

SOA 2010 Annual Meeting

Sunday, Oct. 17
5:00 – 7:00 p.m.

Session 1

Session Sponsors: Actuary of the Future, Management & Personal Development

Actuary of the Future and Management & Personal Development Sections Joint Reception: Speed Networking

Facilitators: Mary MacDonald; Margaret Resce Milkint

This interactive session is ideal for anyone who wants to polish his/her networking skills, especially new associates and fellows. Similar to speed dating, speed networking requires participants to pair up and network with each other in short intervals. During this time, attendees will have a chance to exchange business cards, share knowledge and insights on current market trends, and perfect their networking abilities in a non-intimidating environment. The session will conclude with a cocktail reception, allowing participants to apply their networking abilities in a more informal social setting.

This reception is open to all meeting attendees. There is a nonrefundable fee of \$15 for Actuary of the Future and Management & Personal Development Section members, \$25 per person for all others. Please include the additional fee with your registration.

Coordinator: David L. Snell, ASA, MAAA

Sunday, Oct. 17
5:00 – 7:00 p.m.

Session 3

Session Sponsors: Marketing & Distribution, Health

Marketing & Distribution and Health Sections Joint Wine and Cheese Reception

Facilitators: Beth K. Grice, FSA, MAAA; Jeffrey E. Johnson, ASA, MAAA
Presenters: Andrew Lim See, FSA, MAAA; John M. Stenson, FSA, MAAA

Marketing & Distribution and Health Section members and non-members are invited to meet friends, make new acquaintances and share valuable information with fellow actuaries in a relaxed setting.

This reception is open to all meeting attendees. There is a nonrefundable fee of \$15 for Marketing & Distribution and Health Section members, \$20 per person for all others. Please include the additional fee with your registration.

Coordinators: Jeffrey E. Johnson, ASA, MAAA; Beth K. Grice, FSA, MAAA

Sunday, Oct. 17
7:00 – 10:00 p.m.

Session 5

Session Sponsors: Entrepreneurial Actuaries, Technology, Actuarial Society of Greater New York

Entrepreneurial Actuaries and Technology Sections Reception: Welcome Meeting with the Actuarial Society of Greater New York

Moderators: Charles Carroll, FSA, MAAA; Michael Lawrence Frank, ASA, FCA, MAAA; Pauline Reimer, ASA, MAAA

The Entrepreneurial Actuaries and Technology sections as well as the Actuarial Society of Greater New York welcome you all to the Big Apple with a free cocktail reception with refreshments, drinks and networking opportunities for all SOA members.

This reception is open to all meeting attendees free of charge. If you plan to attend, you must register in advance to obtain a ticket.

Coordinator: Michael Lawrence Frank, ASA, FCA, MAAA

Monday, Oct. 18
7:15 – 8:15 a.m.

Session 6

Session Sponsor: Actuary of the Future

Actuary of the Future Section Hot Breakfast

Chairpersons: Jennifer Lynn McGinnis, FSA, CERA, MAAA; Mark M. Yu, FSA, MAAA

Enjoy breakfast with Actuary of the Future council members in a round table setting. Section leaders will update attendees on the section's key initiatives while seeking feedback on potential future efforts. A representative from the Younger Actuarial Network will also be on hand to discuss its specific initiatives. This event allows for the ability to network and discuss topics that are relevant to our industry and profession.

This breakfast is open to all meeting attendees. There is a nonrefundable fee of \$10 for Actuary of the Future Section members and \$20 for all others. Please include the additional fee with your registration.

Coordinator: David L. Snell, ASA, MAAA

Monday, Oct. 18
7:15 – 8:15 a.m.

Session 7

Session Sponsor: Marketing & Distribution

Marketing & Distribution Section Hot Breakfast

Chairperson: Jeffrey E. Johnson, ASA, MAAA
Presenters: Andy Ferris, FSA, MAAA; Michael L. Kaster, FSA, MAAA

Take advantage of this opportunity to network with members of the Marketing & Distribution Section and learn about section activities while enjoying a delicious and hot buffet breakfast. Section council members will share recent and ongoing initiatives, and they will solicit your feedback. Outgoing and incoming council members will be recognized.

This breakfast is open to all meeting attendees. There is a nonrefundable fee of \$15 for Marketing & Distribution Section members and \$20 for all others. Please include the additional fee with your registration.

Coordinator: Jeffrey E. Johnson, ASA, MAAA

Monday, Oct. 18
7:15 – 8:15 a.m.

Session 8

Session Sponsor: Product Development

Product Development Section Hot Breakfast

Chairperson: John David Currier, Jr., FSA, MAAA
Presenter: Richard Leist

This is a great opportunity to network with other product development actuaries and to discuss product development issues with your peers. The breakfast tables will be organized around specific product development topics. In addition, there will be a speaker on a professional topic.

This breakfast is open to all meeting attendees. There is a nonrefundable fee of \$15 per person. Please include the additional fee with your registration.

Coordinator: Thomas A. Phillips, FSA, MAAA

Monday, Oct. 18
7:15 – 8:15 a.m.

Session 9

Session Sponsor: Investment

Investment Section Hot Breakfast

Chairperson: Edward B. Martin, FSA, MAAA
Presenter: Dr. Aaron Brown

Join fellow investment actuaries and others interested in the investment profession for a hot breakfast and a great networking opportunity. Don't miss this opportunity to informally discuss developments in the investment world and to gain insight into current events in the investment profession.

This breakfast is open to all meeting attendees. There is a nonrefundable fee of \$15 for Investment Section members and \$25 for all others. Please include the additional fee with your registration.

Coordinator: Frank Zhang, FSA, MAAA

Monday, Oct. 18
7:15 – 8:15 a.m.

Session 10

Session Sponsor: Smaller Insurance Company

Smaller Insurance Company Section Hot Breakfast

Chairpersons: Sharon Giffen, FSA, FCIA, MAAA; D. Joeff Williams, FSA, MAAA

Outgoing and incoming section chairs, Joeff Williams and Sharon Giffen, will lead a discussion of what's happening on the section council and introduce incoming officers and section council members.

This breakfast is open to all meeting attendees. There is a nonrefundable fee of \$25 for Smaller Insurance Company Section members and \$40 for all others. Please include the additional fee with your registration.

Coordinator: Robert W. Omdal, FSA, MAAA

Monday, Oct. 18
7:30 – 8:15 a.m.

Session 11

Session Sponsor: Long-Term Care Insurance

Long-Term Care Insurance Section Hot Breakfast

Chairperson: Mark J. Costello, FSA, MAAA

Please join your fellow long-term care colleagues for this networking opportunity. This breakfast presents an ideal setting to hear and learn more about what's happening around the industry or to catch up with old friends. Your LTC Section Council is looking forward to providing an update on this past year's events along with a glimpse of coming attractions. Your thoughts and ideas are always welcome too, so please stop by and let us hear from you!

This breakfast is open to all meeting attendees. There is a nonrefundable fee of \$15 per person. Please include the additional fee with your registration.

Coordinator: Jason (Jay) B. Bushey, FSA, MAAA

Monday, Oct. 18
8:30 – 10:00 a.m.

Session 13

Opening General Session

SOA President S. Michael McLaughlin, FSA, CERA, FIA, MAAA, gives his presidential address, including a review of the SOA's achievements in the past year, a look at the new directions our organization has taken and a tip of the hat to the people who made things happen.



Mike McLaughlin
SOA President



Ted Koppel
Keynote Speaker

We're excited to have Ted Koppel—yes, *that* Ted Koppel, the guy who has given us years of insight into the biggest news stories of our time—as our keynote speaker. Koppel is a regular contributor to NPR's midday news and talk show *Talk of the Nation* where, through conversations with host Neal Conan and callers into the program, he provides analysis, commentary and perspective on the topics and events that shape our world. His news experience and interests are wide-ranging, spanning topics from national security, values, privacy, health and the media to Iran, Iraq and the Mideast. Koppel's half-century broadcasting career spans radio and television and includes every major professional recognition. He is best-known for his role as anchor and managing editor of ABC News' *Nightline*, which has defined excellence in television news reporting, interviewing and analysis since its debut in 1980. As the nation's longest-running network daily news anchor, Koppel's interviews and reporting touched every major news story during the past 25 years.

Monday, Oct. 18
10:30 a.m. – Noon

Session 15 Panel Discussion

Session Sponsor: Marketing & Distribution
Competency: Results-Oriented Solutions

Electronic Commerce in the Life Insurance Industry

Moderator: Maria N. Thomson, FSA, MAAA
Presenters: John Lucas; David A. Moore, FSA, MAAA; Michael Palace, ASA, MAAA

Are you thinking about marketing your term or final expense product directly to consumers via the Internet? Or maybe you already have Internet sales that aren't delivering the top-line or bottom-line results you expected. The fact is it's not "business as usual" on the Internet—consumers and companies play by different rules. Technology continues to advance; regulations continue to evolve

Attendees of this session will learn the "state of the art" when it comes to selling life insurance on the Internet:

- Products that sell
- Marketing that works
- Effective application and underwriting processes
- Online policy delivery and service that promote meaningful consumer experiences.

Coordinator: Jeffrey E. Johnson, ASA, MAAA

Monday, Oct. 18
10:30 a.m. – Noon

Session 16 Panel Discussion

Session Sponsor: Financial Reporting
Competency: External Forces & Industry Knowledge

What is New with the NAIC, ACLI, SOA, FASB and IASB?

Moderator: Mark A. Davis, FSA, MAAA
Presenters: Donna R. Claire, FSA, CERA, MAAA; Mark A. Davis, FSA, MAAA; Noel Henderson Harewood, FSA, MAAA

In this session, the speakers will discuss the various proposals and changes with the NAIC, ACLI, SOA, FASB and IASB. The primary emphases will be on reserve, capital and accounting requirements or changes both in the United States and internationally. The speakers will discuss what has been approved, what is still being proposed, and any potential changes or proposals in the horizon.

Coordinator: Mark A. Davis, FSA, MAAA

Monday, Oct. 18
10:30 a.m. – Noon

Session 17 Panel Discussion

Session Sponsor: Health
Competency: External Forces & Industry Knowledge

Medicare Advantage

Moderator: Daniel W. Bailey, FSA, MAAA
Presenters: Daniel W. Bailey, FSA, MAAA; Dsih-lang (Larry) Liu, FSA, MAAA; Marcia Wade, MD, FCCP, MMM

Medicare Advantage (MA) is a dynamic topic. Complicating matters further, future payment reform is planned. The panelists will speak to current and future issues that face MA plans and their members. They will comment on lessons learned in spring 2010 from work on the 2011 bids.

Topics covered will include Parts C and D, network requirements, tightening scrutiny and regulation of MA plans by CMS, and other aspects of MA strategy and work that are applicable to health actuaries that work in MA to whatever extent.

Coordinator: Daniel W. Bailey, FSA, MAAA

Monday, Oct. 18
10:30 a.m. – Noon

Session 18 Panel Discussion

Session Sponsor: Health
Competency: Results-Oriented Solutions

Individual Insurance and Small Group Health Insurance

Moderator: Mary Kindel Van der Heijde, FSA, MAAA
Presenters: Jonathan L. Shreve, FSA, MAAA; Richard E. Swift, MBA

Rating restrictions for individuals and small groups vary by state. Health care reform may modify or add to these restrictions. Attendees will learn about how health care reform will affect underwriting and rating for these products. Special focus will be given to medical underwriting issues.

Coordinator: Robert Gordon Cosway, FSA, MAAA

Monday, Oct. 18
10:30 a.m. – Noon

Session 19 Panel Discussion

Session Sponsors: Investment, Education & Research
Competency: Results-Oriented Solutions

Investment Strategy of Asset Portfolios

Moderator: Mark W. Whitford, FSA, CERA, MAAA
Presenters: Frederick W. Jackson, FSA; Daniel J. Manghirmalani, FSA, EA, MAAA; Soonyong (Suny) Park;
Mark W. Whitford, FSA, CERA, MAAA

This session will discuss how the investment strategies have changed after the financial crisis. This session will review those trends and look at new investment criteria for assets.

During the financial crisis, many of the assets that investment companies held were greatly impaired. How did companies change their investment strategies? What are some of the new criteria investment portfolio managers use in selecting assets for investments? How do companies improve the portfolio yield and manage the trade-offs between taking the interest rate risk and credit risk by investing for better yield? Is there a difference between companies following U.S. versus European accounting requirements?

Coordinator: Frank Zhang, FSA, MAAA

Monday, Oct. 18
10:30 a.m. – Noon

Session 20 Panel Discussion

Session Sponsor: Joint Risk Management
Competency: Technical Skills & Analytical Problem Solving

Managing Systemic Risk in an Enterprise Risk Management Framework

Moderator: Robert F. Wolf, ASA, CERA, FCAS, MAAA
Presenters: David N. Ingram, FSA, CERA, MAAA; Max J. Rudolph, FSA, CERA, MAAA; David K. Sandberg, FSA, CERA, MAAA

Systemic risk is the risk of the collapse of an entire financial system or entire market, as opposed to risk associated with any one individual entity. Risk systems consist of social institutions, laws, processes and products designed to facilitate the transfer, sharing, distribution and mitigation or hedging of risks between various buyers and sellers.

Examples of risk systems include insurance, banking, capital markets, exchanges, government health and retirement programs, and private health and retirement programs. Historically, the effect of these risk systems is rarely analyzed in a manner that looks at the ability of the system itself to survive the extreme risk events and still carry out its function of creating an ongoing market for the exchange of risk. The failure of a risk system may be due to unbalanced incentives of its participants and/or the failure of trust amongst its participants. Emerging from the events in the last two years, is it possible to effectively develop early warning indicators that trigger beneficial actions in advance of a complete collapse of an entire financial system or market?

This session addresses this question and examines the ERM discipline and the essential elements needed to maintain the functioning and viability of risk transfer systems in times of unusual stresses and unlikely events.

Coordinator: Robert F. Wolf, ASA, CERA, FCAS, MAAA

Monday, Oct. 18
10:30 a.m. – Noon

Session 21 Lecture

Session Sponsor: Long-Term Care Insurance
Competency: Technical Skills & Analytical Problem Solving

The Latest on Morbidity Improvement

Moderator: Jason (Jay) B. Bushey, FSA, MAAA
Presenter: P. J. Eric Stallard, ASA, FCA, MAAA

The results of the morbidity improvement study based on the most recent National Long Term Care Survey will be presented.

A morbidity improvement study based on the most recent National Long Term Care Survey is being conducted. The focus is the changes over time in activities of daily living and critical illness morbidity rates and their impact on changes on lifetime disability.

