

PROGRAM INFORMATION

This program outlines the schedule for all sessions.

Antitrust Disclaimer

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Continuing Education Credit

American Academy of Actuaries

This symposium provides 12 hours of "organized activity" under the Academy's "Qualification Standards for Prescribed Statements of Actuarial Opinion." An average of 12 credit hours per year obtained over a two-year period is necessary to satisfy this requirement.

Conference of Consulting Actuaries

Members of the Conference of Consulting Actuaries may also obtain 12 hours of continuing education credit. Conference members obtain 12 credit hours per year to satisfy the CCA Recognition of Continuing Professional Education Program.

Professional Development Credit

This symposium has been approved as eligible for 10.5 units of PD credit. For further information regarding the PD requirement, please see the SOA Associateship and Fellowship Catalog or access the SOA Web site at www.soa.org.

Guest Presenters

Nonmember presenters are indicated with an asterisk (*) throughout the program.

Level of Difficulty

The levels of difficulty in the program are:

- **<ME** no to moderate experience
- **ME** moderate experience
- **SE** substantial experience

Sessions that do not identify experience level are considered appropriate for attendees who have no experience with the subject.

Notice of Intent to Publish and Copyright

Presenters are reminded that the sessions will be recorded and published in various media, including print, audio and video. Expressions of opinion are those of the participants individually and, unless expressly stated to the contrary, are not the opinion or position of the Society of Actuaries, its cosponsors or its committees. The Society of Actuaries assumes no responsibility for statements made or opinions expressed in the sessions, or in their publication regardless of the publication media.

Paperless Meeting

In an effort to reduce print production and allocate resources to other areas of the program, the SOA will not be providing hard copies of handouts for all sessions. Hard copies will be produced by the SOA for certain sessions if it is deemed necessary by the presenter, and if the presentation is received by the SOA designated deadline. In addition, presentations received by the deadline will be posted for general viewing on the SOA Web site in PDF format seven working days prior to the meetings, so that attendees may print handouts to bring with them if they

wish. This can be accessed at: <http://handouts.soa.org>. All presentations (including late and amended materials) will be posted for general viewing on the SOA Web site after the symposium.

Session Formats

This Symposium includes the following formats:

Interactive Forum (IF) is an actively moderated session that includes significant participation.

Open Forum (OF) is a broad discussion of a topic with high levels of audience participation.

Panel Discussion (PD) consists of experts presenting specific topics with limited audience participation.

Teaching Session (TS) is a detailed, how-to approach to the stated subject matter conducted with a small group of participants.

Workshop (WS) is an informal discussion of a topic structured for a small group of participants.

1 PD: LIFE AND ANNUITY VALUATION ISSUES

Moderator: Meredith A. Ratajczak

Panel: Thomas A. Campbell, Donna R. Claire

This session provides an overview of a range of current statutory valuation issues pertaining to life and annuity products. The major valuation issues are introduced and covered in-depth at subsequent sessions.

Life and annuity valuation issues covered by the panelists include:

- Status of variable products reserving standard
- Status of Adoption of 2001 CSO
- Status of C-3 Phase II RBC project
- Update on Annuity and Life Non-Forfeiture
- Progress report on Universal Life Reserve Working Group
- Report on revisions to AG 38 relating to UL Secondary Guarantees

At the conclusion of this session, participants have an overview of current life and annuity statutory valuation issues.

ME

2 PD: REINSURANCE AND LIFE INSURANCE SECURITIZATION

Moderator: Michael Taht

Panel: Michael Taht, Bill Griffiths, Paul F. Turner

Insurance companies have looked to reinsurers to provide reserve relief and to reduce capital strain. Recently, an increasing number of companies have investigated securitizing life insurance liability cash flows as an alternate means of achieving similar results

Panelists discuss the current reinsurance marketplace and the factors behind the growing interest in alternative capital sources including:

- Reinsurers' perspectives on the growing demand for capital, and their view on their role in the future
- The driving force behind life insurance securitizations
- The participants and structure of securitization transactions
- The role of financial guarantors
- The rating agency views of these complex and innovative transactions

At the conclusion, participants have a better understanding of the roles reinsurance and securitization might fill in capital management in the future.

ME

3 OF: PROCESS CONTROLS – SOX 404 FOR ACTUARIES

Moderator: Darryl Wagner

Panel: Phillip Shane Elenbaas, David Ruiz

Sections 302 and 404 of the Sarbanes-Oxley Act of 2002 have fundamentally changed the way in which life insurance companies view the processes used to develop their financial statements. These Sections focus on certification of financial statements and adequacy of internal controls. Actuarial processes, long viewed as arcane "black boxes," have come under particular scrutiny as insurance executives seek to improve their financial reporting environments and limit the risks of uncontrolled processes.

