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# ReFocus 2018—A “Predictable Surprise”

By Ronnie Klein

Life expectancies are increasing in most, if not all, mature markets and fertility rates are dropping below population replacement values. The combination of these two facts is causing an increase in the old-age dependency ratio (number of people aged 65 and older divided by the number of people aged 15–64) to unsustainable levels. Life insurers are the only companies with the knowledge, tools and risk appetite to assist in mitigating this worldwide issue.

This was the theme of Dirk Kempthorne’s final ReFocus “State of the Industry” address at the most successful ReFocus Conference ever with over 720 attendees. Kempthorne, president and CEO of the American Council of Life Insurers (ACLI) and former governor of Idaho, will be leaving prior to next year’s meeting. The ACLI, along with the Society of Actuaries (SOA), have been co-hosts of ReFocus since 2007, the initial year of

the conference, 12 years ago. During these 12 years, ReFocus has grown from 290 attendees at an 8 percent average annual growth rate (yes, I am an actuary).

Directly after Kempthorne’s address, he led a panel of CEOs in a discussion about “The Future of Longevity.” This session fit nicely into the 2018 Theme—“Life Expectancy and Longevity: Beyond the Numbers.” During this session, Carolyn Johnson described some of the unique products that Voya has to help combat the well documented gap in retirement savings. Barry Stowe showed his passion for financial literacy, explaining how Jackson National produces a cartoon and video games to help teach children in Asia about financial literacy.

However, the best line of ReFocus 2018 came from Phil Waldeck, president of Prudential Retirement, when he said that the impending retirement crisis was a “predictable surprise.” This term became the most used phrase at the conference. Demographers saw the increasing old-age dependency ratio coming and knew that this would put stress on social retirement systems around the world. Governments have been too slow to react. This session also highlighted some important steps that individuals must take now to provide for themselves in their retirement years.

No insurance conference is complete without a few sessions on InsurTech and ReFocus 2018 had its share. Nico van Zyl led a team of experts in a discussion about how genetics and new devices can help in-force policyholders live longer. There is a lot



of discussion in the industry about the anti-selection that can be caused by direct-to-consumer genetic testing, but Tom Wamberg and Mark Winham showed how genetics can be used to increase interaction with clients, improve life expectancies and increase new business. Connor Landgraf, a 27-year-old CEO of a start-up company, described one of the devices that his company is marketing which monitors heart and lung sounds remotely and already has FDA approval. Think of the uses this device could have for in-force policyholders.

Clara Shih had some interesting observations in her keynote address. She said that younger agents don't know what they are doing and millennials do not want to buy insurance from their parents' insurance agents. She went on to say that the insurance industry is way behind the times with technology.

Countering Shih's arguments was Sy Sternberg, former CEO of New York Life, who said flat sales in the insurance industry are due to fewer agents being trained. The industry is keen on InsurTech, but Sternberg is old school and still thinks we need more agents. Who can argue as sales are flat and there are fewer life insurance agents being trained? Sternberg was part of a retired CEO panel which also included John Coomber (Swiss Re) and Rob Henrikson (MetLife). I was honored to moderate this panel.

There were other very interesting sessions and keynote addresses at ReFocus 2018, but the real value in this conference are the networking opportunities. Many attendees call ReFocus

their most important marketing meeting of the year. With over 720 senior executives roaming the halls, no wonder attendance has been steadily increasing. Add to this the expert conference moderating by Bill Press, senior CNN political analyst and former host of Crossfire, and you have a not-to-be-missed event.

The success of this conference is mainly due to the amazingly dedicated programming committee—my co-chair, John Laughlin, and committee members Pete Schaefer, Kent Sluyter and Dawn Trautmen. Of course, the conference could not exist without the support of the ACLI and SOA, especially Elizabeth Carden, Jay Semla and Tatiana Tolentino. In addition, the event could not occur without the support of our sponsors, especially our Diamond Sponsor, Milliman. Please contact the ACLI, SOA or me for sponsoring opportunities.

ReFocus 2019 will be held at the Cosmopolitan Hotel in Las Vegas from March 10–13. Please mark your calendars now and watch for alerts from the SOA and ACLI. Be sure to register early so that you do not miss out on rooms in the main venue as they sell out fast. I look forward to seeing you next year! ■



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