Coordinator: Jason (Jay) B. Bushey, FSA, MAAA

Monday, Oct. 18
10:30 a.m. – Noon

Session 22 Interactive Forum

Session Sponsor: Management & Personal Development
Competency: Leadership

Becoming a Self-Reliant Achiever: How to Develop Your Leaders through Situational Leadership

Moderator: Olga T. Jacobs, FSA, MAAA
Presenter: Sarah Caverhill

Situational Leadership (SL) is the most comprehensive and up-to-date, yet practical, method in the world for developing people into self-reliant achievers.

In this overview session, you will learn how to diagnose an individual's development level on a specific goal or task, then to how to adapt your leadership style to match the situation. You will also explore the business case for getting people more engaged and productive. As someone who is managed, you will learn techniques for getting the support and direction you need to be successful in your job.

The role of the Situational Leader is to provide employees with whatever it takes—goals, direction, training, support, feedback or recognition—to develop their skills, motivation and confidence. SL has been proven over time and it continues to be refined based on our customers' best practice applications

Coordinator: Olga T. Jacobs, FSA, MAAA

Monday, Oct. 18
10:30 a.m. – Noon

Session 23 Panel Discussion

Session Sponsor: Pension
Competency: Technical Skills & Analytical Problem Solving
Noncore Credit: 90 Minutes

De-Risking Pension Plans

Moderator: James E. Ritchie, ASA, EA, MAAA
Presenters: Simpa A. Baiye, FSA, MAAA; Kristerfor Mastronardi; James E. Ritchie, ASA, EA, MAAA

This session discusses the “nuts and bolts” of de-risking pension plans. New ideas and approaches for risk management are presented.

Defined benefit plans have come under fire from plan sponsors who struggle with how to manage the risks associated with these obligations. The popular response—“just freeze it”—is not necessarily a sufficient response, as many frozen plans have continued to exhibit significant volatility in expense and required funding contributions. Panelists discuss the risks and rewards of de-risking a pension plan. They also present some of the latest ideas in how to de-risk pension plans through investment management, funding policy and plan design.

Coordinator: Cheryl E. Tillman, FSA, EA, FCA, MAAA

Monday, Oct. 18
10:30 a.m. – Noon

Session 24 Panel Discussion

Session Sponsor: Pension
Competency: External Forces & Industry Knowledge
Noncore Credit: 90 Minutes

Plan and Individual Management for Retirement: Aftermath of the Economic Crisis

Moderator: Anne M. Button, FSA, EA, MAAA
Presenters: Carol A. Bogosian, ASA, EA, MAAA; Barbara Butrica

The recent economic slowdown led to big reductions in housing values, big decreases in 401(k) balances, and many people predicting that baby boomers would not be able to afford to retire. Many people did not have large retirement assets before the slowdown. Job losses for those near retirement were devastating for some people. SOA research shows that people near retirement did react in their retirement planning behaviors, but their risk preferences have not changed much.

The 2009 recovery meant increased account balances for many, but not for all, and many pre-retirees still did not have a sufficient nest egg. There is conflicting research about how well prepared people are for retirement and how much the slowdown affected their ability to retire. Learn about the impact of recent events on the retired and near-retired population and learn different perspectives on how it will impact the way people retire and the welfare of the retired population. This session will be good for retirement consultants and also for those working in product development.

Coordinator: Ellen L. Kleinstuber, ASA, EA, FCA, MAAA, MSPA

Monday, Oct. 18
10:30 a.m. – Noon

Session 25 Panel Discussion

Session Sponsor: Technology
Competency: Technical Skills & Analytical Problem Solving

Predictive Modeling—What Can We Learn From Each Other?

Moderator: Jeremy Todd Benson, FSA, FCAS, MAAA
Presenters: David W. McLeroy, FSA, MAAA; Jonathan P. Polon, FSA; Klayton N. Southwood, FCAS, MAAA

Predictive modeling techniques have been used in pricing and underwriting for P&C for over a decade. Most life and health companies have not been using predictive modeling for pricing and/or underwriting for more than a few years, if at all. Presenters will show how predictive modeling is applied in each of their lines of business along with a comparison and contrast to the other lines.

Coordinator: Tim A. Pauza, ASA

Monday, Oct. 18
10:30 a.m. – Noon

Session 26 Panel Discussion

Session Sponsor: Product Development
Competency: External Forces & Industry Knowledge

Annuity Product Development Trends and Issues

Moderator: Noel John Abkemeier, FSA, MAAA
Presenters: Noel John Abkemeier, FSA, MAAA; Kevin W. Roper, FSA, MAAA

In this session, experts will discuss the issues and trends seen in the annuity markets in the past year from a product development perspective. Trends/issues regarding sales, product design, risk management, etc., will be presented. Attendees will hear the latest news about declared rate fixed annuities, market value adjusted annuities, indexed annuities and single premium immediate annuities. Variable annuity trends, including guaranteed benefits and hedging, will also be discussed.

Coordinator: Susan J. Saip, FSA, MAAA

Monday, Oct. 18
10:30 a.m. – Noon

Session 27 Panel Discussion

Session Sponsor: Education & Research
Competency: Technical Skills & Analytical Problem Solving

Where Theory Meets Practice

Moderator: Thomas N. Herzog, ASA
Presenters: Xiaodong Sheldon Lin, ASA; Thomas N. Herzog, ASA; Thomas Hill, Ph.D.

Sheldon Lin will discuss his paper, "Modeling and Evaluating Insurance Losses via Mixtures of Erlang Distributions." Actuaries need to estimate optimal retention limits in reinsurance, perform solvency tests and estimate capital requirements. In doing this work, it is often critical to model tail probabilities of losses accurately.

Professor Lin will describe:

1. how to use mixtures of Erlang distributions to estimate such tail probabilities and
2. how to use the EM algorithm to estimate the parameters of the models.

Thomas N. Herzog will present an update of the housing crisis after three years. What has happened in the last year? Where are house prices headed?

Coordinator: Thomas N. Herzog, ASA

Monday, Oct. 18
10:30 a.m. – Noon

Session 28 Panel Discussion

Session Sponsor: Social Insurance & Public Finance
Competency: Strategic Insight & Integration

Public Finance—How Actuaries Should Consider Helping

Moderator: Jeremy Gold, FSA, CERA, MAAA
Presenters: Emily K. Kessler, FSA, EA, FCA, MAAA; Robert C. North Jr., FSA, EA, FCA, FSPA, MAAA; Michel Rochette, FSA

There has recently been an increased concern over public finance, with numerous studies highlighting severe funding shortfalls. What can actuaries bring to the table? Areas discussed will include:

1. What exactly is public finance?
2. What actuarial principles, standards and methods underpin these complex issues?
3. How can actuaries help augment and clarify current and future financial obligations?
4. What changes are recommended to control costs?
5. What solutions can actuaries offer to what audiences and through what means of communication?

Coordinator: Tonya Bowman Manning, FSA, EA, FCA, MAAA

Monday, Oct. 18
12:45 – 2:15 p.m.

Session 30 Panel Discussion

Session Sponsor: Pension
Competency: Strategic Insight & Integration
Noncore Credit: 90 Minutes

Retirement 20/20: Eyes on the Future—A Summary of New Retirement Designs Proposed through our Call for Models Contest

Moderator: Andrew J. Peterson, FSA, EA, FCA, MAAA
Presenters: Christopher M. Bone, FSA, EA, MAAA; Emily K. Kessler, FSA, EA, FCA, MAAA; Andrew J. Peterson, FSA, EA, FCA, MAAA

In the summer of 2009, the SOA issued a “call for models” contest to solicit ideas for new Tier II retirement systems that align with the principles of the Retirement 20/20 initiative. Papers have since been judged and two symposia are being held in the summer of 2010 highlighting the winning papers and key papers and ideas. Come to this session to hear highlights from the winning papers as well as next steps in this important initiative.

Retirement 20/20, an initiative of the SOA’s Pension Section, seeks to find new retirement solutions that meet the economic and demographic needs for the 21st century in North America. Through a series of conferences, we have worked with a multidisciplinary group to identify the key stakeholders in the retirement system, including discussing their unique roles, strengths and weaknesses. In addition, we have focused on key design features of new retirement systems and have developed a “Measurement Framework” to evaluate how well retirement systems meet stakeholder needs.

Coordinator: Andrew J. Peterson, FSA, EA, FCA, MAAA

Monday, Oct. 18
2:30 – 4:00 p.m.

Session 32 Panel Discussion

Session Sponsor: Financial Reporting
Competency: Technical Skills & Analytical Problem Solving

Actuarial Efficiency in Modeling and Valuation

Moderator: Stephen J. Bochanski, FSA, CERA, MAAA
Presenters: Nathan W. Hardiman, FSA, MAAA; Louis J. Lombardi, FSA, MAAA; Patricia M. Schwartz, FSA, MAAA

Actuarial models have become extremely important to the operations of insurance companies, which has been acknowledged by company senior management, boards of directors, external auditors and others. This session will address the ever-changing and increasing demands being placed on the actuarial modeling area and how actuarial professionals are responding to these demands, while often operating with significant resource constraints.

The session will focus on practical ways that actuaries are doing more by becoming more efficient in process administration while maintaining sound controls. This may include efficiencies gained through technology solutions, reallocation of resources and even the transfer, consolidation or elimination of certain tasks and functions. What can be done almost immediately? What technology solutions are in place or on the horizon? How can I be better prepared for future demands? You will learn what can be done now to improve actuarial efficiency and be better prepared for dealing with future demands for information.

Coordinator: Craig A. Buck, FSA, MAAA

Monday, Oct. 18
2:30 – 4:00 p.m.

Session 33 Panel Discussion

Session Sponsor: Financial Reporting
Competency: Strategic Insight & Integration

CFO Panel

Moderator: Craig A. Buck, FSA, MAAA
Presenters: Steven D. Lash, FSA, MAAA; Lisa S. Kuklinski-Ramirez, FSA; Robyn Wyatt

Insurance company chief financial officers (CFOs) have been faced with many significant issues recently given the financial turmoil in our markets and the downstream impacts it has had to insurance companies. Join us for a timely discussion of those issues from a panel of CFOs, which will broaden your perspective of our industry and its direction. Panelists will first discuss their views from the CFO perspective, focusing on issues and implications important to actuaries, followed by a question and answer period for session participants.

Coordinator: Craig A. Buck, FSA, MAAA

Monday, Oct. 18
2:30 – 4:00 p.m.

Session 34 Panel Discussion

Session Sponsors: Investment, Joint Risk Management
Competency: Results-Oriented Solutions

VA Hedge Program and Management of Basis Risk

Moderator: Yushan (Serena) Zhou
Presenters: Mark Anthony Hadley, FSA, MAAA; Frank Zhang, FSA, MAAA; Howard Present

During the financial crisis, many disclosed VA hedging losses were labeled as “basis risk.” It was too expensive to hedge at that time. Let’s take a deeper look at the causes and some possible approaches to mitigate such risks, from experts in banking, insurance and financial service providers. For example: How should we look at the drivers of basis risk? Are basis risks hedgeable? How do we set up mutual funds to minimize the tracking errors between underlying fund performance and hedging instruments? How do we improve the fund mapping? How do we set better hedge ratios?

Coordinator: Frank Zhang, FSA, MAAA

Monday, Oct. 18
2:30 – 4:00 p.m.

Session 35 Panel Discussion

Session Sponsor: Health
Competency: Results-Oriented Solutions

Specialty, Rx and Voluntary Products in a Health Care Reform Environment

Moderator: Karin M. Swenson-Moore, FSA, MAAA
Presenters: Penny R. Hahn, ASA, MAAA; William Neal Lucchi; Darrell D. Spell, FSA, MAAA

Health care reform has health insurance carriers, both large and small, scrambling to secure their futures. Keeping up with the possible changes and contingency-planning are taking up vital company resources, and rightfully so...but whenever there is change, there are opportunities! What is the future of private health insurance? What coverages and products will be offered? Will specialty, Rx and voluntary products become more prominent in the private market? How can health insurance companies retain, and even expand, their market shares and what will be the role of these products? What can smaller companies do to take advantage of the changing regulatory and market landscapes?

Panel members will attempt to answer these questions and more in this session. Attendees will gain an understanding of the possible impact of health care reform on the health insurance industry, as well as some of the resulting opportunities, particularly in specialty, Rx and voluntary products.

Coordinator: Kevin M. Law, FSA, MAAA

Monday, Oct. 18
2:30 – 4:00 p.m.

Session 36 Panel Discussion

Session Sponsor: Health
Competency: External Forces & Industry Knowledge

State Initiatives—What are States Doing to Address Health Care Reform?

Moderator: Laura Marie Kelly, ASA, MAAA
Presenters: Steven Cohen, Ph.D.; Andrew Lim See, FSA, MAAA; Steven N. Wander, FSA, FCA, MAAA

The new health reform law impacts all the states in multiple ways. In addition, states have undertaken, or are considering undertaking, initiatives to reform their health care systems with the goal of increasing the number of people with health care coverage and/or controlling costs. Three states—Maine, Massachusetts and Vermont—have enacted and are implementing reform plans that seek to achieve near universal coverage of state residents. Other initiatives aimed at reducing or controlling cost are underway in other states. In this session, we will discuss the impact of health reform on the states and review the status of state initiatives and their expected impact on health care costs and access.

Coordinator: Judy L. Strachan, FSA, FCA, MAAA

Monday, Oct. 18
2:30 – 4:00 p.m.

Session 37 Teaching Session

Session Sponsor: Joint Risk Management
Competency: External Forces & Industry Knowledge

Comprehensive Actuarial Risk Evaluation

Moderator: Xiaokai (Victor) Shi, FSA, MAAA
Presenters: Nicholas J. Albicelli, FSA; Kathryn A. Hyland, FSA, CERA, FCIA, MAAA

How do risk managers evaluate the risks at insurance companies? What roles and responsibilities can actuaries play in the risk evaluation processes? How can current actuarial disciplines (standards, best practices, etc.) be applied to risk management activities?

For many decades, insurance regulators and rating agencies played primary roles in insurance risk evaluation. The increasing complexity of insurance business and undiversifiable systemic risks of financial systems call for comprehensive risk evaluation among insurance enterprises. Risk managers from insurance organizations may need to take the major responsibilities to give comprehensive, objective and independent opinions of their risk evaluations.

This session will introduce recent work of an International Actuarial Association (IAA) project called, "Comprehensive Actuarial Risk Evaluation (CARE)." The project working group has done some preliminary work to create a multidimensional risk evaluation framework for actuaries, as well as pointing out uses and limitations of risk assessments. The goal is to have CARE be objective and independent in the assessment of the risks for the firm given the context, history, culture and strategic positioning.

Coordinator: Xiaokai (Victor) Shi, FSA, MAAA

Monday, Oct. 18
2:30 – 4:00 p.m.

Session 38 Panel Discussion

Session Sponsors: Marketing & Distribution, Long-Term Care Insurance
Competency: External Forces & Industry Knowledge

So You Want to Offer Combination Products...