This session provides information that actuaries need to know as they work to comply with Sections 302 and 404. Requirements of the Act are discussed, as are the practices observed and lessons learned during 2004, the first year in which accelerated filers were required to comply with these Sections.

Following this session, participants have a better understanding of the requirements of Sections 302 and 404 and the steps they must take to successfully comply in this new environment.

4 TS: ASSET MODELING CONCEPTS

Instructor: Patrick B. Achey, Scott A. Christensen , Robert F. Lussky

Asset modeling, once limited to the compliance exercise of cash flow testing, is now central to many actuarial functions. Actuaries model assets in product pricing, C-3 Phase 1 and 2 RBC, risk management, asset-liability matching, embedded value and other applications that are fundamental to management decision making. Some of these applications require running large numbers of stochastic scenarios, which makes the construction of efficient models essential, particularly because the time allotted to complete these functions seems to diminish every year.

The presenters in this session discuss the following key topics in asset modeling:

- First-principles models versus external cash flow generators
- Optionality
- Model validation
- Option adjusted valuation
- Equities and real estate

At the end of this session, participants understand the techniques used to address many of the current issues associated with modeling assets.

ME

Thursday, September 22, 2005

10:00 AM – 11:30 AM

5 PD: GAAP ISSUES

Moderator: David White

Panel: Jason Morton, David Rogers

This panel discussion addresses current issues of interest to actuaries in the application of U.S. GAAP. Experts in the application of GAAP to life insurance companies lead discussions on the theoretical and practical aspects of the following topics:

- SOP 03-1
- Internal replacements
- Sarbanes-Oxley
- FAS 133 and derivative accounting
- Business combinations and goodwill

ME

Follow-up: 20 WS, 32 WS

6 WS: ADJUSTING FOR UNUSUAL EVENTS – UNPAID CLAIM LIABILITIES

Facilitator: James P. Galasso, Bernard Rabinowitz

This session covers adjustments typically seen in the industry to reflect unusual events/items as a part of Unpaid Claims Liabilities valuation. Health actuaries often have to rely on early indicators reports or information obtained from the claims department to estimate the most current month's IBNR.

Topics that are discussed may include:

- Claim Backlog / Claim Inventory Report
- System conversion issues
- HIPAA related issues
- Seasonality issues
- One-time event (hurricane, flu)
- Provider contracting changes

At the conclusion, participants have an increased practical knowledge of when and how to establish provisions for these items.

ME SE

7 TS: HEDGING AND OTHER MITIGATION TECHNIQUES

Instructor: Ellen Cooper, Andrew Rallis, Ken Mungan

The session describes current risk mitigation techniques and their impact upon valuation systems.

Topics include:

- Hedging mechanisms
- Regulatory relief
- Reinsurance and securitization
- Product control cycle
- Realistic assumption changes
- Maximizing returns and minimizing litigation

At the conclusion, participants understand common risk mitigation techniques and financial reporting issues related to them.

ME

8 TS: LIABILITY MODELING CONCEPTS

Instructors: Jeffery A. Fitch, Uri N. Sobel, Robert W. Welander

Model building is required for much of the work completed by actuaries including cash flow testing, actuarial appraisals, C-3 Phase II RBC, VACARVM and SOP 03-1. This session provides an introduction to model building for those who have limited experience or need a refresher.

Panelists discuss the basics of modeling including:

- Model point selection
- Appropriate model granularity
- Static and dynamic model validation
- Efficient model refresh processes
- Assumption development
- Reconciliation to actual financials

At the conclusion, attendees have a better understanding of the model building process.

9 TS: INTRODUCTION TO EMBEDDED VALUE

Instructors: Matthew Clark, Steeve Jean, Lori Helge

This session provides a general introduction to embedded value. Topics to be discussed include:

- What is embedded value
- Considerations in calculating embedded value
- A basic understanding of the movement in embedded value
- Uses and benefits of embedded value

At the conclusion of this session, attendees gain basic understanding of embedded value and how it is used by companies.

Follow-up: 37 WS

10 WS: FEDERAL INCOME TAX TOPICS

Facilitator: Charles D. Friedstat, Michael Holloway

This workshop discusses federal income tax valuation issues and other recent developments in the tax reserving area, with some limited discussion on policyholder tax issues. Topics may include:

- Impact of actuarial guidelines and other NAIC activities on tax reserves
- Tax implications of the variable annuity reserving project
- 2001 CSO Implementation
- Other emerging developments

At the conclusion of this session, attendees have a better understanding of the issues involved and have the most up-to-date information related to federal income tax issues and developments.

