



SOCIETY OF ACTUARIES

Article from:

Reinsurance News

Cwi wuv2014 – Issue 7;

Update On The LEARN Program

By John S. Cathcart and Jeffrey S. Katz



John S. Cathcart, FSA, MAAA, is VP & medical reinsurance actuary with Swiss Re in Armonk, N.Y. John can be contacted at john.cathcart@swissre.com.



Jeffrey S. Katz is senior vice president with Swiss Re in Armonk, N.Y. Jeffrey can be contacted at jeffrey.katz@swissre.com.

The LEARN (Life Education and Reinsurance Navigation) program began as the brainchild of Ronnie Klein, during his term as chairman of the Reinsurance Section Council in 2010. The purpose of the program was and still is to provide state regulators with a convenient means of obtaining the knowledge base needed to understand how reinsurance works.

The program currently has a pool of nine individuals who can serve as presenters to the department of insurance (DOI) of each state that is interested. There is no cost to the state other than providing a room for the presentation. Both life reinsurance and health reinsurance topics tailored to each state's needs can be covered, and either half-day or full-day sessions are available.

The presenters understand 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 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 or health reinsurance.

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. Ronnie's vision from the start intended 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. 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 (aka Health Care Reform). We have also provided general information on captive reinsurers, while adhering to our principle of sticking to education rather than politics.

To date, a total of 20 presentations have been made to 24 states (one presentation involved five states). We are currently working with two more states and hope to do at least one or two more this year. We have also delivered compact LEARN sessions at a few industry events, such as the Life Insurance Conference.

The LEARN team has received positive feedback each time we've presented. 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 DOIs. 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 of Actuaries' (SOA's) and the American Academy of Actuaries' approaches.

LEARN is focused on education. The team is not engaged in advocating positions on any issue. We rec-

ognize 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 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. In any case, as we continue to schedule presentations, we 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 John Cathcart. 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 2014 and future LEARN sessions. If you know of a group that would benefit from a session, please let John Cathcart know, or provide my name as contact. ■