Moderator: Jeffrey E. Johnson, ASA, MAAA
Presenters: Jeffrey S. Drake, FSA, MAAA; Bruce Moon, CLU, ChFC

Does your company or a client want to introduce a product that combines long-term care insurance with life insurance or an annuity? You are very familiar with LTC, life insurance, or annuity needs and constraints, based on your background, but the "other product" may feel like a foreign language to you. You may even feel you know so little that you're not sure where to start. How do the separate risks interact? What are the appropriate assumptions? What are the reserve and capital requirements? What set of statutes and regulations will regulators use to review the product for approval? How are these products marketed and sold?

In this session, you will learn the most important design, pricing and marketing considerations for product success and the pitfalls you need to avoid.

Coordinator: Jeffrey E. Johnson, ASA, MAAA

Monday, Oct. 18
2:30 – 4:00 p.m.

Session 39 Panel Discussion

Session Sponsor: Product Development
Competency: Technical Skills & Analytical Problem Solving

Regulatory Update (IFRS, Solvency II, Principle-Based Reserves)

Moderator: Mike Lombardi, FSA, CERA, FCIA, MAAA
Presenters: Mary J. Bahna-Nolan, FSA, CERA, MAAA; Andreas Graser

Impending regulatory changes are a challenge for the product development actuary. The impact of these future changes on insurance products needs to be considered at an early stage. New accounting, capital and reserving standards all lay ahead. This session will provide an update on regulatory issues including International Financial Reporting Standards (IFRS), Solvency II and principle-based reserves.

Coordinator: Lisa Hollenbeck Renetzky, FSA, MAAA

Monday, Oct. 18
2:30 – 4:00 p.m.

Session 40 Open Forum

Session Sponsor: Reinsurance
Competency: Technical Skills & Analytical Problem Solving

Historical Rates of Mortality Improvement and Tools for Future Improvement Projection

Moderator: Kelly A. Levy, FSA, FCIA
Presenters: Edward Hui, FSA, MAAA, CFA; Kelly A. Levy, FSA, FCIA; Marianne C. Purushotham, FSA, MAAA

This session will present results of recent SOA-sponsored extensive research. The research was conducted to educate actuaries and other interested parties on the historical mortality rates of improvement, mortality improvement trends experienced within the U.S. and globally, and considerations for future mortality improvement levels.

Topics for discussion include:

- Historical insured and annuity policyholder mortality improvement in the United States, Canada, United Kingdom and Europe
- Observations by product type, gender, age, smoking status, demographic/risk class and risk factors
- U.S. general population mortality as compared to the general population mortality data sources found in other regions, such as Canada, the United Kingdom and Continental Europe
- Discussion of U.S. insured mortality improvement rates as a result of changes in industry practices (e.g., underwriting, smoker definition and marketing) versus other factors
- Techniques, methods and resources available for modeling future mortality improvement.

Coordinator: Michelle Lynn McDonald, FSA, MAAA

Monday, Oct. 18
2:30 – 4:00 p.m.

Session 41 Teaching Session

Session Sponsor: Smaller Insurance Company
Competency: Technical Skills & Analytical Problem Solving

Illustration Actuary: Responsibilities Refresher Course

Moderator: Sharon Giffen, FSA, FCIA, MAAA
Presenters: Jerry F. Enoch, FSA, MAAA; Sharon Giffen, FSA, FCIA, MAAA; Linda Rodway, FSA, MAAA

Attendees will take away the basics of what is needed to satisfy the illustration actuary requirements for their company. Many questions and issues will be addressed. What is a GRET table and how does it apply to my company? Are my products lapse supported...and what does that really mean, anyway? Who is the compliance officer, and what does he certify? What's new in guidance and best practices? When do I need to complete the testing and paperwork?

Coordinator: Robert W. Omdal, FSA, MAAA

Monday, Oct. 18
2:30 – 4:00 p.m.

Session 42 Panel Discussion

Session Sponsors: Pension, Management & Personal Development, Entrepreneurial Actuaries
Competency: Communication
Noncore Credit: 90 Minutes

How to Talk to Your Clients

Moderator: Ellen L. Kleinstuber, ASA, EA, FCA, MAAA, MSPA
Presenters: Valerie A. Paganelli, FSA, EA, MAAA; Bradley M. Smith, FSA, MAAA

This session will focus on why the ability to communicate effectively, both in written form and orally, is an essential skill for all practicing actuaries. It is not a teaching session devoted to developing the skills necessary for effective communication. Rather, it will examine some of the consequences of effective and ineffective communication with clients using real-life examples. It will include a discussion of managing and disclosing potential conflicts of interest, the importance of listening, the use of e-mail and voicemail and the limits of actuarial science.

Though many of the examples will focus on a consultant/client relationship, most, if not all, of the concepts discussed are applicable to an employer/employee relationship. This session is appropriate for all levels of professionals.

Coordinator: Ellen L. Kleinstuber, ASA, EA, FCA, MAAA, MSPA

Monday, Oct. 18
2:30 – 4:00 p.m.

Session 43 Panel Discussion

Session Sponsors: Pension, Investment
Competency: Technical Skills & Analytical Problem Solving
Noncore Credit: 90 minutes

Derivatives and Alternative Investments for Pension Plans

Moderator: Alberto Luis Dominguez, FSA
Presenters: Rene Martel, FSA, CFA; Senan O'Loughlin

This session will explain how overlays can be used by pension plans to get long-duration exposure synthetically with futures or interest rate swaps in order to get assets and liabilities better attuned in cases in which cash-flow matching is a suboptimal solution. We will also describe the potential rewards and risks of diversifying into alternative asset classes such as hedge funds, real estate and private equity. The objective is to provide attendees with a better understanding of typical derivative and alternate investment strategies that can be of value to pension plans.

Coordinator: Alberto Luis Dominguez, FSA

Monday, Oct. 18
2:30 – 4:00 p.m.

Session 44 Panel Discussion

Session Sponsor: American Academy of Actuaries
Competency: Professional Values

Actuarial Standards Board and the Newly Revised ASOPs

Moderator: Patricia E. Matson, FSA, MAAA
Presenters: Paul M. Conlin, FSA, MAAA; Patricia E. Matson, FSA, MAAA; Andrei Serykh, FSA

The Actuarial Standards Board (ASB) has recently adopted or proposed a number of new standards, including ASOP 41 on Actuarial Communications. This session will review those standards and discuss how they apply to the work of the practicing actuary. The SOA believes in good faith that this session qualifies toward the professionalism requirements and organized activity requirements in the Qualification Standards and SOA CPD requirements.

Coordinator: Sheila Kalkunte

Monday, Oct. 18
4:15 – 5:15 p.m.

Session 46 Panel Discussion

Session Sponsor: Society of Actuaries
Competency: External Forces & Industry Knowledge

Update on SOA Prequalifications and Continuing Education

Moderator: Stuart Klugman, FSA, CERA
Presenters: Stephen A. Eadie, FSA, FCIA; Stuart Klugman, FSA, CERA

While there have been no major changes to the SOA pre-qualification system (pathways to SOA designations and credentials) since the 2005–2007 redesign, there have been many small changes and improvements. A major initiative to enhance professional development is also underway. At this session you will learn about the specifics of these items and have ample time for questions.

Coordinator: Stuart Klugman, FSA, CERA

Monday, Oct. 18
4:15 – 5:30 p.m.

Session 47 Panel Discussion

Session Sponsor: Pension
Competency: Technical Skills & Analytical Problem Solving
Core Credit: 75 Minutes

Managing a Frozen Pension Plan

Moderator: Andrew J. Peterson, FSA, EA, FCA, MAAA
Presenters: Helen Box-Farnen; Cheryl E. Tillman, FSA, EA, FCA, MAAA; Thomas Toale

Many plan sponsors have chosen to address the risks associated with sponsoring a defined benefit plan by freezing participation and/or benefits. This session will address when a plan freeze might be appropriate for a plan sponsor and what to do with a “soft” frozen plan until the “hard” freeze occurs. Effective techniques and considerations for communicating a plan freeze to participants, managing successor plans and dealing with nondiscrimination issues following a DB plan freeze are also discussed.

Coordinator: Cheryl E. Tillman, FSA, EA, FCA, MAAA

Tuesday, Oct. 19
7:00 – 8:15 a.m.

Session 49

Session Sponsor: Education & Research

Education & Research Section Continental Breakfast

Chairperson: Joan C. Barrett, FSA, MAAA

This is an open meeting of the Education & Research Section Council. We will discuss the goals of the section council and conduct a business meeting on current topics of interest.

This breakfast is open to all meeting attendees free of charge. If you plan to attend you must register in advance to obtain a ticket.

Coordinator: Thomas N. Herzog, ASA

Tuesday, Oct. 19
7:00 – 8:15 a.m.

Session 50

Session Sponsors: Health, Health Disability Special Interest Group

Health Disability Special Interest Group Hot Breakfast

Chairperson: Daniel D. Skwire, FSA, MAAA

Presenters: Mark S. Seliber, FSA, MAAA; Daniel D. Skwire, FSA, MAAA

This session provides an update on activities of the Disability Special Interest Group and on recent work by the SOA experience committees for group and individual disability insurance.

This breakfast is open to all meeting attendees. There is a nonrefundable fee of \$15 per person. Please include the additional fee with your registration.

Coordinator: Beth K. Grice, FSA, MAAA

Tuesday, Oct. 19
7:00 – 8:15 a.m.

Session 51

Session Sponsor: Pension

Pension Section Continental Breakfast: Recent Finance and Pension Research Papers

Chairperson: Alberto Luis Dominguez, FSA
Presenters: Alberto Luis Dominguez, FSA; Emily K. Kessler, FSA, EA, FCA, MAAA

There is a great deal of pension and finance research published each year that is of immediate relevance to pension actuaries. Come listen to summaries of several papers from the *Financial Analysts Journal*, *North American Actuarial Journal* and other actuarial publications that you should consider reading this year.

This breakfast is open to all meeting attendees free of charge. If you plan to attend you must register in advance to obtain a ticket.

Coordinator: Ellen L. Kleinstuber, ASA, EA, FCA, MAAA, MSPA

Tuesday, Oct. 19
7:00 – 8:15 a.m.

Session 52

Session Sponsor: Joint Risk Management

Joint Risk Management Section Hot Breakfast

Moderator: Robert F. Wolf, ASA, CERA, FCAS, MAAA
Presenter: Ali Samad-Khan

Join fellow risk management professionals in a casual and relaxed setting. You'll have the opportunity to discuss new developments and issues in risk management with your colleagues. This is a great opportunity to network with fellow professionals in the risk management area.

This breakfast is open to all meeting attendees. There is a nonrefundable fee of \$15 for Joint Risk Management Section members and \$25 for all others. Please include the additional fee with your registration.

Coordinator: Larry H. Rubin, FSA, CERA, FCA, MAAA

Tuesday, Oct. 19

7:00 – 8:15 a.m.

Session 53

Session Sponsor: Management & Personal Development

Management & Personal Development Section Continental Breakfast: Review of Recent Executive Books

Moderator: Kristen Walter-Wright, FSA, MAAA

Presenters: Frank M. Grossman, FSA, FCIA; Olga T. Jacobs, FSA, MAAA; Joseph Paesani, FSA, MAAA; Kristen Walter-Wright, FSA, MAAA

With all of the business books available, which is the next one you should read for your personal development? Come listen to summaries of several books you should consider reading and discuss your favorite books with colleagues.

This breakfast is open to all meeting attendees free of charge. Please register in advance to obtain a ticket.

Coordinator: Olga T. Jacobs, FSA, MAAA

Tuesday, Oct. 19

7:00 – 8:15 a.m.

Session 54

Session Sponsor: Taxation

Taxation Section Hot Breakfast

Chairpersons: Ame R. T. Biggart, FSA, MAAA; Steven C. Chamberlin, FSA, MAAA

Please join the Taxation Section for a hot breakfast. We will discuss results from our section's surveys on company tax actuaries and tax reserves modeling, as well as activities from the past year.

This breakfast is open to all meeting attendees. There is a nonrefundable fee of \$10 for Taxation Section members and \$25 for all others. Please include the additional fee with your registration

Coordinator: Kristin A. Schaefer, FSA, MAAA

Tuesday, Oct. 19

7:30 – 8:15 a.m.

Session 55

Session Sponsor: Reinsurance

Reinsurance Section Hot Breakfast

Chairperson: Larry N. Stern, FSA, MAAA

Presenter: Jeffrey Stanton Katz, FSA, MAAA

Come enjoy a hot breakfast while networking with fellow Reinsurance Section actuaries. Ronnie Klein will be passing the gavel to the new Chairperson. You'll also have the opportunity to hear about Reinsurance Section's activities and successes in Project LEARN.

This breakfast is open to all meeting attendees. It is free for Reinsurance Section members to attend. There is a nonrefundable fee of \$15 fee for all others. Please include the additional fee with your registration.

Coordinator: Michelle Lynn McDonald, FSA, MAAA

Tuesday, Oct. 19

8:30 – 10:00 a.m.

Session 57 Lecture

Session Sponsors: Actuary of the Future, Forecasting & Futurism, Health Competency: External Forces & Industry Knowledge

Complexity Science: What it is and Why You Want to Know About it

Moderator: Jennifer Lynn McGinnis, FSA, CERA, MAAA

Presenter: David L. Snell, ASA, MAAA

A major revolution has taken place in mathematics, finance and economics. Many real world applications, such as the stock market, housing prices, health care expenditure trends and portfolio optimization cannot be adequately addressed by traditional methods. Traditional modeling techniques may be necessary, but not sufficient. This session will introduce the attendee to new methods such as experimental mathematics, genetic algorithms, predictive modeling, deterministic chaos, fractal geometry, behavioral economics and other topics in the new paradigm of complexity sciences.

You will not come away an expert in these topics; but they will be much more than just fancy phrases to you when you have finished the session. You will also learn why aspects of the traditional economic theory you studied are wrong.

This session will be a useful introduction to Session 75, "Solving Actuarial Problems with Complexity Science," which will focus on one or two of the techniques presented.

Coordinator: David L. Snell, ASA, MAAA

Tuesday, Oct. 19
8:30 – 10:00 a.m.

Session 58 Panel Discussion

Session Sponsors: Financial Reporting, International
Competency: External Forces & Industry Knowledge

IFRS: The Future of Accounting for Insurance and its Implications

Moderator: Mark J. Freedman, FSA, MAAA

Presenters: Mark J. Freedman, FSA, MAAA; R. Thomas Herget, FSA, CERA, MAAA; Matthew G. Lantz, FSA, CERA, MAAA

The release by the IASB in June of an exposure draft is making the prospect of a new accounting standard for insurance contracts appear likely in the not-too-distant future. Actuaries and accountants who had long taken a “wait and see” attitude to insurance accounting under IFRS are now taking notice of the potential implications of a new standard. Separately, the Financial Reporting Section of the SOA has sponsored research into the potential implications of revised IFRS accounting standards on insurance products. This session covers the latest thinking of the consequences of a new accounting standard for insurance under IFRS.