ME

Thursday, September 22, 2005

11:30 AM – 1:00 PM

11 GS: GENERAL LUNCHEON: EDUCATION REDESIGN IN LIGHT OF THE MORRIS REVIEW

Panel: Robert M. Beuerlein, Stuart Klugman

This presentation brings the audience up-to-date on the progress of the Education Redesign Project. Scheduled for a three-year implementation, starting with the new preliminary exams in 2005, this project will ultimately incorporate new learning tools including a series of validated internet-based modules designed to bring practical applications to the candidate earlier in their career. While the SOA was embarking on this ambitious plan to redo its basic education system, the actuarial community came under some scrutiny. This is particularly noted in the events of late 2004, with the appointment of Sir Derek Morris to review the profession in the United Kingdom. Sir Derek completed his review earlier this year with significant implications for the profession in the U.K. What can the U.S. actuarial profession learn from the Morris Report and how does this new education system address some of the general concerns expressed in that report? Join us at the opening Valuation Actuary Symposium luncheon for this answer and more.

Thursday, September 22, 2005

1:00 PM – 2:30 PM

12 PD: FINANCIAL STATEMENT DISCLOSURE

Panel: Pavel Blinchik, Robert Frasca

Investors, analysts, regulators and policyholders rely upon the information provided in statutory and GAAP financial statements to assess the financial health and prospects of life insurance companies. But how complete a picture do financial statements provide? Do they accurately portray the financial risks assumed by companies and the impact on the companies' financial health under adverse circumstances? How useful is the information that companies disclose?

This session covers issues related to financial statement disclosure. Panelists discuss financial statement disclosure requirements in the United States and other jurisdictions and examine the quantity and quality of financial risk disclosures by life insurance companies.

Following this session, participants have an appreciation of financial statement disclosure requirements and how well the information disclosed by life insurance companies serves the needs of the public.

ME

13 PD: INTERNATIONAL ACCOUNTING STANDARDS

Moderator: William Hines

Panel: David K. Sandberg, Henry W. Siegel

The International Accounting Standards Board is working to finalize reporting standards for insurance and investment products. Companies domiciled in European Union countries will be required to report financial statements under international accounting standards in the near future. Panelists provide a brief overview of the emerging standards for investment and insurance, followed by a more in-depth discussion of key issues and recent developments.

Panelists discuss:

- Overview of provisions of IAS 32, 39 and IFRS 4, the standards addressing financial instruments and insurance
- Adoption status
- Prospects for adoption by U.S. companies
- EU modifications to IAS 39
- Revisiting the “conceptual framework” underlying international standards
- Convergence of GAAP and international standards
- Risk adjusted embedded value

At the conclusion, participants have an understanding of the current status of international accounting standards and how it may affect the financial reporting for insurance and investment products.

<ME

Follow-up: 37 WS

14 PD: VACARVM – A CLOSER LOOK

Moderator: John O’Sullivan

Panel: Craig Morrow, John O’Sullivan, Albert Sekac

This session discusses the Academy’s development of non-formulaic reserve standards for variable annuities.

Topics to be covered include:

- Scope of the proposal and its status
- Principle-based nature of proposal and implications
- Calibration standards and CTE risk measure
- Modeling policyholder behavior
- Statutory minimum calculations (standard scenario)
- Recognition of hedging and reinsurance

At the conclusion, participants understand the requirements of VACARVM.

ME

15 IF: SMALLER COMPANY ISSUES

Moderator: James R. Thompson

Panel: Pete A. Hitchcock, James M. Jerome, Terry M. Long, Steven H. Mahan

This interactive forum provides an opportunity to discuss issues of particular interest to smaller company actuaries along with new solutions and techniques.

Topics include:

- Impact of the 2001 CSO
- New Annuity Standard Nonforfeiture Law
- Operating in a low interest rate environment
- Impact of Sarbanes-Oxley and corporate governance
- Product update, including term insurance and non-life products
- C-3 Phase II and VACARVM

At the conclusion of this session, participants have a broad knowledge of the issues facing smaller company actuaries.

ME

16 PD: RECENT DEVELOPMENTS ON THE MEDICARE MODERNIZATION ACT (MMA)

Moderator: Dawn Helwig

Panel: Dawn Helwig, Marty Hill, Don Zhang

The new Medicare prescription drug legislation creates a number of issues for employers and managed-care plans. Employers must determine the impact of the legislation on their retiree prescription drug costs, evaluate options for plan design and make decisions about how to reflect the effect of the legislation in their FAS 106 valuations. Managed-care plans need to review the effect of the legislation on plan design, statutory filings and financial reporting for their Medicare and Medicare Advantage products.

