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# Small Talk

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# SmallCo at the 2013 Valuation Actuary Symposium

By Roger Brown

**T**he Smaller Insurance Company Section (SmallCo) was in the fast lane in Indianapolis at the 2013 Valuation Actuary Symposium (ValAct). We sponsored three sessions that covered a wide variety of topics.

**Session 15—Regulator Discussion of PBA with Small Company Actuaries.** This was the fourth highest rated session at ValAct. Jerry Enoch did a wonderful job moderating and framing the interactive presentation. We were fortunate enough to have two very well-respected regulators: Mark Birdsall from Kansas and Pete Weber from Ohio.

Mark and Pete spoke on a number of hot-button issues within the principle-based approach (PBA) and spent a lot of time explaining all of the things that regulators were trying to do to help make PBA more palatable for small company actuaries. I was particularly impressed and comforted with their obvious concern that PBA not be too onerous to be useful for smaller companies.

**Session 30—Buzz Group.** This session has become a tradition due to its past success. It lived up to its billing once again as the seventh highest rated session at ValAct. We divided into five full groups and had an expert moderator at each table. Pam Hutchins, Jim Thompson, Joeff Williams, Brad Shepherd and Mike Kaster were the group leaders and did a superb job.

Topics of interest to those in attendance included the low interest rate impact on investments, the low interest rate impact on asset adequacy testing, PBA, product pricing assumptions, and a potpourri of other topics like enterprise risk management (ERM), Own Risk and Solvency Assessment (ORSA) and GAAP issues. The dialogue and interaction were first rate—if you have never been to one of these sessions, make a point to do so in the future. You will not be disappointed and you most certainly will not fall asleep!

**Session 77—Smaller Insurance Company Chief and Corporate Actuaries Forum.** This was intended to be a more informal and interactive session and it lived up to and exceeded expectations. This tied for the second highest rated session at ValAct! It was definitely worth the modest cost for the unique opportunity to rub elbows with an elite group and enjoy a delicious meal.

We opened with a group discussion focusing on PBA. After that, we broke into four groups, led in an excellent fashion by Julie Hunsinger, Mike Kaster, Terry Long and Joeff Williams. We rotated only once as there were some great discussions going on. Topics of interest included low interest rates and asset adequacy, pricing in a low interest rate environment, investment strategy and economic capital/ORSA/ERM. We also encouraged and saw a lot of networking going on—something that every small company actuary needs!

All in all, SmallCo crossed the ValAct finish line in fine fashion in Indy. We were particularly pleased to have a regulator—Mark Birdsall from Kansas—attend both the Buzz Group and the forum. Needless to say, Mark's perspective at all three of our events added tremendous value to the discussions. ●

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