Panelists discuss the provisions of the exposure draft for insurance accounting, including reference to those elements that are causing the most interest within the industry. In addition, results from the research project, sponsored by the Financial Reporting Section, into the implications of IFRS on insurance products commonly offered in the United States are presented. Participants in this session will obtain an understanding of the provisions of the exposure draft on insurance accounting and its potential implications to insurance companies and the products they offer.

Coordinator: Robert G. Frasca, FSA, MAAA

Tuesday, Oct. 19
8:30 – 10:00 a.m.

Session 59 Panel Discussion

Session Sponsors: Financial Reporting, Health, Joint Risk Management
Competency: External Forces & Industry Knowledge

Developments in Financial Reporting and ERM: What Health Actuaries Need to Know

Moderator: Mark E. Alberts, FSA, MAAA

Presenters: Mark E. Alberts, FSA, MAAA; Laurel A. Kastrup, FSA, MAAA; Max J. Rudolph, FSA, CERA, MAAA

IFRS, MCEV, PBA, ERM—Financial reporting and risk management actuaries are living with a whole slew of new acronyms. Initial developments in all of these areas have focused on life insurance and annuity products. But what are the implications on health products and health actuaries? This session will provide health actuaries with an overview of the changing landscape in financial reporting and risk management, telling you what you need to know today.

Coordinator: Mark E. Alberts, FSA, MAAA

Tuesday, Oct. 19
8:30 – 10:00 a.m.

Session 60 Panel Discussion

Session Sponsor: Health
Competency: Results-Oriented Solutions

Absence Management and Disability Programs

Moderator: Warren M. Cohen, FSA, MAAA
Presenters: Katherine Dunnington; Daniel D. Skwire, FSA, MAAA

Employers use a variety of different programs to provide their employees with absence benefits. This session explores many of these programs, including sick pay, paid time off, family medical leave and short term disability. The panelists will address plan design and pricing issues and provide thoughts on how best to administer these plans and control overall costs.

Coordinator: Daniel D. Skwire, FSA, MAAA

Tuesday, Oct. 19
8:30 – 10:00 a.m.

Session 61 Panel Discussion

Session Sponsors: Investment, Joint Risk Management, Education & Research
Competency: Strategic Insight & Integration

Risk Appetite for Variable Annuity

Moderator: Andrew Y. Lin, FSA, MAAA
Presenters: Amit Ayer, FSA, MAAA; Nicholas Anthony Jacobi, FSA, CERA

This session will provide a general landscape of how a risk appetite set at the enterprise level can be tied into the product level, specifically variable annuities. Discussion will be centered on the various considerations and questions companies will need to address to implement a risk appetite framework for variable annuities, including linking variable annuity risk appetite to management actions.

Discussion will also focus on how a robust variable annuity risk appetite will focus on economic, statutory and value considerations.

The topics will include:

- Setting of risk limits
- Understanding of exposures in variable annuity products
- Linkage of enterprise level risk appetite with product level risk appetite
- Implementation
- Linking risk management to risk appetite
- Managing competing risk management objectives

Coordinator: Frank Zhang, FSA, MAAA

Tuesday, Oct. 19
8:30 – 10:00 a.m.

Session 62 Workshop

Session Sponsor: Long-Term Care Insurance
Competency: Strategic Insight & Integration

After the LTCI Think Tank

Moderator: Steven W. Schoonveld, FSA, MAAA
Facilitators: Amy Pahl, FSA, MAAA; Steven W. Schoonveld, FSA, MAAA; Sara Corrough Teppema, FSA, FCA, MAAA

The LTCI Think Tank was held earlier this year. Leaders from the LTCI industry met to discuss the current challenges that the industry is facing and possible solutions. The group brainstormed solutions in for key areas: distribution, environment/government intervention, perception and product.

For this session, we would like to share the results from the LTCI Think Tank and continue discussion on these four key areas.

Coordinator: Jason (Jay) B. Bushey, FSA, MAAA

Tuesday, Oct. 19
8:30 – 10:00 a.m.

Session 63 Interactive Forum

Session Sponsor: Management & Personal Development
Competency: Leadership

I'm Hyperventilating: How to Change Your Life in 17 Minutes!

Moderator: Kevin F. Leavey, FSA, MAAA
Presenter: Doreen Stern, Ph.D.

Does your breath come in gulps because you're afraid you can't get everything done? Do you find yourself saying, "I just have to get through this," while you steel yourself for the day? There ARE other ways to live your life. Dr. Doreen Stern, aka "The Life Docktor," will show you how to "Choose, Act & Expect": *Choose* what you want. *Act* by taking steps so small that you can't fail and *expect* you're going to get what you want. All in 17 minutes a day.

You'll leave the session having identified a tiny step to take that day—and every day of your life. A step that reduces stress and increases your success at work and in your personal relationships.

Coordinator: Olga T. Jacobs, FSA, MAAA

Tuesday, Oct. 19
8:30 – 10:00 a.m.

Session 64 Panel Discussion

Session Sponsor: Pension
Competency: Technical Skills & Analytical Problem Solving
Core Credit: 90 Minutes

PPA Update: Where Are We Now?

Moderator: Ellen L. Kleinstuber, ASA, EA, FCA, MAAA, MSPA
Presenters: Charles J. Clark, ASA, EA, MAAA; Lonie A. Hassel; Ellen L. Kleinstuber, ASA, EA, FCA, MAAA, MSPA

Since the Pension Protection Act (PPA) was passed in 2006, the rules of the game seem to be in a constant state of flux. New regulations, technical corrections, the financial crisis and funding relief legislation have all provided actuaries, plan sponsors and administrators with an ever-changing environment for managing pension plan funding and administration. Panelists will discuss the current state of affairs for defined benefit plans under PPA.

Coordinator: Ellen L. Kleinstuber, ASA, EA, FCA, MAAA, MSPA

Tuesday, Oct. 19
8:30 – 10:00 a.m.

Session 65 Panel Discussion

Session Sponsor: Pension
Competency: External Forces & Industry Knowledge
Noncore Credit: 90 Minutes

Around the World in 90 Minutes: Global Issues in Pension Policy

Moderator: Andrew J. Peterson, FSA, EA, FCA, MAAA
Presenters: D. Don Ezra, FIA; Charles Jeszeck; Heli Oikkonen; Seyda Wentworth

North America is not alone when it comes to facing the implications of the financial crisis and demographic changes on the long-term sustainability and security of our retirement systems. Join us for a quick trip around the world as we look at some of the key pension policy changes that are being made and the potential implications and application for retirement systems in North America.

This session will allow you to better understand retirement changes being made around the world in key countries and the application for our North American environment.

Coordinator: Andrew J. Peterson, FSA, EA, FCA, MAAA

Tuesday, Oct. 19
8:30 – 10:00 a.m.

Session 66 Panel Discussion

Session Sponsor: Product Development
Competency: Technical Skills & Analytical Problem Solving

Mortality Update

Moderator: Allen M. Klein, FSA, MAAA
Presenters: Michael W. Bertsche, FSA, MAAA; Sharon S. Brody, FSA, MAAA; David N. Wylde, FSA, MAAA

The session will provide the product development actuary with practical information to be used in the development of life products.

The session will cover the following topics:

- 1) A review of select period mortality relative to the various current standard industry tables in an attempt to determine which table may have the best slope
- 2) A deeper dive on select period mortality at the older ages
- 3) Due to limited data, a more theoretical discussion on mortality at high attained ages
- 4) Considerations on setting future mortality improvement

The session will be based on recently available industry mortality experience, including the recent 2005-07 Society of Actuaries Study and data gathered in the reinsurance environment. The presenters will show data where available and provide considerations for you where data is more scarce.

Coordinator: Thomas A. Phillips, FSA, MAAA

Tuesday, Oct. 19
8:30 – 10:00 a.m.

Session 67 Panel Discussion

Session Sponsor: Product Development
Competency: External Forces & Industry Knowledge

Product Development in a Principle-Based Environment

Moderator: Robert P. Stone, FSA, MAAA
Presenters: Michael C. Frings, FSA, MAAA; Robert P. Stone, FSA, MAAA

In this session, panelists will discuss how a principle-based approach might change product development and pricing. Included in the session will be such topics as how product development processes may change, how time to market may be affected and how products themselves might be altered by the new approach.

Coordinator: Robert P. Stone, FSA, MAAA

Tuesday, Oct. 19
8:30 – 10:00 a.m.

Session 68 Panel Discussion

Session Sponsor: Reinsurance
Competency: Strategic Insight & Integration

How to Lose a Million Bucks Without Really Trying: Oversights in Negotiating Life Reinsurance Treaties

Moderator: Clark F. Himmelberger, FSA, MAAA
Presenters: C. Spencer Aldridge; Clark F. Himmelberger, FSA, MAAA; Mark Sarlitto

This session provides three perspectives on negotiating life reinsurance treaties: direct company, reinsurance company and reinsurance consultant. Often, reinsurance partners are chosen based on the financial terms offered. This session will outline, rationalize and improve upon common treaty errors and oversights that can completely overwhelm the benefits of attractive financial terms.

The panel will cover topics such as recapture clauses, data requirements and delivery, underwriting requirements and changes in underwriting, ratings triggers, the ACLI Life Reinsurance Sourcebook, arbitration, amendments, plancode and premium schedule specification, and other issues. The perspectives are intended to expand actuaries' awareness that many treaty terms, although not necessarily financial in nature, can present an administrative complexity and an additional cost with which to comply.

Additionally, the chances that the reinsurer or cedant will be up for sale sometime during the life of the reinsurance treaty make it important that the document reflect the intentions of both parties since there is a reasonable probability that at least one of the treaty drafters will not be the person reviewing the treaty years down the road. Something as simple as including a premium schedule in the text of the treaty can result in savings.

Coordinator: Clark F. Himmelberger, FSA, MAAA

Tuesday, Oct. 19
8:30 – 10:00 a.m.

Session 69 Panel Discussion

Session Sponsor: Taxation
Competency: External Forces & Industry Knowledge

Current Federal Income Tax Topics

Moderator: Christian J. DesRochers, FSA, MAAA
Presenters: John T. Adney, J.D.; Sheryl Flum; Mark S. Smith; Peter H. Winslow

This session will be of interest to those involved with insurance company tax issues at any level. Come get up-to-date and listen to experts' presentations on current federal income tax subjects. Topics include tax reserves for the principle-based approach, including AG 43, new issues related to insurance products, recent IRS guidance, results of the Taxation Section's Tax Actuary Survey and other emerging developments.

Coordinator: Kristin A. Schaefer, FSA, MAAA

Tuesday, Oct. 19
8:30 – 10:00 a.m.

Session 70 Panel Discussion

Session Sponsor: Society of Actuarie
Competency: Professional Values

How Can I Meet the Continuing Education Requirement?

Moderator: Anthony J. Rubiano, ASA, MAAA
Presenters: Emily K. Kessler, FSA, EA, FCA, MAAA; James A. Miles, FSA, MAAA

The revised Qualification standards and SOA Continuing professional development requirements are effective and apply to actuaries. Learn what the requirements are, how you will need to attest to meeting the requirements for the SOA continuing professional development at year end 2010, and the variety of ways that actuaries can earn credit.

Coordinator: Mike A. Boot, FSA, FCA, MAAA

Tuesday, Oct. 19
8:30 – 10:00 a.m.

Session 71 Interview

Session Sponsor: Society of Actuaries
Competency: Relationship Management & Interpersonal Collaboration

What is Your Public Sector Actuary Doing For You?

Moderator: Mike A. Boot, FSA, FCA, MAAA
Presenters: Stephen C. Goss, ASA, MAAA; Jean-Claude Menard, FSA, FCIA; Paul I. Spitalnic, ASA, MAAA

This is a hot topics session where you will hear from senior actuaries working with the U.S. and Canadian Social Security and Medicare describe their work and provide key relationship management lessons. This session will be conducted in an interview format and allow plenty of time for questions from the audience.

The panel will include Stephen Goss, Chief Actuary of the US Social Security, Jean Claude Menard, Chief Actuary of OSFI in Canada overseeing the Canadian Pension Plan, and Paul Spitalnic, Director with CMS overseeing Medicare Part C and D.

These experts will address their role and talk about the pressures of producing objective actuarial work in the face of others trying to influence or distort their work. You will learn about the complexities of public finance and how actuaries can assist in the solutions.

Coordinator: Mike A. Boot, FSA, FCA, MAAA

Tuesday, Oct. 19
10:30 a.m. – Noon

Session 73 Workshop

Session Sponsors: Financial Reporting, Joint Risk Management
Competency: Technical Skills & Analytical Problem Solving

Reporting Beyond NAIC and U.S. GAAP

Facilitators: Jacquelynn Abdella, FSA; Sue Ann Collins, FSA, CERA, MAAA; Andreas Graser

This workshop will be an open discussion on topics related to international reporting requirements. Many actuaries work for companies or consult with companies that have requirements beyond the United States. Topics to be discussed will include market-consistent embedded value, Solvency II and IFRS.

This workshop will delve into the various modeling approaches and methodologies employed by individuals who have hands-on experience with these requirements. Examples will be given as the results relate to each other and economic capital. Participants should take with them fresh ideas and approaches on how to tackle these emerging requirements they may face.

Coordinator: John R. Roeger, FSA, MAAA

Tuesday, Oct. 19
10:30 a.m. – Noon

Session 74 Panel Discussion

Session Sponsor: Financial Reporting
Competency: External Forces & Industry Knowledge

Policyholder Behavior

Moderator: Michael P. Sparrow, FSA, CERA, MAAA
Presenters: Peter J. Gourley, FSA, MAAA; Sebastian Joseph Kleber, FSA, MAAA; Elizabeth L. Olson, FSA, MAAA

The growth in principle-based accounting standards over the past 10 years has placed a growing burden on the actuary to collect, analyze and draw conclusions from experience data. Products with increasingly complex embedded options and volatile markets have made it that much more difficult to set actuarial assumptions. The actuary now carries a greater volume of work and professional responsibility, but often limited resources to carry out thorough studies of experience.

