

2019 **LIFE &  
ANNUITY**

SYMPOSIUM

May 20–21 • Tampa, FL



## Session 2: Product Development Section Hot Breakfast

[SOA Antitrust Disclaimer](#)

[SOA Presentation Disclaimer](#)

# Session 2: Product Development Section Breakfast

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# SOCIETY OF ACTUARIES

## Antitrust Compliance Guidelines

Active participation in the Society of Actuaries is an important aspect of membership. While the positive contributions of professional societies and associations are well-recognized and encouraged, association activities are vulnerable to close antitrust scrutiny. By their very nature, associations bring together industry competitors and other market participants.

The United States antitrust laws aim to protect consumers by preserving the free economy and prohibiting anti-competitive business practices; they promote competition. There are both state and federal antitrust laws, although state antitrust laws closely follow federal law. The Sherman Act, is the primary U.S. antitrust law pertaining to association activities. The Sherman Act prohibits every contract, combination or conspiracy that places an unreasonable restraint on trade. There are, however, some activities that are illegal under all circumstances, such as price fixing, market allocation and collusive bidding.

There is no safe harbor under the antitrust law for professional association activities. Therefore, association meeting participants should refrain from discussing any activity that could potentially be construed as having an anti-competitive effect. Discussions relating to product or service pricing, market allocations, membership restrictions, product standardization or other conditions on trade could arguably be perceived as a restraint on trade and may expose the SOA and its members to antitrust enforcement procedures.

While participating in all SOA in person meetings, webinars, teleconferences or side discussions, you should avoid discussing competitively sensitive information with competitors and follow these guidelines:

- **Do not** discuss prices for services or products or anything else that might affect prices
- **Do not** discuss what you or other entities plan to do in a particular geographic or product markets or with particular customers.
- **Do not** speak on behalf of the SOA or any of its committees unless specifically authorized to do so.
- **Do** leave a meeting where any anticompetitive pricing or market allocation discussion occurs.
- **Do** alert SOA staff and/or legal counsel to any concerning discussions
- **Do** consult with legal counsel before raising any matter or making a statement that may involve competitively sensitive information.

Adherence to these guidelines involves not only avoidance of antitrust violations, but avoidance of behavior which might be so construed. These guidelines only provide an overview of prohibited activities. SOA legal counsel reviews meeting agenda and materials as deemed appropriate and any discussion that departs from the formal agenda should be scrutinized carefully. Antitrust compliance is everyone's responsibility; however, please seek legal counsel if you have any questions or concerns.