Panelists discuss recent developments of the implementation of the Medicare Modernization Act (MMA):

- Medicare Advantage and Competitive Bidding
- Medicare Part D – Prescription Drug Coverage
- Medicare Actuarial Equivalence
- Impact of MMA on Medicare Supplement Plans
- Direct Medigap Effects of MMA

At the conclusion of this session, participants have insight into the latest developments in the Medicare market and understanding of the impact of the new Medicare prescription drug plan on plan design and accounting.

<ME

17 OF: IMPLEMENTATION OF SOP 03-1

Moderator: Richard D. Farrell

Panel: Richard D. Farrell, Kevin L. Kehn

Participants discuss the lessons learned from implementation of the AICPA's Statement of Position 03-1, *Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts*.

Specific topics include:

- Reserves for guaranteed minimum death and annuitization benefits
- Implications for DAC amortization
- Accounting for sales inducements
- Application to universal life contracts
- Variations in practice

At the conclusion, participants are better able to understand different approaches used within the industry to implement SOP 03-1.

ME

Thursday, September 22, 2005

3:00 PM – 4:30 PM

18 OF: APPOINTED ACTUARY FORUM

Moderator: James Merwald

Panel: Steve Bader, Randal J. Freitag, J. Timothy Gaule

A panel of appointed actuaries, along with substantial audience participation, shares its perspectives and practical experience in fulfilling the duties and responsibilities of the appointed actuary.

Topics include:

- Managing the process
- Responsibilities of the appointed actuary
- Reliance on and responsibilities of other actuaries
- Keeping current on evolving regulation
- Sarbanes-Oxley
- Getting the most out of the work involved

At the conclusion of this session, participants gain insights and a better understanding of the duties and responsibilities of the appointed actuary and other supporting actuaries and staff.

ME

19 PD: APPLIED MODELING CONCEPTS – VARIABLE ANNUITY

Moderator: John O'Sullivan

Panel: Peter Abramovich, John O'Sullivan, Mike Sparrow

The modeling approach proposed by the Academy and NAIC for calculating risk based capital (C-3 Phase II) and reserves (VACARVM) on variable annuities involves the projection of accumulated deficiencies under a variety of scenarios, using prudent best estimate assumptions. Under this approach, risk is measured at the aggregate level allowing the offsetting risks among different contracts within a given scenario. This session focuses on the structure of the calculation and the implications of an aggregate risk measure.

Topics to be covered include:

- Overview of the calculations
- Calibration requirements
- Mortality and other assumptions
- Numerical results for common benefits
- Effect of aggregation
- Impact of in-force population

At the conclusion, participants understand how the modeled reserve and RBC amounts are calculated and the sensitivity of these results.

ME

20 WS: GAAP ISSUES – LIFE INSURANCE

Facilitator a: Amy Ellerbach

Facilitator b: Rich Herbst

This workshop is a follow-up to open forum “GAAP Issues” with a focus on life insurance. Participants discuss the practical aspects of U.S. GAAP for life insurance including mortality reserves, sales inducements, no-lapse guarantees, internal replacements and derivative accounting.

At the conclusion of this session, participants have a better understanding of current GAAP issues for life insurance.

ME

Follow-up to: 5 PD

21 TS: STATUTORY FINANCIAL REPORTING FOR UNIVERSAL LIFE

Instructor: Jeffrey A. Beckley

If you are new to financial reporting, need a refresher or simply want to test your understanding of Actuarial Guideline 38, there is nothing better than an example to work through. Prior to the meeting, instructors provide specifications and pricing assumptions for a hypothetical universal life insurance policy with a secondary guarantee. Participants are encouraged to develop statutory reserves prior to the session. At the session, the instructors present results and review the actuarial aspects, methods and underlying regulatory guidance.

At the conclusion, participants have an improved knowledge and understanding of the calculation of statutory reserves for universal life insurance.

22 OF: ACTUARIAL GUIDELINE 38 NOW AND THE FUTURE

Moderator: David Weinsier

Panel: Todd H. Erkis, Elinor Friedman

Actuarial Guideline 38, otherwise known as AXXX, may be the hottest topic in the life insurance industry today. Regulators, rating agencies, financial analysts and actuaries are all participating in this debate.

Panelists and participants discuss and debate the various interpretations of AG38, its implications on the universal life marketplace and product design and the future of statutory rules-based accounting.

At the conclusion, participants have a better understanding of the implications of AG 38 and how it has impacted product design, reserving and capital management.