This session will provide insights into the evolving practices for measuring experience data and setting actuarial assumptions. Some of the topics covered in this will include:

- Measuring market-driven policyholder behavior
- Process issues in dealing with large data sets
- Consistency across actuarial applications
- Determining appropriate prudent margins
- Assumption decision making and governance processes
- Determining and applying credibility
- Regulator expectations for principle-based reserves and capital

Coordinator: Michael P. Sparrow, FSA, CERA, MAAA

Tuesday, Oct. 19
10:30 a.m. – Noon

Session 75 Teaching Session

Session Sponsors: Forecasting & Futurism, Actuary of the Future, Health
Competency: Technical Skills & Analytical Problem Solving

Solving Actuarial Problems with Complexity Science

Moderator: David L. Snell, ASA, MAAA

Presenters: Stephen H. Conwill, FSA, MAAA; Benjamin Steward Wadsley, FSA, MAAA

Complexity Science is a new way to grasp and manage reality. Not the simple reality of dice and normal distributions that has been the study of traditional actuarial science, but the more complex reality in which we live and work, the reality of hurricanes and earthquakes, social reforms and economic upheavals, interest rate fluctuations, business cycles, and healthcare expenditure trends.

In this session, we will give you real uses of complexity science in the actuarial world, and inspire you to expand on these to develop more applications for actuaries. The session will include demonstrations of Complexity Science models applied to actuarial problems, as well as instructions about how you can build such models.

Coordinator: Benjamin Steward Wadsley, FSA, MAAA

Tuesday, Oct. 19
10:30 a.m. – Noon

Session 76 Panel Discussion

Session Sponsor: Health

Competency: External Forces & Industry Knowledge

Health Care Trend

Moderator: Robert Gordon Cosway, FSA, MAAA

Presenters: Geoffrey R. Hileman, FSA, MAAA; Christopher John Truffer, FSA

Trends in health care costs and premiums are constantly in the news, and are a key assumption in much of a health actuary's work. Attendees will learn about the most recent data on observed and expected future trends. An actuary from CMS will discuss their view of trends, both for Medicare and for other health plans.

Coordinator: Robert Gordon Cosway, FSA, MAAA

Tuesday, Oct. 19
10:30 a.m. – Noon

Session 77 Panel Discussion

Session Sponsor: Joint Risk Management
Competency: External Forces & Industry Knowledge

Solvency II, Equivalence and Its Implication for U.S. Insurers

Moderator: James Alexander Norman, FSA, FIA, MAAA
Presenters: Carlos Arocha, FSA, MAAA; Patricia E. Matson, FSA, MAAA; Brian Paton, FFA

The European Commission hopes that Solvency II will set the standard globally for the insurance industry. Its ambitions in this respect do not appear too extreme, given announcements of interest from regulators across the globe in introducing Solvency II or equivalent measures nationally. Insurance companies have increased their awareness around risk and are beginning to understand the scale of effort required for Solvency II implementation. Organizations have begun to recognize that there are key challenges to integrating modeling approaches into the risk framework. Pillar 2 activity cuts across many different departments and functions in firms, making it difficult to reach organizational consensus on what is required.

Discussion leaders will share their insights into the challenges and areas of gain from implementing Solvency II, give their perspective on Solvency II's impact on their U.S. operations, and discuss the benefits in understanding Solvency II, even though you might not have to report the numbers. Discussion leaders will discuss Solvency II equivalence and the impact on the United States if the United States is not deemed to be an equivalent jurisdiction under Solvency II compared to the implications if the United States is an equivalent jurisdiction.

Coordinator: James Alexander Norman, FSA, FIA, MAAA

Tuesday, Oct. 19
10:30 a.m. – Noon

Session 78 Panel Discussion

Session Sponsor: Pension
Competency: External Forces & Industry Knowledge
Core Credit: 90 Minutes

Late-Breaking Developments for Pension Plans

Moderator: Donald J. Segal, FSA, EA, FCA, MAAA
Presenters: Eric A. Keener; FSA, EA, MAAA; Ethan E. Kra, FSA, CERA, EA, FCA, MAAA, MSPA; Donald J. Segal, FSA, EA, FCA, MAAA

This session will provide an update on recent developments impacting pension plans, such as regulatory guidance under PPA (and any other legislation enacted by the time of the meeting), new legislative proposals and the impact of the current economic environment on plan sponsors. Experienced pension actuaries will share their perspectives on these issues.

Coordinator: Ellen L. Kleinstuber, ASA, EA, FCA, MAAA, MSPA

Tuesday, Oct. 19
10:30 a.m. – Noon

Session 79 Panel Discussion

Session Sponsor: Pension
Competency: Results-Oriented Solutions
Noncore Credit: 90 Minutes

Gaps in a DC World

Moderator: Anna M. Rappaport, FSA, EA, MAAA
Presenters: Jeff D. Clymer, FSA, EA, MAAA; Anna M. Rappaport, FSA, EA, MAAA; Stacy Schaus, CFP

Defined contribution plans continue to increase in popularity among plan sponsors due to their predictable costs and relative ease of communication. While typically discussed as tools for providing retirement income, workers who rely on defined contribution plans for retirement savings must also address issues related to income adequacy connected to other life events, such as death and disability.

This session will explore ways for employers and workers to manage risks other than retirement in a defined contribution plan.

Coordinator: Michael L. Libman, ASA, EA, FCA, MAAA, MSPA

Tuesday, Oct. 19
10:30 a.m. – Noon

Session 80 Panel Discussion

Session Sponsor: Product Development
Competency: External Forces & Industry Knowledge

So How's Life Treating You? An Update to the Life Product Market

Moderator: Keith A. Dall, FSA, MAAA
Presenters: Brian K. Carteaux, FSA, MAAA; Keith A. Dall, FSA, MAAA; Todd L. Laszewski, FSA, MAAA

This session will cover the latest developments and research in the life product market. Specific products covered will be Term, UL, SGUL, VUL and Whole Life.

Participants will be updated on current developments in the life market. Life insurance in total has been taking a hit to sales in these recessionary times. See what companies are doing and learning from the recent past and projecting for the future. Learn about what's new, what's working and what's developing, and see how life products are treating you.

Coordinator: Donna Christine Megregian, FSA, MAAA

Tuesday, Oct. 19
10:30 a.m. – Noon

Session 81 Panel Discussion

Session Sponsor: Product Development
Competency: Technical Skills & Analytical Problem Solving

AG 43 (VACARVM)—Up and Running

Moderator: Thomas Q. Chamberlain, ASA, MAAA
Presenters: Thomas Q. Chamberlain, ASA, MAAA; Jeffrey A. Klanderman, FSA, MAAA

How did AG 43 (VACARVM) impact statutory reserves? What tax implications did it have? Are companies taking credit for dynamic hedging? What challenges were faced? What lessons were learned? Come hear experts address these and other burning questions about the implementation of AG 43.

Coordinator: Susan J. Saip, FSA, MAAA

Tuesday, Oct. 19
10:30 a.m. – Noon

Session 82 Interactive Forum

Session Sponsors: Reinsurance, ReRun
Competency: Technical Skills & Analytical Problem Solving

Underwriting Cancers: The Changing Landscape in Risk

Moderator: Dieter S. Gaubatz, FSA, FCIA, MAAA
Presenters: Michael Clark, M.D.; Robert Lund, M.D.; Steve Zimmerman, M.D.

This is a companion session to the “ReRun” charity event sponsored by a consortium of reinsurers. This year, the supported charity is the American Cancer Society. There is no doubt that just about everything we understand about cancers is in flux. New discoveries and new studies constantly challenge the conventional wisdom about assessing and categorizing individual risks. For actuaries and other risk managers, the changing cancer landscape can have a significant impact on results.

This interactive session featuring medical directors and researchers from three major reinsurers will examine a broad range of cancer-related questions, such as, “What are the latest trends in cancer screening and detection?” or, “What is the likely effect of the new breast cancer screening recommendations on future mortality?” or, “Are there ways I can more appropriately predict mortality (for better or worse)—even for preferred mortality—for populations which had cancer, or might get cancer in the future?” Our panelists will challenge the audience to review our industry’s approach to evaluating the risk of cancer mortality in the future.

Coordinator: Carol Sullivan

Tuesday, Oct. 19
10:30 a.m. – Noon

Session 83 Buzz Group

Session Sponsor: Smaller Insurance Company
Competency: External Forces & Industry Knowledge

Current Topics Affecting Smaller Insurance Companies

Moderator: Leon L. Langlitz, FSA, MAAA
Facilitators: Jerry F. Enoch, FSA, MAAA; Sharon Giffen, FSA, FCIA, MAAA; Christopher H. Hause, FSA, MAAA; Robert W. Omdal, FSA, MAAA; D. Joeff Williams, FSA, MAAA

Attendees will share their experiences from 2009 to 2010 with other smaller company actuaries. How did the partial recovery from the financial crisis impact how you did your job this last year-end? Has the recovery (or lack thereof) helped or hurt small companies? What impact will the health care program have on small companies? How have priorities changed? How is product development being impacted? Attendees will have the opportunity to share experiences, learn how others have addressed these and other issues and brainstorm where we will go from here.

Coordinator: Robert W. Omdal, FSA, MAAA

Tuesday, Oct. 19
10:30 a.m. – Noon

Session 84 Panel Discussion

Session Sponsor: Entrepreneurial Actuaries
Competency: Results-Oriented Solutions

Entrepreneurial Actuary is Not an Oxymoron

Moderator: Ken Mitchell
Presenters: Edward C. Cymerys, FSA, MAAA; Christine E. Dugan, FSA, MAAA; Michael W. Pado, FSA, CERA, MAAA

The decision to go into your own business sounds easy, but the realities of that dream can be a hurdle. The developing of a mission statement, the financing, starting and physical development of your own business, is very much akin to finding and working hard to keep your job in a corporate setting.

Individual entrepreneurs are under more personal pressure as they are also bankrolling their own careers. If they are not successful as entrepreneurs, it is perceived they can always get a real job. Then they become entrepreneurs within the company. All attendees regardless of profession will find this session beneficial.

Coordinator: Ken Mitchell

Tuesday, Oct. 19
10:30 a.m. – Noon

Session 85 Panel Discussion

Session Sponsors: Investment, Product Development
Competency: Technical Skills & Analytical Problem Solving

Managing Risk through Product Design

Moderator: Frank Zhang, FSA, MAAA
Presenters: Jason Christopher Alleyne, FSA, FCIA, FIA; Timothy C. Cardinal, FSA, MAAA; Jin Li, FSA, CERA, MAAA; Frank Zhang, FSA, MAAA

Variable annuity (VA) writers generally responded to the economic downturn of late 2008 and early 2009 by either pulling products or increasing rider fees associated with the various guarantees. Sales of VAs in 2009 were down from 2007 and 2008 levels, but were consistent with levels prior to 2007. This implies there is still a place for these products in the market, as they meet a definite policyholder need. But can companies continue to sell profitable, marketable business?

This session will discuss possible designs that mitigate the risk to the company, thereby decreasing the price charged. It will also discuss the current recent trends in the equity-indexed annuity (EIA) market, as a possible alternative to VAs.

Attendees of this session will benefit by understanding current market offerings and general direction of the market, and gaining a better appreciation for product design mechanisms available to limit investment risk to the company.

Coordinator: Frank Zhang, FSA, MAAA

Tuesday, Oct. 19
10:30 a.m. – Noon

Session 86 Open Forum

Session Sponsor: Social Insurance & Public Finance
Competency: External Forces & Industry Knowledge

U.S. Health Care Reform—Footing the Bill

Moderator: Mark E. Litow, FSA, MAAA
Presenters: Joseph Antos; John P. Burke, FSA, MAAA; Mark E. Litow, FSA, MAAA

As with most significant legislative changes, there will be various views on the expected costs for individuals, businesses and the government. What is the expected actuarial cost of the recently passed health care reform for the U.S. government and what are the resulting actuarial implications for Medicare and Social Security?

Topics will include:

1. Changes in Medicare benefits: What has changed in benefits, coverage, cost to retirees for coverage and payments to Medicare service providers?
2. New benefits: What are the new benefits and coverage and what will be the resulting direct/indirect cost shifts to the government?
3. Estimated costs and projected funding: What will all this cost from an actuarial perspective—in total and for individuals? What are reasonable assumptions? What is the real range of potential outcomes?
4. Options for funding: What changes in Social Security, taxes, etc. could be made to cover the estimated actuarial costs?
5. Unintended consequences: What issues need to be addressed as we look ahead? For example, what are the implications for health care stakeholders of limiting carrier rate increases?

Coordinator: Tonya Bowman Manning, FSA, EA, FCA, MAAA

Tuesday, Oct. 19
12:15 – 2:15 p.m.

Session 88

Presidential Luncheon

President S. Michael McLaughlin, FSA, CERA, FIA, MAAA, passes the gavel of office to Donald J. Segal, FSA, EA, FCA, MAAA, who delivers his presidential address.



Mike McLaughlin
SOA President



Don Segal
President-Elect



Paul Embrechts
Keynote Speaker

"Actuarial Mathematics and the Subprime Mortgage Crisis: Warnings, Guilt and Lessons Hopefully Learned"

Don't miss Paul Embrechts, the well-known risk management guru and professor of mathematics at the ETH Zurich, as he discusses what he believes are the extreme shortcomings in the worldwide financial system, highlighted by the subprime mortgage crisis. Embrechts will cover those shortcomings at all levels: political, regulatory, industrial, human, societal, technical and even mathematical. He will help attendees better understand what went wrong and how actuaries can contain damage potential to the worldwide economy during future bubbles. Embrechts will come at this from a mathematical/actuarial point of view, strongly based on his own personal experience, and try to answer the questions "Did actuaries warn early on and how?" "What are prime culprits we all ought to know about?" and perhaps, most importantly, "What have we learned from the crisis?" When Embrechts isn't busy working on international advisory groups or consulting to major financial institutions on quantitative risk management issues, he keeps busy authoring books like *Quantitative Risk Management: Concepts, Techniques and Tools*.

The Presidential Luncheon is included in your registration fee. You may register your guest(s) for the luncheon by including \$115 per person with your registration fee. Admission tickets are available for purchase at the meeting as space permits. Refunds will not be given.

Tuesday, Oct. 19
2:30 – 4:00 p.m.

Session 90 Lecture

Session Sponsor: Entrepreneurial Actuaries
Competency: Relationship Management & Interpersonal Collaboration

Project Management Success Strategies

Moderator: Ruth Ann Woodley, FSA, MAAA
Presenter: Doris Orr

Whether you manage a small team or the resources of an eight-figure, multiyear, interdisciplinary project, cultivating project management skills makes you more valuable to your employer or client. This session will outline simple strategies for project success, including a discussion of common barriers and approaches for managing them.

The session will cover:

- outlining your project initiative so that it starts with the best chance for success
- structuring your project initiative most effectively, including small versus large project approaches
- keeping your finger on the pulse of the project and identifying warning signals early
- motivating yourself and your team by celebrating interim milestones.

The content will include two actuarial project case studies: one small single-person project initiative and one large global project initiative.

Coordinator: Michael Lawrence Frank, ASA, FCA, MAAA

Tuesday, Oct. 19
2:30 – 4:00 p.m.

