Although the human body has two hips and I had surgery on one of them, I was billed for eleven (11) implantable devices plus a series of phantom services by the hospital (e.g., 6 physical therapy/occupation therapy late Friday night and early Saturday morning when such medical staff are not even in the building). I was also invoiced for a patient's bills that were not mine.

In regard to the implantable devices, I had five sutures, which the hospital submitted as a billed charge item of less than \$200 each (a very over-inflated number) but the hospital coded it as a different revenue code (changed revenue coded 272 to 278) and the insurance company approved those sutures for \$2,600 each or \$13,000 for five sutures. Unfortunately, this is not a rare occasion but systemic happening daily and multiple times per day. Even rules today about healthcare transparency, consumers are dealing with the adverse effects of excessive and fraudulent billing.



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I thought I would have been in the Guinness Book of World Records (how many people do you know have 11 hips). Later I met another person billed by the same hospital for twenty-two (22) hips (he had two hip replacements the following year). Through my own investigations, have found others that have been victims of billing fraud as well as advocacy groups to help those that have experienced financial ruin due to excessive billing and fraud.

After my personal incident, I had a Jerry McGuire moment and wrote an article on healthcare billing fraud, which CCA published as a feature article on its home page. CCA's willingness to publish the article helped bring healthcare billing fraud and hospital billing transparency to the forefront. The article led to other organizations taking an interest in the story including ProPublica, National Public Radio, Wall Street Journal and NBC News as well as other news and social media platforms. Meetings followed with various regulators and legislators with the goal to improve the transparent and fraudulent actions in healthcare. This story later became a chapter in Marshall Allen's award-winning book "Never Pay The First Bill". I also developed a training program for regulators and legislators on healthcare billing fraud and transparency.

CCA's willingness to publish the article helped springboard getting this message out in the market and creating further awareness on healthcare billing fraud. CCA's publishing the article on its home page as a featured article, which was much appreciated.

I learned about some of the challenges that independent and small company actuaries are potentially exposed to as well. For example, I recently experienced the negative impact of public disciplining in the actuarial and insurance community. The ABCD Board, Society of Actuaries (SOA) and American Academy of Actuaries (AAA) publicly disciplined another actuary with a similar name as me. Although I was NOT the disciplined actuary nor affiliated to this actuary, I had to deal with the aftermath of decisions of the ABCD, SOA and AAA to send out these communications.

I was also grateful of CCA's decision not to distribute these communications to its membership about this specific public disciplining.

The above experience has also given me a new appreciation of the Code of Professional Conduct and Actuarial Standards of Practice as well as actuarial ethics and our profession's bylaws/governance. It also highlights a need for additional advocacy support for independent and small company actuaries as well as all actuaries, which is where I hope to spend additional volunteer time to support our profession.



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I recently taught a continuing education seminar last fall and the feedback from the event was extremely positive. It covered healthcare billing fraud and insurance company insolvencies plus covered important professionalism topics like the Morris Report (<https://www.frc.org.uk/actuaries/oversight-of-the-actuarial-profession/morris-review>) and Precept 1 (<https://www.actuary.org/node/13618>). Precept 1 arguably is one of the most important Precept since highlights that “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.”

For the Morris Report as published by the Financial Reporting Council (FRC), the UK “government directed Sir Derek Morris to undertake a wide-ranging independent review of the actuarial profession” based on the impact of an insolvent insurance company. The review covered all aspects of actuarial ethics and governance and “his recommendations were accepted by the Government, the FRC and the Institute and Faculty of Actuaries (IFoA).”

I will be sharing with the actuarial community through future communications and education programs with the hope of driving positive changes for the profession. As an example, will be presenting for the Actuarial Society of Greater New York (ASNY) for their Spring meeting on June 27, 2022. Visit www.goasny.org for details about the event.

Overall, CCA was very supporting to me based on its actions and the actions of its leadership team, and this was much appreciated. I highly recommend CCA as a professional organization. For individuals interested in joining CCA, visit <https://www.ccactuaries.org/membership>.

In addition to supporting CCA on its membership committee, my hope is to continue to volunteer in the profession and will be providing future continuing education on professionalism, especially based on my recent experiences and research. I will also be more vocal to drive change in the actuarial community around advocacy for all actuaries (independents as well as small and large company actuaries).

It has been a pleasure serving the actuarial community as a volunteer for more than 30 years and look forward to hopefully continuing serving in different capacities, including the membership committee for CCA.

Sincerely,

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