ME SE

23 PD: CONTRACT RESERVES FOR MEDICAL BUSINESS

Moderator: Mike Y. Leung

Panel: Frank Amrine, Mike Y. Leung

Valuation actuaries are recognizing the need for contract reserves on their medical blocks of business and establishment of contract reserves are becoming more prevalent among medical insurers. Panelists share their perspectives on emerging valuation issues and topics on contract reserves.

Topics may include:

- Contract Reserve Need for Issue-Age Basis versus Attained-Age Basis products
- Actuarial assumptions
- Statutory (NAIC Health Insurance Reserve model regulation) and GAAP (FAS 60) Requirements
- Deferred Acquisition Costs (DAC) Assumptions and Calculations
- Recoverability Test and Loss Recognition Test

At the conclusion of this session, participants have an increased practical knowledge of when and how to establish medical contract reserves.

ME

Friday, September 23, 2005

7:45 AM – 9:15 AM

24 TS: DRAWING APPROPRIATE STATISTICAL INFERENCES

Instructor: Douglas L. Robbins

Stochastic testing has become an integral part of the valuation actuary's work, but can the actuary be sure of making the correct inferences, when looking at the results of a large number of equally likely scenarios? In this session, the instructor provides simple tools and guidelines to better ensure that correct conclusions are drawn. This material is presented without the use of complex mathematical formulas.

Topics include:

- Appropriateness of the assumption of "normality" including discussion of the distribution of a conditional tail expectation
- Drawing inferences about population means and tail percentiles
- Uses and pitfalls of linear regression analyses

At the conclusion of this session, participants have an understanding of the conclusions to be drawn from the sometimes-arcane language of stochastic modeling.

ME

25 PD: MINIMUM GUARANTEED BENEFITS ON VARIABLE ANNUITIES

Moderator: John O'Sullivan

Panel: J. Timothy Gaule, Larry Gorski, James Lamson

Over the last year, the Academy and NAIC have refined the proposed regulations for calculating risk based capital (C-3 Phase II) and statutory reserves (VACARVM) on death and living benefit guarantees provided by variable annuities.

This session provides an overview of the proposed regulations and their status. It also discusses the conceptual and practical considerations involved with:

- Mapping investment options to modeled funds
- Setting assumptions for revenue sharing, mortality and other prudent best estimates
- Selecting model points and major design decisions
- Coordinating the required calculations
- Handling the workload at year-end along with documentation requirements

At the conclusion, participants understand the proposed regulations as well as the implementation issues.

ME

Follow-up: 41 WS, 42 WS

26 PD: APPLICATIONS OF ECONOMIC RESERVES AND ECONOMIC CAPITAL

Moderator: David Weinsier

Panel: Lloyd A. Foster, Jose D. Siberon, Benjamin Joe Yahr

Traditional measures of reserves and capital are often criticized as being disconnected from the economic risks underlying the liabilities. Economic reserves and economic capital address this shortcoming by presenting economically-based financial measures that may provide more reliable information on which to make management decisions.

Panelists in this session discuss the drawbacks of statutory and GAAP-based reserves and capital and the benefits gained from economic financial measures. They also present characteristics of economic reserve and capital calculations and how such measures may be used in practice.

At the conclusion, participants have a better understanding as to how economic reserves and economic capital are measured, and how they can be applied to product development, financial reporting and capital management.

SE

27 PD: HEALTH AND LONG-TERM CARE REGULATORY UPDATE

Moderator: Rowen Bell

Panel: Rowen Bell, Allen Schmitz

Panelists share their perspectives on emerging valuation actuary-related issues and topics, including issues that are hot from a regulatory standpoint. Topics may include:

- Current areas of NAIC Life and Health Task Force focus
- Current areas of SEC and AICPA focus
- Current areas of International Accounting Standards Board focus
- Current Academy activities
- Updates in Risk-Based /capital, Best Estimates, Health Blank, Premium Deficiency Reserves and statement of actuarial opinion

At the conclusion, participants have a better perspective on various regulatory issues.

ME

28 WS: STATUTORY VALUATION OF ANNUITIES

Facilitator a: John Michael Harrington

Facilitator b: Karl Knable

Attendees discuss current issues associated with the statutory valuation of annuities.

Topics to be discussed include:

- VACARVM
- Equity indexed annuities
- Actuarial guidelines
- C-3 – Phase 2
- Payout annuity mortality

29 OF: FAS 133 – ACCOUNTING FOR DERIVATIVES

Moderator: David L. White, Jr.

Panel: Tara Hansen, David L. White, Jr., Don P. Wilson

Though adopted over five years ago, FASB Statement Number 133, *Accounting for Derivatives and Hedging Activities*, still causes substantial confusion and controversy. Product innovations and the ongoing focus on risk mitigation through hedge programs have maintained, if not intensified, the focus on FAS 133 in the last year.