Session 91 Panel Discussion

Session Sponsor: Financial Reporting
Competency: External Forces & Industry Knowledge

After the Crisis—The Regulatory Response

Moderator: Mark E. Alberts, FSA, MAAA
Presenters: Julie Herwig, Ram Kelkar, CFA; Jesse M. Schwartz, FSA, MAAA

On the heels of the financial crisis, much has been made of failures in the federal financial regulatory system that failed to identify the coming meltdown and, in some cases, contributed to the crisis. There have been many calls for fundamental reform of Washington's system for regulating the banking and financial industry system. What has become of these calls? What is on the horizon? And what is the implication for the insurance industry?

This session will provide an up-to-date status of regulatory reform efforts, and likely further developments.

Coordinator: Mark E. Alberts, FSA, MAAA

Tuesday, Oct. 19
2:30 – 4:00 p.m.

Session 92 Panel Discussion

Session Sponsor: Financial Reporting
Competency: External Forces & Industry Knowledge

Hot Topics in the Principle-Based Approach to Reserves and Capital

Moderator: John R. Roeger, FSA, MAAA
Presenters: Stephen P. Blaske, FSA, MAAA; William M. Sayre, FSA, MAAA; Gregory L. Stephenson

Join experts for an in-depth discussion of the latest developments in the move toward a principle-based approach to reserves and capital. With the adoption of AG 43, principle-based reserving is no longer a distant goal; it's a reality. How up-to-speed are you on the latest requirements and status of other initiatives related to PBA?

Topics covered in this session will include:

- updates on the status of development, adoption and implementations of various components of PBA, including life reserves, AG 43 and C-3 Phase 3
- discussion of the key sticking points, such as tax issues, treatment of hedging and reinsurance, policyholder behavior
- practical implementation issues companies are likely to face and forward-thinking potential solutions
- ratings agencies' and regulators' perspectives.

You will gain valuable insights into the challenges PBA may introduce and will leave prepared to help your company stay ahead of the game.

Coordinator: John R. Roeger, FSA, MAAA

Tuesday, Oct. 19
2:30 – 4:00 p.m.

Session 93 Panel Discussion

Session Sponsor: Health
Competency: Results-Oriented Solutions

Beyond CDH: Consumerism Products Today

Moderator: Daniel W. Bailey, FSA, MAAA
Presenters: Ronald G. Barlow, ASA, MAAA; David Steinfeld

In the 1970s, the results of the RAND Health Insurance Experiment showed that as cost-sharing increases, utilization decreases for both necessary and unnecessary services. Is there a plan design that will encourage consumers to use necessary services and forego unnecessary services? Although consumer-driven plans have had some success in this arena, many consumers are not put off by the large deductible. Presenters will discuss the latest results for consumer-driven plans and introduce newer plan designs such as value-based designs.

Coordinator: Joan C. Barrett, FSA, MAAA

Tuesday, Oct. 19
2:30 – 4:00 p.m.

Session 94 Panel Discussion

Session Sponsor: Health
Competency: Strategic Insight & Integration

Risk Management Approaches to Group Long-Term Disability Insurance

Moderator: Jennifer M. Fleck, FSA, MAAA
Presenters: William D. Harrington, FSA, MAAA; Richard Carlson Leavitt, ASA, MAAA; Robert T. Lumia, FSA, MAAA

Group long-term disability insurance can be a complicated product with many different opportunities for risk. Additionally, these risk factors apply differently to various group sizes and industries. This session will break down some of the risk management techniques, including some of the more overlooked techniques, used in the industry today. Industry experts will discuss how various risk management strategies—including pricing, underwriting, plan design and claim management—apply to different markets and how to avoid some of the common mistakes carriers make today.

Attendees will learn the impacts of some common, and some overlooked, risk management strategies and learn how to avoid some common mistakes.

Coordinator: Jennifer M. Fleck, FSA, MAAA

Tuesday, Oct. 19
2:30 – 4:00 p.m.

Session 95 Panel Discussion

Session Sponsors: Investment, Education & Research
Competency: Technical Skills & Analytical Problem Solving

The “Flaws” of Law of Large Numbers

Moderator: Frank Zhang, FSA, MAAA
Presenters: Constantin Dan Cazacu, Ph.D.; Charles S. Fuhrer, FSA, MAAA; John Wiesner

The law of large numbers, which states the average of results obtained from a large number of trials should be close to the expected value, is fundamental to probability theory and actuarial science. Insurance companies and actuaries apply the theory frequently in decision making. The theory has some pitfalls, however, if applied blindly.

The session will use VAs as examples to demonstrate:

- difference between traditional actuarial pricing versus option pricing
- difference between pricing with mean versus with mean and volatility
- volatility has value- (or cost-) diversifiable risk (mortality) versus systematic risk (equity/rates)
- long- term average versus short-term path-dependency for hedging

The attendees will gain better understanding of the limitations of the law of large numbers, and learn how to avoid the common pitfalls.

Coordinator: Frank Zhang, FSA, MAAA

Tuesday, Oct. 19
2:30 – 4:00 p.m.

Session 96 Debate

Session Sponsor: Long-Term Care Insurance
Competency: Results-Oriented Solutions

The Great Product Feature Debate

Moderator: Roger Loomis, FSA, MAAA
Presenters: Christopher J. Giese, FSA, MAAA; Dawn E. Helwig, FSA, MAAA; Roger Loomis, FSA, MAAA

The LTCI industry has seen some new benefit features emerge in the past few years, like a cash benefit, benefits inflating based on a CPI and no periodic benefit limit. However, not all companies have embraced them. Do you have a good enough understanding of these features to have an informed opinion?

For this session, both sides of the debate for several product features will argue their points of view to provide the audience with a good understanding of the factors that go into deciding which product feature to include in a product. Will you be persuaded to change your position by the arguments presented?

Coordinator: Jason (Jay) B. Bushey, FSA, MAAA

Tuesday, Oct. 19
2:30 – 4:00 p.m.

Session 97 Panel Discussion

Session Sponsor: Marketing & Distribution
Competency: Strategic Insight & Integration

The Future Effects of Emerging Changes on Life Insurance Products and Distribution

Moderator: Charles E. Ritzke, FSA, MAAA
Presenters: Richard W. Hekeler, Ph.D.; Lucian Lombardi, ASA

Many factors currently influence life insurance distribution and product designs: society, technology, regulation, consumerism, economic trends, consumer attitudes and behaviors, and more. LIMRA and the Marketing & Distribution Section recently partnered to study these factors with the goal of understanding their probable impacts now and for the next five years on consumers' risk protection needs and their expectations regarding product delivery.

Research findings will be presented to attendees, who will leave the session with a better understanding of consumers' future product and distribution needs.

Coordinator: Jeffrey E. Johnson, ASA, MAAA

Tuesday, Oct. 19
2:30 – 4:00 p.m.

Session 98 Panel Discussion

Session Sponsor: Pension
Competency: Technical Skills & Analytical Problem Solving
Core Credit: 90 Minutes

PPA Pension Funding Relief: Is the Cure Worse than the Disease?

Moderator: Frank Todisco, FSA, EA, MAAA
Presenters: Joseph F. Hicks, Jr., EA, FCA, MAAA, MSPA; Tonya Bowman Manning, FSA EA, FCA, MAAA;
Frank Todisco, FSA, EA, MAAA

Funding relief has received significant media attention and has been introduced in various forms in Congress over the last two years, with an expectation that some form of additional relief will pass this year. Actuaries and others disagree—sometimes strongly—on the appropriateness of providing this type of relief to pension plan sponsors.

The objective of this session is twofold: to present the details of funding relief legislation and proposals (for both single employer and multiemployer plans) and their implications for practitioners, and to present alternative views regarding the need for funding relief and its longer term implications for pension plans, plan sponsors, plan participants and society.

Coordinator: Penny A. Bailey, FSA, EA, MAAA

Tuesday, Oct. 19
2:30 – 4:00 p.m.

Session 99 Panel Discussion

Session Sponsor: Pension
Competency: Strategic Insight & Integration
Noncore Credit: 90 Minutes

Behavioral Finance in DC Plan Design

Moderator: Anne M. Button, FSA, EA, MAAA
Presenters: Melissa A. Knoll, Ph.D.; Jean Young, CPA

This session discusses some of the key lessons of behavioral economics and finance research for plan design, describes the life-cycle model of savings and consumption, and concludes by outlining design alternatives that would be of use to plan sponsors seeking to design more cost-effective and efficient retirement plans for the future.

Coordinator: Alberto Luis Dominguez, FSA

Tuesday, Oct. 19

2:30 – 4:00 p.m.

Session 100 Panel Discussion

Session Sponsor: Product Development

Competency: Technical Skills & Analytical Problem Solving

Market-Consistent Pricing

Moderator: Mitchell R. Katcher, FSA, MAAA

Presenters: Eric L. Clapprod, FSA, CERA; Allen White, FIA; David Wiland, FSA, CERA, MAAA

There are many reasons actuarial pricing practice has expanded in recent years. Various new regulatory requirements have played a part, as well as advances in industry understanding of how to adequately price for various risks embedded in our products. Although the industry still uses many different pricing techniques, risk based or risk neutral pricing is not new, but continues to evolve and is becoming increasingly popular.

This session will focus on market consistent pricing: what it is, how it compares to other pricing techniques, why it is growing in popularity, and how it is being used by different companies.

Coordinator: Mitchell R. Katcher, FSA, MAAA

Tuesday, Oct. 19
2:30 – 4:00 p.m.

Session 101 Panel Discussion

Session Sponsor: Technology
Competency: Technical Skills & Analytical Problem Solving

Quality Control

Moderator: Tim A. Pauza, ASA
Presenters: Philip Gold, FSA, FIA, MAAA; Kevin J. Pledge, FSA, FIA; David L. Snell, ASA, MAAA

This session will discuss quality control topics for actuarial systems and associated processes.

This session will cover the best practices learned through years of mistakes:

- Global issues—major source of errors. Learn why—and how to handle them.
- Historical versus hysterical data—learn where to stop.
- Regression testing—necessary, but not sufficient. Learn why.
- Change management —learn to balance speed with auditability.
- Spreadsheets—tools of choice, or instruments of evil? Learn to tame them.

Discussion on quality control for enterprise data management, including:

- Understanding data flow and the interaction of various systems
- Data silos and enterprise business intelligence
- Data mastery
- Data standards
- People issues
- System updates, change management.

The presenters will review the various steps necessary to ensure the quality of actuarial models through time:

- The four stages of implementing new features
- Regression testing techniques
- Treatment of bugs
- Version control
- Validation of data
- Comparison of data
- The use of spreadsheets
- Skill and training requirements
- Audit trails

Coordinator: Tim A. Pauza, ASA

Tuesday, Oct. 19

2:30 – 4:00 p.m.

Session 102 Panel Discussion

Session Sponsors: Actuary of the Future, Forecasting & Futurism, Management & Personal Development
Competency: External Forces & Industry Knowledge

Nontraditional Careers for Actuaries—Meet Some Pioneers

Moderator: Mark M. Yu, FSA, MAAA

Presenters: Michael M. Braunstein, ASA, MAAA; Joseph Paesani, FSA, MAAA

Who says actuaries have to work in pricing or valuations or other “traditional” roles? Meet some pioneers who have forged new paths.

The actuary who truly believes that “risk is opportunity” can meet real people who have taken that phrase to heart. These are individuals who have strayed down “the path not taken” and shown that our training and expertise can be applied to careers beyond the ones mentioned in study notes. Listen to their stories, and enjoy the opportunity to get firsthand advice on how you may design your own future.

Coordinator: David L. Snell, ASA, MAAA

Tuesday, Oct. 19

4:15 – 5:30 p.m.

Session 104 Panel Discussion

Session Sponsor: Pension

Competency: Technical Skills & Analytical Problem Solving

Core Credit: 75 Minutes

Assumption Setting for Retirement Plans

Moderator: Ellen L. Kleinstuber, ASA, EA, FCA, MAAA, MSPA

Presenters: Michael A. Archer, FSA, EA, FCA, MAAA; Gordon C. Enderle, FSA, EA, MAAA; R. Evan Inglis, FSA, EA, FCA, MAAA

Assumption setting is one of the fundamental tasks for all actuaries in all areas of practice. For pension actuaries, the rules for assumption setting have changed as certain assumptions previously at the actuary’s discretion are now mandated and/or subject to selection by the plan sponsor. Requirements for selection of actuarial assumptions applicable to the valuation of retirement benefit plan obligations are reviewed, including the requirements of the applicable ASOPs, practice notes issued by the American Academy of Actuaries, and guidance from the FASB and other accounting entities. Speakers will also address the applicable communication and disclosure requirements regarding selection of actuarial assumptions.

Coordinator: Cheryl E. Tillman, FSA, EA, FCA, MAAA

Tuesday, Oct. 19

6:00 – 7:30 p.m.

Session 106

Session Sponsors: Management & Personal Development, Actuary of the Future

Management & Personal Development and Actuary of the Future Reception: Club Connections

Facilitator: Michael M. Braunstein, ASA, MAAA

Actuarial club program committees and club leaders often struggle to find actuarial content for local meeting sessions. Knowledgeable and willing presenters may also be difficult to secure for selected session ideas. Club Connections is designed as an opportunity to connect individuals who face such challenges. Once a network is established, ideas on programming can be shared, and common concerns and solutions can be offered. Additionally, a stable of prepackaged presentations (complete with possible speakers or, in some cases, designed to be offered with local facilitators) can be created. Some potential sessions could include a cost; others may be available without cost. The SOA, along with the Management & Personal Development Section, would bring interested parties together

This reception is open to all meeting attendees. There is a nonrefundable fee of \$35 per person. Please include the additional fee with your registration.

Coordinator: Michael M. Braunstein, ASA, MAAA

Tuesday, Oct. 19

6:00 – 8:00 p.m.

Session 107

Session Sponsors: International, Chinese Actuarial Club, International Association of Black Actuaries, Caribbean Actuarial Association

International Section Dinner

Start your night on the town with the International Section, the International Association of Black Actuaries, the Caribbean Actuarial Association and the Chinese Actuarial Club. All are welcome to join us for fun, a delicious dinner and global actuarial news. Enjoy a banquet dinner, networking and other entertaining events at one of the city's great Chinese restaurants. Come to see old friends and make plenty of new ones from all around the world.

This dinner is open to all meeting attendees and their registered guests. There is a nonrefundable fee of \$50 per person. Please include the additional fee with your registration.

Coordinator: Michael J. Lockerman, FSA, MAAA

Wednesday, Oct. 20
7:30 – 8:45 a.m.

