



SOCIETY OF ACTUARIES

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Reinsurance news

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LEARN Initiative

By Jeffrey S. Katz

As with any practitioner in an esoteric field, those of us who work in the far corner of the universe known as Reinsurance rarely pause to consider the knowledge base that allows us to function smoothly in our daily work. Unfortunately, certain groups with the need for such knowledge may have no convenient way to obtain it. The purpose of the SOA Reinsurance Section's LEARN initiative is to address that need.

LEARN, which stands for Life Education and Reinsurance Navigation, is currently focused on providing reinsurance knowledge to state regulators. The LEARN team also sees the potential need among other groups, once we have addressed the need among regulators. The LEARN team understands that different groups will have different educational needs, depending on the breadth and depth of their experience. Even within a group, there are different areas and levels of expertise. The audience among state regulators has included actuaries, examiners and an occasional visit from the commissioner or



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a deputy. We take this variety into account to the extent possible in developing LEARN content. We also make clear our willingness to answer questions or provide information beyond the LEARN session. Ultimately, the LEARN team wants to be viewed as the go-to resource for questions about life reinsurance.

The content emphasizes life reinsurance topics. The core curriculum includes such all-time favorites as kinds of reinsurance, reinsurance treaties, credit for reinsurance, and risk transfer. More advanced topics include statutory versus economic reserves, structured financing of redundant reserves, and principle-based accounting. Clearly, some topics go beyond purely reinsurance into more general actuarial topics. The team intended from the start to make such topics available as part of LEARN, as they are at times so closely intertwined with reinsurance concepts as to be an essential part of the knowledge we want to impart. Still, there are limits to what we can comfortably deliver, which we work through for each session with the group involved.

The various topics lend themselves to differing levels of detail, subject to further tailoring based on the needs of the audience. For example, the material covering the Credit for Reinsurance model law and regulation tends to be more of a summary. On the other hand, our presentation on risk transfer covers each point of the Life & Health Reinsurance Agreements model regulation.

While the LEARN syllabus includes topics of substance that can add up to a full-day session, we have tailored the material for each state insurance department presentation to suit that department's specific needs. We would prefer to spend our time on topics most important to each audience, so long as we can deliver the appropriate level of quality and expertise. Other topics of interest the team has covered include cash flow testing, underwriting audits, reserve credit for reinsured policies with premiums paid in modes other than annual, and the Patient Protection and Affordable Care Act (a.k.a., Health Care Reform).

The map on pg. 7 shows the five states where LEARN presentations have taken place (as this is being written), along with upcoming sessions that have been

scheduled. The LEARN team has received positive feedback each time we've presented. The team has a full calendar for 2011, with presentations now being scheduled for 2012. One key to the success of the program is accessibility. Particularly in light of the budget constraints state governments face, the Reinsurance Section Council is assuring accessibility to LEARN by funding the travel expenses for the LEARN team when we travel to state departments of insurance. LEARN provides the presenters and the information, conveniently delivered to the regulators' location; all they have to supply is a room and an audience. Depending on the professional backgrounds of those who attend a LEARN session, continuing education credits may be available. This has been a secondary benefit for some attendees. However, the program is not designed specifically for that purpose, and the team does not intend to pursue certification for such credits. Having said that, we believe that the content meets the requirements for credit under both the Society's and Academy's approaches.

CREDIT WHERE IT'S DUE

Speaking of credit, LEARN is the brainchild of Ronnie Klein, during his recent term as chairman of the Council. Council member Gaetano Geretto played a key role in recruiting the LEARN team, including his recruiting of Kelly Levy to serve as LEARN Coordinator. Sean Burt, Jeff Burt and I were the original presentation team, with Michael Frank replacing Sean late in 2010. When Kelly stepped up to the role of Council vice-chair, Scott Meise took over as LEARN Coordinator.

The team prepared its own presentation materials, but we could not have done so without advice and input from several Council members and other actuaries active in the Section and the ACLI.

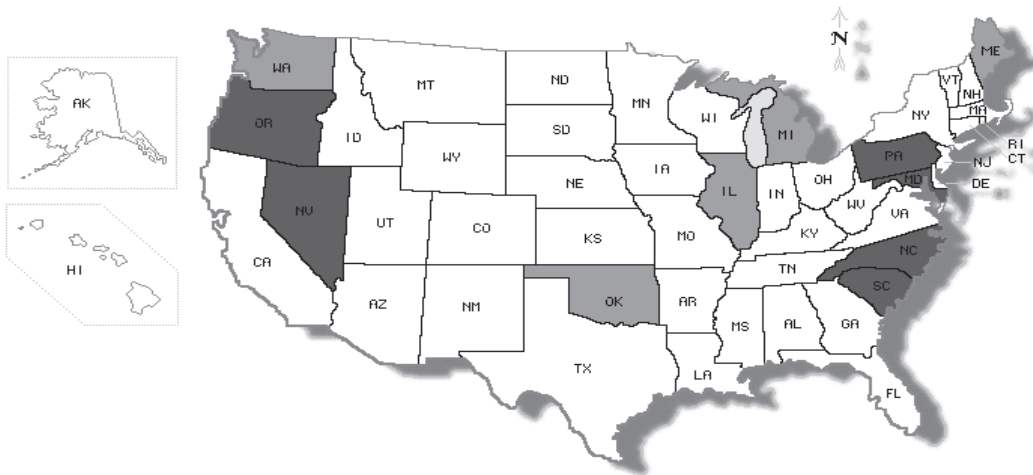
JUST THE FACTS

LEARN is focused on education. The team is not engaged in advocating positions on any issue. We recognize that at times we will discuss issues where there are open questions or even disagreements. In those situations, we attempt to explain differing views on an issue without taking sides.