This session provides participants the opportunity to discuss emerging theoretical and practical issues associated with FAS 133. A panel of experts discusses current topics associated with FAS 133 and entertains questions and comments from attendees in this open forum format.

Following this session, participants have a better understanding of FAS 133 and how it is applied to today's new products, hedge programs and mod-co reinsurance.

ME

Friday, September 23, 2005

9:30 AM – 11:00 AM

30 OF: ASK THE EXPERTS

Moderator: Meredith Ratajczak

Panel: Jack Gibson, Larry Gorski, Bradley M. Smith

This open forum is an opportunity for participants' questions to be addressed by experts in the field. Questions may be raised by the moderator and panelists, as well as by participants from the floor.

Questions may be submitted in advance along with the registration form or e-mailed to valuationactuary@soa.org. There is also an opportunity to deposit questions onsite at the registration desk prior to this session. Questions submitted in advance allow panelists time for more detailed response.

At the conclusion of this session, participants are better informed about issues affecting specific areas of practice.

31 PD: EQUITY INDEXED ANNUITIES: MODELING AND PRODUCT DESIGN

Moderator: John Roeger

Panel: Eric J. Carlson, Daniel R. Patterson

This session provides an overview of recent developments in equity-indexed annuity product design and valuation. Topics include:

- Overview of recent sales trends
- New product designs
- Hedging strategies for hard-to-price options
- Hedging certifications
- Non-forfeiture requirements
- Market conduct issues

- Valuation options

At the end of this session, participants have an awareness of recent developments in the equity-indexed annuity market and insights into trends in product features, regulation and valuation.

32 WS: GAAP ISSUES – ANNUITIES

Facilitator: Patrick Weigel

This workshop is a follow-up to panel discussion “GAAP Issues” with a focus on annuities. Participants discuss the practical aspects of U.S. GAAP for annuities including guaranteed minimum death and living benefit reserves, sales inducements, internal replacements, and derivative accounting.

At the conclusion of this session, participants have a better understanding of current GAAP issues for annuities.

ME

Follow-up to: 5 PD

33 WS: STATUTORY VALUATION OF LIFE INSURANCE

Facilitator a: James A. Miles

Facilitator b: Lyle S. Semchyshyn

Attendees discuss current issues associated with the statutory valuation of life insurance.

Topics discussed include:

- Actuarial Guideline 38 (AXXX)
- 2001 CSO Mortality Table
- Actuarial Opinion Memorandum Regulation
- Universal Life Working Group
- Valuation Interest Rates

34 PD: CAPITAL AND HEDGE MODELING FOR VARIABLE ANNUITIES

Moderator: David Hopewell

Panel: David Hopewell, Hubert Mueller, Ulrich Stengele

This session discusses capital and hedge modeling for variable annuities. Topics include:

- What are possible approaches to a capital calculation with hedging?
- How do different approaches compare?
- Key issues in developing scenarios
- Types of hedge strategies that may be employed

At the conclusion of this session, attendees identify issues related to effective modeling of capital when hedging, recognize benefits and drawbacks of different modeling approaches and recognize major issues related to hedge strategy.

ME

35 WS: VALUATION ISSUES FOR NON-MEDICAL INSURANCE

Facilitators: Larry J. Pfannerstill, Matthew Silverstein

This session focuses on issues that actuaries must address as non-medical insurance (LTC, Group LTD/ STD, Group Life) as they becomes a material portion of a company's business. These issues can be categorized in the areas of IT problems, assumptions and reserve setting, surplus strain and capital requirements.

At the conclusion of this session, participants have an increased practical knowledge of valuation issues for non-medical product.

ME

36 PD: APPLIED MODELING CONCEPTS - PRODUCT GUARANTEES

Moderator: Dennis Stanley

Panel: Dennis Stanley, Don Wilson

Implied or explicit product guarantees on life and annuity products add additional complexity to the modeling and valuation process. This session provides an introduction to building models that appropriately reflect these guarantees.

Panelists discuss the modeling issues related to these features including:

- Capturing “in-the-moneyness” in the model point selection
- Simulating future policyholder utilization behavior
- Fund mapping
- Model granularity
- Reflecting the impact of risk mitigation strategies
- Simulating future policyholder fund selection and premium patterns

At the conclusion, attendees have a better understanding of the model building process for products with embedded guarantees.