Session 109

Session Sponsor: Health

Health Section Hot Breakfast

Chairperson: Beth K. Grice, FSA, MAAA
Presenter: John M. Bertko, FSA, MAAA

Join the Health Section for breakfast and discussion of health care industry issues. Network and enjoy breakfast as the group discusses issues related to health care systems, providers, management, policies, etc.

This breakfast is open to all meeting attendees. There is a nonrefundable fee of \$15 per person. Please include the additional fee with your registration.

Coordinator: Beth K. Grice, FSA, MAAA

Wednesday, Oct. 20
7:30 – 8:45 a.m.

Session 110

Session Sponsor: Financial Reporting

Financial Reporting Section Hot Breakfast

Chairpersons: Craig A. Buck, FSA, MAAA; Steven F. Malerich, FSA, MAAA

Please join us for an update on the council's activities, a great networking opportunity and the passing of the Financial Reporting Green Jacket.

This breakfast is open to all meeting attendees. It is free for Financial Reporting Section members to attend. There is a nonrefundable fee of \$15 for all others. Please include the additional fee with your registration.

Coordinator: Craig A. Buck, FSA, MAAA

Wednesday, Oct. 20

9:00 – 10:15 a.m.

Session 112 Panel Discussion

Session Sponsor: Financial Reporting

Competency: Strategic Insight & Integration

Rating Agency Perspective

Moderator: Basha H. Hoffman, FSA, MAAA

Presenters: Matthew Carroll; Scott A. Robinson, FSA, MAAA

This session will focus on how rating agencies view individual companies and the life insurance industry as a whole. Areas that will be covered include: what factors are significant for the rating evaluation, what factors are driving recent downgrades and what factors could change the outlook of a company or the industry. Presenters will discuss financial and business factors that are considered in the overall evaluation.

Coordinator: Basha H. Hoffman, FSA, MAAA

Wednesday, Oct. 20

9:00 – 10:15 a.m.

Session 113 Debate

Session Sponsor: Forecasting & Futurism

Competency: Strategic Insight & Integration

Is Prediction Possible?

Moderator: Benjamin Steward Wadsley, FSA, MAAA

Presenters: Melissa Corso; David A. Moore, FSA, MAAA; Chris E .Stehno

Nearly every actuary engages in some type of prediction. But when is accurate prediction possible? Experts in predictive modeling will address the 'Is prediction possible?' question as well as examine new frontiers in predictive modeling.

Coordinator: Benjamin Steward Wadsley, FSA, MAAA

Wednesday, Oct. 20
9:00 – 10:15 a.m.

Session 114 Lecture

Session Sponsor: Health
Competency: Technical Skills & Analytical Problem Solving

Provider Payment Reform and Risk Adjustment

Moderator: John Patrick Kinney III, FSA, MAAA
Presenters: Tia Goss Sawhney, FSA, MAAA; Greger J. Vigen, FSA

With an aging population and ever-rising health care costs, payers and provider organizations are exploring alternative care delivery structures and payment systems such as patient-centered medical homes (PCMHs) and accountable care organizations (ACOs) that reward high quality of care, encourage better care coordination and incentivize prudent stewardship of resources. Risk adjustment is playing an important role in determining fair global capitation rates and in evaluating the efficacy of the new delivery systems.

We will discuss what risk adjustment models and tools are needed in ACOs and PCMHs, how they are developed, and the practical issues to be considered when applying risk adjustment.

Coordinator: Ross A. Winkelman, FSA, MAAA

Wednesday, Oct. 20
9:00 – 10:15 a.m.

Session 115 Open Forum

Session Sponsor: Health
Competency: External Forces & Industry Knowledge

Untapped Opportunities for Actuaries in Health: The Next Frontier

Moderator: Sara Corrough Teppema, FSA, FCA, MAAA
Presenters: Jennifer L. Gillespie, FSA, MAAA; Rebecca Louise Johnson

Market research conducted in 2009 showed that health actuaries have many potential opportunities in the broader health care industry. Certain technical expertise and business skills can give individuals a career boost. Research and the branding of the "health actuary" can move us ahead as a profession.

This session will provide a forum to discuss this strategic initiative and what it means for your career and our profession.

Coordinator: Sara Corrough Teppema, FSA, FCA, MAAA

Wednesday, Oct. 20

9:00 – 10:15 a.m.

Session 116 Panel Discussion

Session Sponsor: International

Competency: External Forces & Industry Knowledge

Some Actuarial Perspectives on Asia

Moderator: Genghui Wu, FSA, FCIA, MAA

Presenters: Mike Lombardi, FSA, CERA, FCIA, MAAA; Genghui Wu, FSA, FCIA, MAAA; Lina Xu, FSA, MAAA

This session will cover two aspects in particular. First, a recent industry mortality experience study by gender, underwriting class, attained age, policy year and/or cause of death, as well as the mortality improvement, contrasted across various countries in the region and to the United States. The second topic covers changes in financial reporting (IFRS), solvency requirements and pricing practices, particularly in Korea and Japan, and implications for actuaries, products and insurance companies there.

Coordinator: Kuo Cheng (Joe) Chou, FSA, MAAA

Wednesday, Oct. 20

9:00 – 10:15 a.m.

Session 117 Panel Discussion

Session Sponsors: Investment, Joint Risk Management

Competency: External Forces & Industry Knowledge

Capital and Liquidity Management After the Crisis

Moderator: George E. Christopher, FSA, MAAA

Presenters: George E. Christopher, FSA, MAAA; Peter Marshall; Clinton J. Thompson, FSA, MAAA

In 2008, liquidity showed its ability to evaporate even from the most liquid of markets. Everyone was holding on to their cash. Capital was a concern for many insurance companies.

This session will explore the interaction between the insurers and the capital markets and the ways to successfully mitigate these risks by focusing on:

- What are the implications to insurers?
- What funding strategies are available to insurers?
- Managing liquidity gap.
- What are the relevant stress scenarios for testing liquidity and funding risks?
- How capital management and liquidity management interact.

Coordinator: Frank Zhang, FSA, MAAA

Wednesday, Oct. 20
9:00 – 10:15 a.m.

Session 118 Panel Discussion

Session Sponsor: Pension
Competency: Technical Skills & Analytical Problem Solving
Core Credit: 75 Minutes

Statutory Hybrid Plans

Moderator: Ellen L. Kleinstuber, ASA, EA, FCA, MAAA, MSPA
Presenters: David R. Godofsky, FSA, EA, FCA, MAAA; Sarah W. Wright, FSA, EA, FCA, MAAA

Statutory hybrid plans have come under much scrutiny and have spawned many lawsuits addressing issues of discrimination, anti-cutback violations and participant communication issues. Experts on these plans discuss the final Treasury regulations on statutory hybrid plans and implications for employers that sponsor these plans (or, if not issued prior to the meeting, what is expected to be addressed in those regulations and how plan sponsors have been coping with those issues in the interim).

Issues that may be addressed include market rate of return, conversion from a traditional DB plan, back-loading and valuation of benefits under PPA.

Coordinator: Michael L. Libman, ASA, EA, FCA, MAAA, MSPA

Wednesday, Oct. 20
9:00 – 10:15 a.m.

Session 119 Panel Discussion

Session Sponsor: Pension
Competency: External Forces & Industry Knowledge
Noncore Credit: 75 Minutes

Impact of Housing on Economic Security in Retirement

Moderator: Anna M. Rappaport, FSA, EA, MAAA
Presenters: Thomas N. Herzog, ASA; Anna M. Rappaport, FSA, EA, MAAA; Donald Redfoot, Ph.D.

SOA research shows that for middle and middle affluent Americans aged 55–64, nonfinancial assets (primarily housing) are about 70 percent of their assets (excluding the value of DB pensions and Social Security). Housing is extremely important to retirement well-being, and use of housing wealth will be an issue of increasing importance. Yet SOA research shows that only 10 percent of retirees and 20 percent of pre-retirees have plans to use housing wealth to help finance retirement.

The SOA has published a monograph including 10 papers on housing wealth and retirement. Learn about options for using housing wealth in retirement (such as reverse mortgages), how housing is integrated into retirement planning, and hear the highlights of papers on this key but largely unexplored topic.

Coordinator: Ellen L. Kleinstuber, ASA, EA, FCA, MAAA, MSPA

Wednesday, Oct. 20
9:00 – 10:15 a.m.

Session 120 Panel Discussion

Session Sponsor: Product Development
Competency: Strategic Insight & Integration

Product Development Process—Speed to Market or Organization, Process and Tools

Moderator: Mitchell R. Katcher, FSA, MAAA
Presenters: Mitchell R. Katcher, FSA, MAAA; Susan Penta

There is no lack of good ideas in our industry; however, there sometimes is a lack of execution. Having a disciplined, repeatable product development process that brings the right people and disciplines in at the right time can often be a competitive advantage. An effective process results in more projects coming in on time and on budget. A robust process with check points ensures a project must meet its requirements to make it through the entire process and bring a new product to market.

This session will explore the product development process, including successful prioritization and selection of product development projects and keys to successful implementation.

Coordinator: Mitchell R. Katcher, FSA, MAAA

Wednesday, Oct. 20
9:00 – 10:15 a.m.

Session 121 Panel Discussion

Session Sponsor: Reinsurance
Competency: Technical Skills & Analytical Problem Solving

Considerations and Differences between Reinsuring Small Limited-Underwriting Products versus Fully Underwritten Large Amount Policies

Moderator: H. Michael Shumrak, FSA, FCA, MAAA
Presenters: D. Leigh Harrington, FSA, MAAA; Vadim D. Marchenko, ASA, MAAA; William Moore

The panel will consist of reinsurance practitioners with practical experience with either or both limited and full medical and financial underwriting processes. They will compare and contrast the considerations, methodologies and pricing approaches for developing mortality assumptions for a range of market product underwriting situations they have encountered in the marketplace. They will also comment on how to monitor ceding company underwriting processes once they have committed to reinsure these programs.

Coordinator: H. Michael Shumrak, FSA, FCA, MAAA

Wednesday, Oct. 20

9:00 – 10:15 a.m.

Session 122 Panel Discussion

Session Sponsor: Technology
Competency: Results-Oriented Solutions

High Performance Computing and the Actuary

Moderator: Timothy Glenn Deitz, ASA, MAAA
Presenters: David T. Dorfman; Greg Keller

In this panel discussion, cloud computing experts will address the challenges faced by actuaries and insurance companies as they address their high performance computing needs. Topics such as cloud bursting, security, SAAS vs. IAAS, and communications bandwidth will be discussed. The information will be presented for the business audience with the goal of demystifying the topic and providing practical guidance for actuaries who are faced with ever-expanding computing capacity needs.

Coordinator: Tim A. Pauza, ASA

Wednesday, Oct. 20

9:00 – 10:15 a.m.

Session 123 Panel Discussion

Session Sponsor: Joint Risk Management
Competency: Technical Skills & Analytical Problem Solving

Risk Adjusted Performance Measurement: Alternative Viewpoints

Moderator: Gerald M. Adamski, FSA, MAAA
Presenters: Eric Berg, CFA, CPA; Larry H. Rubin, FSA, CERA, FCA, MAAA; Darin G. Zimmerman, FSA, MAAA

With meaningful measurement of value, companies that can better measure their own economic performance can get a leading edge in pricing and acquisitions.

Most current measurements used to manage insurance businesses may not be based on a sufficiently economic approach. Some methods look at performance assessment based on matching expenses with revenue; others look at an absolute value performance; while some look at performance relative to the company's alternative strategies. Too often, they provide limited disclosure of where risks are being taken and may not appropriately compare the benefits of underwriting risk versus the benefits of investment risk.

Discussion leaders will examine performance management under existing measurement frameworks, speak to techniques for measuring underwriting gains and provide insight to an alternative measurement that explicitly considers the economic value created through underwriting gains.

Coordinator: Gerald M. Adamski, FSA, MAAA

Wednesday, Oct. 20
9:00 – 10:15 a.m.

Session 124 Panel Discussion

Session Sponsor: Long-Term Care Insurance
Competency: External Forces & Industry Knowledge

The LTC Compact and Its Impact

Moderator: Erik Tecumseh Poppe, FSA, MAAA
Presenters: Alice M. Fontaine, FSA, FCA, FCIA, MAAA; Erik Tecumseh Poppe, FSA, MAAA

Once the LTC Compact is adopted, the member states will have uniform standards for long-term care insurance products. Insurance companies will be able to obtain product approval in all of the member states with just one filing. They will be able to get to market more quickly with new products. Will the LTC Compact have other effects?

For this session, the details of the LTC Compact will be presented along with the potential impact on insurance companies.

Coordinator: Jason (Jay) B. Bushey, FSA, MAAA

Wednesday, Oct. 20
8:30 – 10:15 a.m.

Session 125 Open Forum

Session Sponsors: Social Security Committee, Social Insurance & Public Finance
Competency: External Forces & Industry Knowledge

Social Insurance Projections: Methods and Models

Moderator: Sam Gutterman, FSA, CERA, FCA, FCAS, HONFIA, MAAA
Presenters: Stephen C. Goss, ASA, MAAA; Jean-Claude Menard, FSA, FCIA

The future income and outgo of a social insurance scheme depend on many interrelated demographic and economic factors including fertility, mortality, migration, labor force participation rates, average earnings, inflation, retirement patterns, disability rates and investment returns. This session will explore these factors as they apply to projections made in both North America and the world.

The income of a social insurance scheme usually includes both contributions and investment earnings. The projection of contributions begins with a projection of the working-age population. This requires assumptions regarding the demographic factors of fertility, mortality and migration. Total contributory earnings are derived by applying labor force participation and job creation rates to the projected population and by projecting future employment earnings. This requires assumptions regarding the number of earners, earnings distributions, wage increases and unemployment rates. Investment earnings are projected based on the existing portfolio of assets, projected net cash flows and the assumed rates of return on investments.

Similarly, the outgo of a social insurance scheme will depend on how certain factors affect the size and composition of the beneficiary population and the general level of benefits. Expenditures are made up of the benefits paid out and related administrative expenses. New benefits are projected by applying demographic assumptions regarding retirement, disability and death to the eligible populations, together with the benefit provisions and the earnings histories of the participants. The projection of total benefits, which includes the projection of benefits already in pay at the valuation date, requires further assumptions, including an assumption regarding the rate of increase in prices. Administrative expenses are projected based on historical experience and planned initiatives that could impact future levels.

The projections usually cover a long period of time (e.g., 75 years), so that the future impact of historical and projected trends in demographic and economic factors can be properly assessed and can contribute to an informed public discussion of issues related to it.

Coordinator: Sam Gutterman, FSA, CERA, FCA, FCAS, HONFIA, MAAA

Wednesday, Oct. 20
9:00 – 10:15 a.m.

