

**1996 VALUATION ACTUARY
SYMPOSIUM PROCEEDINGS**

TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
Session 1: Introduction and Overview Steven A. Smith, Moderator Donna R. Claire Thomas C. Foley	1
Session 2: Life and Annuity Valuation Issues Edward S. Silins, Moderator Stephen J. Preston Thaddeus W. Trenton	21
Session 3: The Interrelationship Among Economic Surplus, Economic Value, and Appraisal Value Douglas John Bennett, Moderator Renee C. Cassel Wayne E. Stuenkel Elizabeth A. Ward	53
Session 4: Interest Rate Model Risk Michael E. Mateja, Moderator David N. Becker Peter Fitton Douglas A. George	89
Session 8: Sources of Profit Statements Robert J. LaLonde, Moderator Kenneth A. Klinger David A. Ricci Yiji S. Starr	141
Session 9: Practitioners' Forum W. Michael Pressley, Moderator Errol Cramer James E. Hohmann Stephen A. J. Sedlak	169
Session 10: Liability Modeling I -- Annuity Products Meredith A. Ratajczak, Moderator Gregory M. Mateja Michael J. Murphy	197

TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
Session 11:	
Health Financial Projections -- Short and Long Range	227
Burton D. Jay, Moderator	
Paul Janus	
Brian S. Reid	
Max J. Rudolph	
Session 15:	
Small Company Issues	253
Norma Y. Christopher, Moderator	
Robert H. Dreyer	
Kevin A. Marti	
Session 16:	
Liability Modeling II -- Life Insurance Products	275
Meredith A. Ratajczak, Moderator	
Gregory M. Mateja	
Michael J. Murphy	
Session 19:	
Ask the Experts	311
Stephen N. Steinig, Moderator	
David N. Becker	
Craig R. Raymond	
Francis P. Sabatini	
Session 20:	
Quantification of C-3 Risk (vs. Risk-Based Capital): Developing a Methodology/Table	341
Michael L. Zurcher, Moderator	
Dennis A. Deeter	
Larry M. Gorski	
Michael E. Mateja	
Stephen A. Sedlak	
Michael S. Smith	
Lloyd M. Spencer, Jr., Recorder	

TABLE OF CONTENTS

<u>Title</u>		<u>Page</u>
Session 21:	GAAP/Purchase GAAP Issues Charles D. Friedstat, Moderator J. Peter Duran Daniel J. Kunesh Edward L. Robbins	375
Session 26:	State Variations from Standard Law J. Peter Duran, Moderator Thomas A. Campbell Wm. Harold Phillips Shirley Hwei-Chung Shao James N. Van Elsen	411
Session 27:	Asset Modeling I John E. Heinmiller, Moderator Peter Fitton Joseph M. Rafson	431
Session 30:	Equity-Indexed Annuities -- Reserving and Accounting Issues Lilia M. Sham, Moderator Michael L. Beeson Alan R. Downey John Santosuosso	445
Session 31:	Regulatory Expectations from Asset Adequacy Analysis Donna R. Claire, Moderator Frank P. Dino Wm. Harold Phillips Bruce D. Sartain	475
Session 32:	Asset Modeling II John E. Heinmiller Peter Fitton Joseph M. Rafson	503

**1996 VALUATION ACTUARY
SYMPOSIUM PROCEEDINGS**

CONTRIBUTORS

David N. Becker, PhD, FSA, MAAA,
CLU,
Vice President, Chief Actuarial Officer
and Appointed Actuary
Lincoln National Life Insurance Company

Michael Beeson, FSA, MAAA
Consultant
Tillinghast-Towers Perrin

Douglas John Bennett, FSA, MAAA
Actuary
Milliman & Robertson, Inc.

Thomas A. Campbell, FSA, MAAA
Corporate Actuary
ITT Hartford Life Insurance Companies

Renee C. Cassel, FSA, MAAA
Senior Staff Actuary/Financial Reporting
Lutheran Brotherhood

Norma Y. Christopher, FSA, MAAA
Vice President and Life Actuary
Cotton States Life Insurance Company

Donna R. Claire, FSA, MAAA
President
Claire Thinking, Inc.