ME

Friday, September 23, 2005

11:15 AM – 12:45 PM

37 WS: ISSUES AROUND PRINCIPLES-BASED ACCOUNTING

Facilitator a: Matthew Clark

Facilitator b: William Hines

This workshop, a follow-up to sessions ‘Introduction to Embedded Value’ and ‘International Accounting Standards’, provides participants with the opportunity to discuss principles-based accounting frameworks, including embedded value, fair value reporting, VACARVM and emerging UL valuation requirements.

Possible topics for discussion include:

- Underlying theory
- Practical aspects of implementation
- Balancing generally accepted actuarial practice with management expectations
- Anticipated requirements related to International Financial Reporting Standards

At the end of this workshop, participants have an increased understanding of principles-based accounting.

ME

Follow-up to: 9 TS, 13 PD

38 OF: REGULATORY TOPICS CANCELLED

39 WS: EQUITY INDEXED PRODUCTS

Facilitator: Noel J. Abkemeier, David J. Weinsier

This workshop provides a forum for the discussion of recent developments in the equity indexed life and annuity product market. Topics include:

- Overview of recent sales trends
- New product designs
- Hedging strategies
- Hedging certifications
- Non-forfeiture requirements
- Market conduct issues
- Valuation issues

40 TS: GAAP FOR UNIVERSAL LIFE

Instructor: Edward Jarrett

This session works through a detailed example of GAAP for a universal life product. Prior to the meeting, the instructors provide product specifications and pricing assumptions for a hypothetical universal life product introduced in 2005. Using accounting and in force information for 2005, participants develop the GAAP reserves and DAC as of year-end 2005 in advance of the session. At the session, the instructors present their results and review the actuarial aspects, methods and considerations in their development.

At the conclusion, participants have an improved knowledge and understanding of the actuarial aspects of GAAP accounting techniques and considerations.

41 & 42 WS: MINIMUM GUARANTEED BENEFITS ON VARIABLE ANNUITIES

Facilitator (41): Anthony Ferraro

Facilitator (42): Andrew Eastman

Over the last year, the Academy and NAIC have refined the proposed regulations for calculating risk based capital (C-3 Phase II) and statutory reserves (VACARVM) on death and living benefit guarantees provided by variable annuities.

Participants discuss issues implementing these regulations including the modeling decisions, the resources needed and the steps to ensure successful implementation.

At the conclusion, participants have understanding of these regulations and their implementation.

ME

Follow-up to: 25 PD

43 PD: CONSUMER-DIRECTED HEALTH PLANS (CDHP)

Moderator: Stephanie Hurlbut

Panel: James P. Galasso, Stephanie Hurlbut, Michael J. Thompson

This session compares and contrasts consumer-driven health plans pre- and post-enactment of the new Medicare legislation, provides a marketplace analysis of these plans and reserving considerations for the CDHP plans. Reserving issues discussed may include methodologies for new products and impact of new plan designs on incurred claims seasonality and plan mix shifts of Individual book of business. The issues involved in these plans are discussed from a managed-care company, employer and consumer perspective.

<*ME*

44 PD: ENTERPRISE RISK MANAGEMENT

Moderator: David Ingram

Panel: David Ingram, Mary Ellen Luning, Samir Shah

Changes in the financial services industry have heightened the interest in enterprise risk management. Management is starting to develop new ways to examine financial risks holistically in an integrated, company-wide model.

Panelists discuss issues involved in taking an enterprise wide view of risk management. Topics include:

- Quantification of risk exposures, including insurable and financial risk
- Considerations in addressing non-financial risk
- Modeling risk on a company-wide basis
- Ensuring consistency in assumptions and methodologies of cross applications

At the conclusion of this session, participants have an understanding of how the risk management process can be integrated across the entire company.

ME

45 OF: SMALLER INSURANCE COMPANY CHIEF AND CORPORATE ACTUARIES FORUM

Facilitators: Jerry Enoch, Bob Guth, Peter Hitchcock, Terry Long, Narayan Shankar

In broadening the Valuation Actuary Symposium experience, the Society of Actuaries once again hosts a highly interactive Corporate and Chief Actuaries Forum for smaller insurance companies. Previous offerings of this forum received very favorable feedback from attendees who liked its unique format and its focus on issues faced by actuaries in leadership positions at smaller insurance companies.

This year's forum begins with an informal networking luncheon, then the faculty facilitates small group discussions on the issues and challenges faced by chief and corporate actuaries, with a focus on sharing best practices and learning from the valuable experience and insight of your peers. The discussion topics are selected by the attendees prior to the forum to make the program as relevant as possible. The facilitators bring keen appreciation and understanding of these unique issues, but most of all, the value of the program is due to the opportunity for in-depth discussion and sharing of ideas on the very topics of most importance to you from people who face the same challenges as you do.