Session 126 Interactive Forum

Session Sponsor: Society of Actuaries
Competency: Strategic Insight & Integration

On the Role of the Actuary in a Changing World

Moderator: John W. Robinson, FSA, MAAA, FCA
Presenter: John Gordon

These are challenging times for the actuarial profession. The world is entering a period of great change, with old paradigms being tested as never before and with the financial services industry being subjected to more scrutiny than ever before.

If the profession is to prosper in this changing climate, it will need a radical change in its approach. The world needs actuaries, but, in light of recent events, could be forgiven for thinking otherwise. The profession has much to say about its risk management and public interest credentials, but its deeds will continue to fall short of its rhetoric, as long as it has so little to say about the risks or public interest issues that really matter.

Using relevant examples, it is the aim of this session to explore what the profession should be doing to both fulfil its own aspirations and change the world's mind. There are many opportunities for the profession to expand its influence, but unless and until it learns the lessons of the past and fully recognises the challenges of the present, the profession's aspirations to exploit them will remain just that. The stakes could not be higher.

Coordinator: Ronald L. Poon-Affat, FSA, FIA, MAAA

Wednesday, Oct. 20
10:45 a.m. – Noon

Session 128 Interactive Forum

Session Sponsors: Health, Employee Benefits Network
Competency: External Forces & Industry Knowledge

The Value of Wellness Rewards

Moderator: Scott D. Haglund, FSA, MAAA
Presenters: Steven F. Cyboran, ASA, FCA, MAAA; Barry Matthew Lichman, ASA, MAAA

According to a study conducted by the Integrated Benefits Institute, 91 percent of the workforce has a chronic condition. The relatively poor health of the workforce has the potential to undermine an institution's ability to execute its strategy. The speakers will review a study of 283 employers representing more than 2 million employees, headquartered in 44 different states. They will review an approach for evaluating the impact of various health initiatives in order to understand the impact strategies and practices have on driving outcomes such as health, absence and turnover.

The presenters will facilitate a round table discussion around how an actuarial model for wellness might be structured. The discussion will include possible applications for this type of a model, sources of data to populate the model and potential challenges in developing such a model.

Coordinator: Scott D. Haglund, FSA, MAAA

Wednesday, Oct. 20
10:45 a.m. – Noon

Session 129 Panel Discussion

Session Sponsor: Health
Competency: Strategic Insight & Integration

Quality and Efficiency Research

Moderator: Arthur L.Wilmes, FSA, MAAA
Presenters: Greger J. Vigen, FSA; Arthur L.Wilmes, FSA, MAAA

Improving health care quality through evidence-based medicine is one of the leading ideas for reducing health care spending. Actuaries can help analyze the feasibility and long-term sustainability of proposed plans. That insight can help inform decision making in the broader health care industry. In this session, presenters will discuss the latest research, including projects sponsored by the SOA.

Coordinator: Joan C. Barrett, FSA, MAAA

Wednesday, Oct. 20
10:45 a.m. – Noon

Session 130 Panel Discussion

Session Sponsors: Investment, Joint Risk Management, Education & Research
Competency: External Forces & Industry Knowledge

The Efficient Market Hypothesis and the Current Market Environment

Moderator: Bruce B. Rosner, FSA, MAAA
Presenters: Richard Joss, FSA; David J. Merkel, FSA

Almost 50 years after it became famous, the efficient market hypothesis remains a controversial theory that has failed to explain the major market bubbles and collapses over that period. Our session aims to review implied forward interest rates, volatilities and other market parameters, and assess what can be learned and what can be expected in the future.

Coordinator: Bruce B. Rosner, FSA, MAAA

Wednesday, Oct. 20
10:45 a.m. – Noon

Session 131 Panel Discussion

Session Sponsor: Joint Risk Management
Competency: Technical Skills & Analytical Problem Solving

The Design and Control of Efficient VA Models

Moderator: Jason Christopher Alleyne, FSA, FCIA, FIA
Presenters: Anthony Dardis, FSA, CERA, FIA, MAAA; Trevor C. Howes, FSA, FCIA, MAAA

The use and effectiveness of financial and risk assessment models for VA business have come under greater scrutiny following the recent financial crisis and the increased cost of funding the guarantees in those products. Product designs have been reviewed and rationalized, and hedging or other risk mitigation programs have attracted increased attention. VACARVM and C3 Phase II reporting with the option of claiming credit for a clearly defined hedging strategy increase the performance and control expectations on these models.

How have companies coped with these demands, and what trade-offs have been made to meet reporting time frames and budgetary constraints? How might model efficiency and control be improved? This session will help the practitioner identify what issues should be considered in evaluating existing models, or in planning enhancements.

Coordinator: Jason Christopher Alleyne, FSA, FCIA, FIA

Wednesday, Oct. 20
10:45 a.m. – Noon

Session 132 Panel Discussion

Session Sponsor: Marketing & Distribution
Competency: Strategic Insight & Integration

Serving the Middle Market

Moderator: Jeffrey E. Johnson, ASA, MAAA
Presenters: Brian Grigg, CFP, CLU, ChFC, FLMI; Jeffrey Shaw, CLU, ChFC

Selling products to the “middle market” isn’t easy. Consumers in this market have many competing financial priorities, and they do not have much discretionary income, so getting them to buy insurance before spending it on a product with a more immediate feel-good impact is a tall order. First, the market must be clearly defined. Then the product offering must be one that “middle market” consumers can affordably prioritize against their myriad of competing economic goals. Finally, product delivery must occur in a mode that these consumers frequent.

Panelists will compare definitions of the “middle market,” share profiles of consumers that live in that market, suggest products that interest those consumers, and identify insurance needs in this market that are not being met. Attendees will also learn what it takes to be a successful “middle market company.”

Coordinator: Jeffrey E. Johnson, ASA, MAAA

Wednesday, Oct. 20
10:45 a.m. – Noon

Session 133 Panel Discussion

Session Sponsor: Pension
Competency: External Forces & Industry Knowledge
Noncore Credit: 75 Minutes

Executive Retirement Benefits—Navigating the Changing Landscape

Moderator: Penny A. Bailey, FSA, EA, MAAA
Presenters: Douglas B. Frederick, FSA, EA, FCA, MAAA; Arthur F. (Woody) Woodard

Focusing on mitigating risk and the return on investment (ROI) is essential for all benefit programs. Revalidating executive benefit objectives is especially critical now given the heightened scrutiny on all forms of executive pay coupled with the pivotal role that retirement benefits can play in the overall executive remuneration package.

In this session, we will discuss the regulatory and legal environment for nonqualified retirement plans. We will also discuss key steps that can be taken to maximize the ROI on executive retirement plans to better support stakeholder expectations, align with current business needs and keep pace with the changing retirement landscape, as well as mitigate potential cost and benefit risks.

Coordinator: Penny A. Bailey, FSA, EA, MAAA

Wednesday, Oct. 20
10:45 a.m. – Noon

Session 134 Panel Discussion

Session Sponsor: Pension
Competency: Strategic Insight & Integration
Noncore Credit: 75 Minutes

ERM and Its Application to Pensions

Moderator: Jeremy Gold, FSA, CERA, MAAA
Presenters: Jessie Reid Bunting, FSA, ACA, EA; Diane Coogan; Gary A. Hatfield, FSA, CERA

Typically pension risk is managed in isolation from the risks of the sponsor. This session will discuss a framework for actuaries working in conjunction with risk managers to manage pension risk holistically from the enterprise level. The SOA Pension ERM Task Force will present its findings on best practices to pension risk management in relation to funding, accounting, investments and benefits.

Coordinator: Jessie Reid Bunting, FSA, ACA, EA

Wednesday, Oct. 20
10:45 a.m. – Noon

Session 135 Panel Discussion

Session Sponsor: Product Development
Competency: External Forces & Industry Knowledge

Products for the Retirement Market

Moderator: Paul O. Pflieger, FSA, MAAA
Presenters: Tamara Burden, FSA, MAAA; John M. Fenton, FSA, MAAA; Howard Schneider

With a shaken confidence in the markets and baby-boomers heading into retirement in large numbers, a new imperative has emerged to provide consumers with products that produce stable and secure retirement incomes. The approaches used by companies to provide incomes generally follow one of three different methodologies.

Attendees of this session will learn about the three main methods of providing retirement income and their associated financial risks. In addition, examples of new products that address these risks will be shared.

Coordinator: Paul O. Pflieger, FSA, MAAA

Wednesday, Oct. 20
10:45 a.m. – Noon

Session 136 Panel Discussion

Session Sponsor: Taxation
Competency: Technical Skills & Analytical Problem Solving

Deferred Tax: An Actuarial, Tax and Regulatory View

Moderator: Christian J. DesRochers, FSA, MAAA
Presenters: Steven K. Beaver; Craig Pichette, CPA; Edward L. Robbins, FSA, MAAA; Jim Shea, J.D.

What is a deferred tax asset? How do you determine how much is admitted, and what difference does it make? Why is the projected reversal of book/tax differences important in computing this amount? Join us as an expert panel answers these questions and more on the timely subject of the deferred tax asset. The presentation will be at a basic level, so all are welcome.

Coordinator: Kristin A. Schaefer, FSA, MAAA

Wednesday, Oct. 20
10:45 a.m. – Noon

Session 137 Panel Discussion

Session Sponsor: Technology
Competency: Technical Skills & Analytical Problem Solving

Gartner Survey—The Actuarial Technology Perfect Storm

Moderator: Eddie John Edward Smith IV, FSA, MAAA
Presenters: Steve Leigh; Tim A. Pauza, ASA; Eddie John Edward Smith IV, FSA, MAAA

In this panel discussion, both past and recent survey results will be discussed primarily as they relate to the emerging challenges facing the IT and actuarial departments. Several converging trends related to the increasing complexity of the actuarial position, emerging technical capabilities and the lack of a solid IT/actuarial operating model are conspiring to transform the future for actuarial technology. A panel of actuaries and IT professionals, along with Steve Leigh from Gartner, will discuss these large-scale trends and make recommendations about how to prepare for these changes.

Coordinator: Tim A. Pauza, ASA

Wednesday, Oct. 20
10:45 a.m. – Noon

Session 138 Open Forum

Session Sponsors: Social Security Committee, Social Insurance & Public Finance
Competency: Technical Skills & Analytical Problem Solving

Social Insurance Projections: Uncertainty and Communications

Moderator: Michel Montambeault, FSA, FCIA

Presenters: Sam Gutterman, FSA, CERA, FCA, FCAS, HONFIA, MAAA; Alice H. Wade, ASA, EA, MAAA

To develop sound and objective long-range projections of social insurance programs, the uncertainty associated with these projections has to be recognized, understood, quantified and clearly communicated. Various techniques have been developed for this purpose and will be discussed in this session.

For example, the following methods that emphasize the significant uncertainty that surrounds the estimates based on the most likely set of assumptions will be explored:

1. Estimates based on alternative sets of low-cost and high-cost assumptions: For example, the low-cost alternative can assume relatively rapid economic growth, low inflation, and favorable demographic and program-specific conditions, while the high-cost alternative assumes relatively slow economic growth, high inflation, and unfavorable demographic and program-specific conditions.
2. Estimates based on long-range sensitivity analysis: These estimates can illustrate the sensitivity of the long-range projections to changes in selected individual assumptions. Using the intermediate projection as the reference point, one assumption at a time is varied.
3. Results from independent stochastic simulations of the long-range projections: These projections provide an indication of the probability that actual future experience will be inside or outside the range of estimates provided in (1). Each of the simulations is determined by allowing individual assumptions to vary throughout the period. The fluctuation in each variable can be projected using standard time-series modeling.

Coordinator: Sam Gutterman, FSA, CERA, FCA, FCAS, HONFIA, MAAA

Wednesday, Oct. 20
1:30 – 2:30 p.m.

Session 140 Open Forum

Session Sponsors: Social Security Committee, Social Insurance & Public Finance
Competency: Technical Skills & Analytical Problem Solving

Social Insurance Projections: Migration 1

Moderator: Robert L. Brown, FSA, ACAS, FCIA, HONFIA
Presenters: Roberto Ham-Chande; J. Bruce MacDonald, FSA, FCIA, MAAA

The international migration assumption and its interrelationships with other elements of long-range projections are a key component of the long-range projections of social insurance programs.

Many fundamental factors affect and are affected by the level and type of migration into a given economy. This session will explore some of these factors, some transitory and others permanent, focusing on how they relate to the experience of social insurance programs.

Those who migrate (both into and out of a country) can have different demographic characteristics, different demographic (fertility, disability and mortality) experience than the native population, and different economic characteristics (wages) and effects on the overall economy. Thus, migration flows can be expected to affect the long-term financial sustainability of social insurance programs.

Current methods used to develop these assumptions are further explored in the next session dealing with migration.

Coordinator: Sam Gutterman, FSA, CERA, FCA, FCAS, HONFIA, MAAA

Wednesday, Oct. 20
3:00 – 4:30 p.m.

Session 141 Open Forum

Session Sponsors: Social Security Committee, Social Insurance & Public Finance
Competency: Technical Skills & Analytical Problem Solving

Social Insurance Projections: Migration 2

Moderator: Tiffany A.G. Bosley, ASA

Presenters: Michel Montambeault, FSA, FCIA; Michael Morris, ASA; Jennifer M. Ortman, Ph.D.

This session will build on the overall discussion of international migration of the prior session. It will focus on current projection methodologies used by the Social Security Administration (U.S.) and the Canada Pension Plan.

Long-range social insurance projections are based upon the current composition of the working age and beneficiary populations and how they will evolve over time. Developing reasonable and appropriate international migration projections is important because migration will continue to play an important role in determining the overall growth rate and distributional characteristics of a nation's population. Historically, international migration has been volatile and tied to changing national immigration policies. A fundamental question is whether these projections should assume that national immigration policies change in the future.

The projection of international migration is often divided into several segments, each of which can have different characteristics. It may be important to treat these segments separately in developing projection methods and assumptions. For example, breaking out the flow of international migration into the following five major components may be important for this purpose:

- Legal immigrants entering the country for permanent residence;
- "Other" immigrants entering the country, consisting of illegal immigrants (i.e., unauthorized and undocumented migrants) and certain legal non-immigrants (i.e., temporary legal residents);
- Persons entering as "other" immigrants and later becoming legal permanent residents;
- Departures from the country by other immigrants; and
- Departures from the country by legal immigrants, naturalized citizens and native born citizens.

In developing overall demographic projections, each of these international migration flows should be subdivided by age, sex and marital status. The socioeconomic characteristics of each component should be considered, including fertility, disability, retirement and mortality patterns of the native and nonnative population. Differences in their types of employment (for example, full-time, part-time, underground), average employment earnings and labor force participation rates could also be recognized. On the other hand, subdividing the general population into its subgroups to recognize these factors adds complexity and may require making some assumptions for which little or no historical data exist.

Coordinator: Sam Gutterman, FSA, CERA, FCA, FCAS, HONFIA, MAAA