“THE MAP SHOWS THE FIVE STATES WHERE LEARN PRESENTATIONS HAVE TAKEN PLACE ... ALONG WITH UPCOMING SESSIONS THAT HAVE BEEN SCHEDULED.”

LEARN

- - Complete
- - Scheduled



TIME TO GROW

The LEARN team has considered additional ways to expand to audiences beyond the initial set. One essential element in doing so is assuring that the quality of the program is maintained. Depending on the direction taken, we might need to cover additional areas of expertise requiring new team members. It is even possible there would need to be a second team. In any case, with the lineup of presentations already scheduled into next year, the team would welcome additional members who feel they have something to contribute to the effort

and who would value the opportunity. If you resemble that description, please get in touch with Scott Meise or myself. Those of us on the team have benefitted from developing the more thorough understanding of key reinsurance issues needed to serve as an expert presenter. We have also benefitted from gaining a first-hand view of issues our regulators consider important.

As a second pitch, the team would also welcome inquiries regarding 2012 LEARN sessions. If you know of a group that would benefit from a session, please let Scott or me know, or provide our names as contacts. ■

ReFocus 2011

By Ronnie Klein



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We are just emerging from the worst financial crisis of our lifetimes. Our companies are cutting expenses by reducing staff, consolidating or selling entities and restricting travel. Most Society of Actuaries (SOA) industry meetings have decreasing attendance figures—yet the ReFocus 2011 conference had a record attendance of 360 people!

You may ask why ReFocus has been so successful? To me it is quite clear. First, this is a joint effort by the American Council of Life Insurers (ACLI) and the SOA, bringing different views and resources to the table. Next, the Programming Committee is dedicated to improving the conference with new ideas, many of which come from attendees through the post-meeting survey or at the meeting itself. Finally, the architect of ReFocus and new “Legend of the Industry,” Mel Young, brings his vision, vast experience and extensive contact list to the conference. Without Mel, ReFocus would just be another meeting.

For those of you who did not attend ReFocus 2011, you missed more than a great opportunity to network with leading industry executives and take part in informative sessions. You missed one of the best keynote speakers in the industry today: Michael Lewis, author of the *Blind Side* and the *Big Short* (amongst other top sellers) awed a full house with details of the financial crisis from his perspective. He was honest, genuine, engaging and quite humorous. The story about Brad Pitt’s meeting with his young daughter was charming. This session was clearly the highlight of the meeting.

ReFocus has matured into much more than a domestic reinsurance conference. With this year’s theme of Distribution, the meeting has become a haven for executives from direct insurers, reinsurers, consulting firms, law firms, banks, rating agencies and regulators. In fact, about one-third of the attendees were from reinsurance companies and more than one-quarter of the attendees were from direct insurers. Twenty-seven of the attendees work outside of the United States in countries such as Germany, Switzerland, Ireland, United Kingdom, Canada and Bermuda. We even had an attendee from

Hawaii. Please note that I did not consider West Des Moines, Iowa or Lenexa, Kan. on my list of foreign countries as some of my colleagues recommended.

Where else can you rub elbows with reinsurance icons such as Ajit Jain, Greig Woodring and Diane Wallace, and insurance executives such as Butch Britton, David O’Malley or Jim Hohmann? In short, ReFocus is becoming *the* insurance conference of the year. Who knows, next year the Programming Committee may try to attract non-life insurance and reinsurance executives to the party. Watch out Monte Carlo!

Overall, of the 25 percent of attendees who responded to the post-conference survey, an overwhelming majority (74 percent) rated the conference as ‘Very Good’ or ‘Excellent.’ What are the survey respondents suggesting for improvements? It seems that some attendees would like to move the conference to the middle of the Las Vegas Strip, while others would like it moved to the East Coast of the United States to better entice more international attendees. These suggestions are common and have been and will continue to be seriously considered. Some comments focused on the lack of a pure reinsurance theme. This has been the topic of a debate within the Programming Committee. The general consensus is that reinsurers need to have a better understanding and develop solutions for the issues and concerns of their clients. Distribution, for example, is a major issue for insurers and reinsurers need to better understand this issue and provide practical and helpful solutions. One of the well-rated general sessions focused on programs developed by reinsurers abroad to assist insurers with new and innovative methods to approach new and existing policyholders.

Of all the positive aspects of the ReFocus Conference, the most positive is that approximately one-half of the responding attendees heard about the conference by word of mouth. This medium of communication far exceeded any other choice. Therefore, it is time to spread the word that ReFocus 2012 will begin on Sunday, March 4 and end on Tuesday, March 7. Mark your calendars now!

In addition, please contact Jay Semla at the SOA (jsem-la@soa.org) or Victoria Smith at the ACLI (victoria-smith@acli.com) with any other suggestions or comments including potential topics and speakers. It would also be great to hear from attendees if they think that having a high-profile speaker, such as Michael Lewis, and a professional moderator, such as Bill Press, substantially enhances the conference.

Finally, the Programming Committee would like to once again thank the sponsors who make the conference

possible. If you would like your company to become a sponsor for ReFocus 2012, please contact the SOA or ACLI for details of what opportunities are available. And, remember to get your budget requests in early to your companies to make it happen.

See you at ReFocus 2012! ■

Don't Be Left Behind!

SOA Members

Have you attested compliance with the SOA CPD Requirement? As of March 1, if you have not attested your status is now listed as "Pending" in the SOA directory.

THERE ARE THREE EASY STEPS:

1. Log on to the SOA membership directory and click the SOA CPD Requirements button on the main page.
2. Indicate whether you have met the SOA CPD Requirement.
3. Identify which method of compliance was used.

You must attest or be considered non-compliant. Go to SOA.org/attestation for more information.