Most chief or corporate actuaries for smaller insurance companies wear many hats. They need to be hands-on to accomplish their wide-ranging responsibilities with a smaller staff and less sophisticated tools and infrastructure than available at larger companies. Given the complexities of your work and the limited resources, the experience of your peers is the greatest teacher and best asset. Come to share and learn. This forum may be one of the most valuable sessions you attend. Take part in the discussions on critical issues and walk away with information that counts.

Additional \$75.00 non-refundable fee if you register to attend the Valuation Actuary Symposium. The fee includes lunch and refreshment breaks.

**SOA 2005 Valuation Actuary Symposium Presenters
Partial Listing**

Abkemeier, Noel J.	39 WS	Bell, Rowen	27 PD
Achey, Patrick B.	4 TS	Beuerlein, Robert M.	11 GS
Abramovich, Peter	19 PD	Blinchik, Pavel	12 PD
Amrine, Frank	23 PD	Briggs, Duncan	2 PD
Bader, Steve	18 OF	Campbell, Thomas A.	1 PD
Beckley, Jeffrey A.	21 TS		

Carlson, Eric J.	31 PD	Holloway, Michael	10 WS
Christensen, Scott A.	4 TS	Hopewell, David	34 PD
Claire, Donna R.	1 PD	Hurlbut, Stephanie	43 PD
Clark, Matthew	9 TS, 37 WS a	Ingram, David	44 PD
Cooper, Ellen	7 TS	Jarrett, Edward	40 TS
Eastman, Andrew	42 WS	Jean, Steeve	9 TS
Ellenbaas, Phillip Shane	3 OF	Jerome, James M.	15 IF
Ellerbach, Amy	20 WS a	Kehn, Kevin L.	17 OF
Enoch, Jerry	45 OF	Klugman, Stuart	11 GS
Erkis, Todd H.	22 OF	Knable, Karl	28 WS b
Farrell, Richard D.	17 OF	Lamson, James	25 PD
Ferraro, Anthony	41 WS	Leung, Mike Y.	23 PD
Fitch, Jeffery A.	8 TS	Long, Terry	15 IF, 45 OF
Foster, Lloyd A.	26 PD	Lusky, Robert F.	4 TS
Frasca, Robert	12 PD	Luning, Mary Ellen	44 PD
Friedman, Elinor	22 OF	Mahan, Steven H.	15 IF
Friedstat, Charles D.	10 WS	Merwald, James	18 OF
Freitag, Randal J.	18 OF	Miles, James A.	33 WS a
Galasso, James P.	6 WS, 43 PD	Morrow, Craig	14 PD
Gaule, J. Timothy	18 OF, 25 PD	Morton, Jason	5 PD
Gibson, Jack	30 OF	Mueller, Hubert	34 PD
Gorski, Larry	25 PD, 30 OF	Mungan, Ken	7 TS
Griffiths, Bill	2 PD	O'Sullivan, John	14 PD, 19 PD, 25 PD
Guth, Bob	45 OF	Patterson, Daniel R.	31 PD
Hanson, Tara	29 OF	Pfannerstill, Larry J.	35 WS
Harrington, John Michael	28 WS a	Rabinowitz, Bernard	6 WS
Helge, Lori	9 TS	Rallis, Andrew	7 TS
Helwig, Dawn	16 PD	Ratajczak, Meredith	1 PD, 30 OF
Herbst, Rich	20 WS b	Robbins, Douglas L.	24 TS
Hill, Marty	16 PD	Roeger, John	31 PD
Hines, William	13 PD, 37 WS b	Rogers, David	5 PD
Hitchcock, Peter	15 IF, 45 OF		

Ruiz, David	3 OF
Sandberg, David K.	13 PD
Schmitz, Allen	27 PD
Sekac, Albert	14 PD
Semchyshyn, Lyle S.	33 WS b
Shah, Samir	44 PD
Shankar, Narayan	45 OF
Siberon, Jose D.	26 PD
Siegel, Henry W.	13 PD
Silverstein, Matthew	35 WS
Smith, Bradley M.	30 OF
Sobel, Uri N.	8 TS
Sparrow, Mike	19 PD
Stanley, Dennis	36 PD
Stengele, Ulrich	34 PD
Taht, Michael	2 PD
Thompson, James R.	15 IF
Thompson, Michael J.	43 PD
Turner, Paul F.	2 PD
Wagner, Darryl	3 OF
Weigel, Patrick	32 WS
Weinsier, David J.	22 OF, 26 PD, 39 WS
Welander, Robert W.	8 TS
White, David L.	5 PD, 29 OF
Wilson, Don P.	29 OF
Yahr, Benjamin Joe	26 PD
Zhang, Don	16 PD

