

**Regulatory/Law**

reasonable possibilities," said Alan Hines, managing director of PricewaterhouseCoopers. "Two actuaries won't come up with the same answer, but they should get to a similar answer."

While actuaries base their work on hard numbers, they are called upon to make hundreds of judgment calls, such as whether to look at 3-year, 5-year or 10-year averages and whether to provide the low end and the high end of the range of "reasonable" estimates.

"Providing the range of reasonable estimates requires considerable judgment since there are no actuarial or accounting standards for what constitutes 'reasonable,'" Hines said.

Actuaries also use multiple actuarial methods to produce various indications, and then use their judgment in



**SOX SIGNED:** Before the signing ceremony of the Sarbanes-Oxley Act, President George W. Bush meets with Sen. Paul Sarbanes, D-Md., Secretary of Labor Elaine Chao and others in the Blue Room at the White House July 30, 2002.

selecting their best estimate. "If we give a point estimate in lieu of a range, we need to be prepared to defend it as

the best estimate. We cannot just pick and choose the number we want," Hines said.

Life insurers can be expected to adjust their reserves, too, but it's much less frequent and generally only if a business is in a permanent loss position, said Henry Siegel, an actuary with New York Life and a member of the American Academy of Actuaries. New York Life is a mutual, but has tightened its internal controls to comply with much of SOX, he said.

SOX "doesn't change what we, as life actuaries, basically do or the way we do it, but it means people have to understand more clearly what it is that we do. I think that's good," Siegel said.

But the burden isn't just on actuaries. Managers should take responsibility

**Top 30 Audit Firms—Total Industry**

Rank is based on insurance clients' net premiums written.

Rank	Auditor	% Market Share	NPW (\$ millions)
1	PricewaterhouseCoopers	31.43	391,532.8
2	Ernst & Young	24.39	303,833.9
3	Deloitte	24.02	299,171.8
4	KPMG	17.90	222,993.4
5	BDO	0.31	3,840.1
6	Strohm Ballweg LLP	0.14	1,792.3
7	Grant Thornton LLP	0.14	1,721.1
8	Eide Bailly LLP	0.14	1,703.6
9	Carr Riggs & Ingram LLP	0.08	965.6
10	Johnson Lambert & Co	0.07	883.2
11	Seward & Monde	0.07	835.6
12	Jaynes Reitmeier Boyd & Therrell PC	0.05	589.1
13	McGladrey & Pullen LLP	0.05	572.7
14	Brown Schultz Sheridan & Fritz	0.04	524.8
15	Plante & Moran LLP	0.04	505.5
16	Cherry Bekaert & Holland LLP	0.04	475.5
17	BKD	0.04	470.6
18	Galusha Higgins & Galusha PC	0.03	413.6
19	Kernutt Stokes Brandt & Co LLP	0.03	374.4
20	Dalby Wendland & Co	0.03	368.7
21	Bonamassa Maietta & Cartelli LLP	0.03	331.4
22	Blackman Kallick Bartelstein LLP	0.03	329.2
23	Buffamante Whipple & Buttafaro PC	0.03	322.9
24	Crowe Chizek & Co LLP	0.02	273.9
25	Clare Chapman Storey & Bowen LLP	0.02	267.7
26	Elliott Davis LLC	0.02	261.7
27	Postlethwaite & Netterville	0.02	251.7
28	Andrews Hooper & Pavlic PLC	0.02	214.2
29	Ewbank Hunter Martin & Co LLP	0.02	211.7
30	Loeb & Troper	0.02	201.0
<b>Total % Mkt Share of Top 30</b>		<b>99.24</b>	

Source: A.M. Best Special Report

**Top 30 Actuarial Firms—Total Industry**

Rank is based on insurance clients' net premiums written.

Rank	Actuaries	% Market Share	NPW (\$ millions)
1	PricewaterhouseCoopers	28.77	80,473.7
2	KPMG	18.66	52,188.2
3	Milliman	13.83	38,680.9
4	Deloitte	8.50	23,776.9
5	Ernst & Young	6.65	18,597.5
6	Tillinghast - Towers Perrin	5.31	14,841.7
7	Reden & Anders Ltd	2.48	6,943.3
8	Eckler Partners Ltd	1.62	4,532.8
9	Beneficial Consultants LLC	1.44	4,029.6
10	Mercer Oliver Wyman Actuarial Consulting Inc	1.09	3,044.0
11	Oliver T Wilson Inc	0.88	2,454.9
12	Pinnacle Actuarial Resources Inc	0.82	2,285.8
13	Regnier Consulting Group Inc	0.65	1,818.6
14	Stergiou & Gruber Risk Consultants Inc	0.42	1,174.1
15	Huggins Actuarial Services Inc	0.39	1,099.9
16	Lewis & Ellis Inc	0.36	994.5
17	JS Cheng & Partners Inc	0.34	963.1
18	Baron Insurance Services Inc	0.33	918.3
19	Huttleston Associates Inc	0.32	881.4
20	MBA Actuaries Inc	0.28	796.9
21	Actuarial Advisors Inc	0.27	756.9
22	Kilbourne Co, The	0.23	645.1
23	Mellon Human Resources & Investor Solutions	0.23	635.1
24	Barbara V Scheil & Associates Ltd	0.22	626.7
25	Van Elsen Consulting Inc	0.20	566.9
26	Jeffrey D Miller FSA MAAA FCA	0.19	539.2
27	Bickerstaf Whatley Ryan & Burkhalter	0.19	520.7
28	Access Insurance Consulting Services Inc	0.17	475.5
29	Griffith Ballard & Co	0.16	455.7
30	Butler Dunlap & Lindquist LLC	0.15	419.2
<b>Total % Mkt Share of Top 30</b>		<b>95.15</b>	

Source: A.M. Best Special Report