Errol Cramer, FSA, MAAA
Senior Actuary and Director
Allstate Life Insurance Company

Frank P. Dino, ASA, MAAA
Florida Insurance Department

Alan R. Downey, ASA, MAAA
Assistant Vice President and Actuary
Keyport Life Insurance Company

Dennis A. Deeter, FSA, MAAA
Vice President, Financial Planning and
Product Management
United Presidential Life Insurance

Robert H. Dreyer, FSA, MAAA, FLMI
Senior Vice President and Chief Actuary
Erie Family Life Insurance Company

J. Peter Duran, PhD, FSA, MAAA
Partner
Ernst & Young LLP

Peter Fitton
Senior Analyst and Consultant,
COPE 2000 Group
SS&C/CHALKE

Thomas C. Foley, ASA, MAAA
Life and Health Actuary
North Dakota Department of Insurance

Charles D. Friedstat, FSA, MAAA
Senior Manager
KPMG Peat Marwick LLP

Douglas A. George, FSA, MAAA
Partner
Avon Consulting Group LLP

Larry M. Gorski, FSA, MAAA, MCA
Life Actuary
Illinois Department of Insurance

John E. Heinmiller
Systems Consultant
SS&C/CHALKE

James. E. Hohmann, FSA, MAAA
Senior Vice President and Chief Actuary
Zurich Kemper Life Insurance Companies

CONTRIBUTORS

Paul W. Janus, FSA, MAAA
President
P & L Consulting

Burton D. Jay, FSA, MAAA
Senior Vice President and Actuary
Mutual/United of Omaha Insurance
Company

Kenneth A. Klinger, FSA, MAAA, ACAS
Group Vice President & Actuary
CNA Insurance Companies

Daniel J. Kunesh, FSA, MAAA
Principal
Tillinghast-Towers Perrin

Robert J. LaLonde, FSA, MAAA
Vice President
PolySystems, Inc.

Kevin A. Marti, FSA, MAAA
Division Vice President and Chief Life
Actuary
Westfield Life Insurance Company

Gregory M. Mateja, FSA, MAAA
Vice President and Director of Individual
Life and Annuity Actuarial
ITT Hartford Life Insurance Companies

Michael E. Mateja, FSA, MAAA
Managing Director and Chief Actuary
SS&C/CHALKE

Michael J. Murphy, FSA
Managing Director
SS&C/CHALKE

Wm. Harold Phillips, FSA, MAAA, FLMI
Senior Life Actuary
California Department of Insurance

W. Michael Pressley, FSA, MAAA
Tillinghast-Towers Perrin

Stephen J. Preston, FSA, MAAA
Senior Vice President, Chief Actuary and
Controller
Golden American Life Insurance
Company

Joseph M. Rafson, FSA, MAAA
Manager
KPMG Peat Marwick LLP

Meredith A. Ratajczak, FSA, MAAA
Consulting Actuary
Milliman & Robertson, Inc.

Craig R. Raymond, FSA, MAAA
Vice President and Chief Actuary
ITT Hartford Life Insurance Company

Brian S. Reid, FSA, MAAA
Account Executive
SS&C/CHALKE.

David A. Ricci, FSA, MAAA
Vice President and Corporate Actuary
Life Reassurance Corporation of America

Edward L. Robbins, FSA, MAAA
Principal
KPMG Peat Marwick LLP

Max J. Rudolph, FSA, MAAA
First Vice President and Assistant
Actuary
Mutual/United of Omaha Insurance
Company

Francis P. Sabatini, FSA, MAAA
Partner
Ernst & Young LLP

CONTRIBUTORS

John P. Santosuosso, CPA
Senior Manager
Ernst & Young LLP

Bruce D. Sartain, ASA, MAAA
Actuary
Illinois Department of Insurance

Stephen A. J. Sedlak, FSA, MAAA
Vice President and Corporate Actuary
Nationwide Corporation

Lilia M. Sham, FSA, MAAA, FCIA
Consultant
Tillinghast-Towers Perrin

Shirley Hwei-Chung Shao, FSA, MAAA
Vice President and Assistant Actuary
Prudential Insurance Company

Edward S. Silins, FSA, MAAA
Principal
Coopers & Lybrand LLP

Michael S. Smith, FSA, MAAA
Second Vice President and Associate
Corporate Actuary
Lincoln National Corporation

Steven A. Smith, FSA, MAAA, CLU,
FLMI
Senior Vice President and Chief Actuary
First Colony Life Insurance Company

Lloyd M. Spencer, Jr., FSA, MAAA
Assistant Vice President and Assistant
Corporate Actuary
Lincoln National Corporation

Yiji S. Starr, FSA, MAAA
Senior Actuarial Associate
Metropolitan Life Insurance Company

Stephen N. Steinig, FSA, MAAA
Senior Vice President and Chief Actuary
New York Life Insurance Company

Wayne E. Stuenkel, FSA, MAAA
Senior Vice President and Chief Actuary
Protective Life Corporation

Thaddeus W. Trenton, FSA, MAAA,
CLU, CHFC, CPCU, FLMI
Actuary
State Farm Life Insurance Company

James N. Van Elsen, FSA, MAAA,
FLMI, CPA
Consulting Actuary
Van Elsen Consulting

Elizabeth A. Ward, FSA, MAAA
Managing Director
Charter Oak Capital Management, Inc.

Michael L. Zurcher, FSA, MAAA
Vice President
Lincoln National Corporation