# Presentation Disclaimer

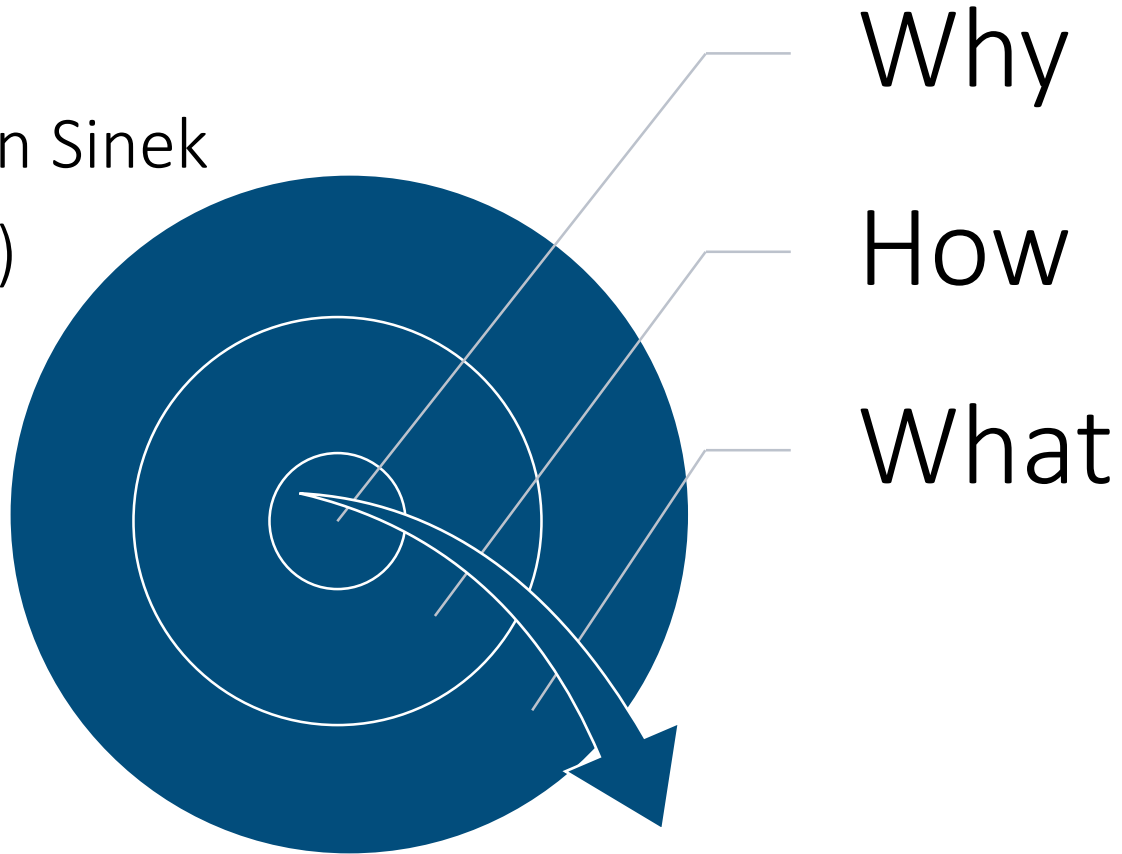
*Presentations are intended for educational purposes only and do not replace independent professional judgment. Statements of fact and opinions expressed are those of the participants individually and, unless expressly stated to the contrary, are not the opinion or position of the Society of Actuaries, its cosponsors or its committees. The Society of Actuaries does not endorse or approve, and assumes no responsibility for, the content, accuracy or completeness of the information presented. Attendees should note that the sessions are audio-recorded and may be published in various media, including print, audio and video formats without further notice.*

# Product Development Section



# The Golden Circle

- Start with Why, by Simon Sinek
- Inside out (v. outside in)



# Mission Statement

*To encourage and to facilitate the professional development of its members* through activities such as meetings, seminars, research studies and the generation and dissemination of literature in the field of individual life insurance and annuity product development. The section focuses on new product innovations and the external items related to their development.

# How?

Collaborative effort between the SOA, section council members, friends of the council, and section members



# Evidence = what is produced

- Sponsor seminars & sessions at SOA meetings
  - Life & Annuity Symposium & Post Symposium seminar (May)
  - Underwriting Seminar (July)
  - Annual Meeting (October)
- Promote and Fund Research
  - Current in flight there are 9 projects sponsored or co-sponsored
  - Section has committed ~ \$95K so far in 2019
  - Sponsorship of 2019 Actuarial Research Conference
- Promote and Fund Section Contest (Call for Essays)
  - Topic 2019: “The Future of Dynamic Pricing in Life Insurance”
  - Due 5/31/19, Cash prize of \$500 for 1<sup>st</sup> place
- Newsletter
- Podcasts, Webcasts

# Evidence = what is produced

- Inforce Management Subgroup
  - Listserv open to anyone interested in topic
- LinkedIn Group (members)
- Access to webcasts (members)
- Web page on SOA site

# What more can the Section do for you?

- What do you value most as a section member?
- What would you like to see less of?
- What “hot topics” are on your mind – would like to be addressed?

## 2019 Life & Annuity Symposium - PD Section Sponsored Sessions

Session Title	Session #
PD Section Hot Breakfast	2
Modeling challenges due to FASB Targeted Improvements	7
Policyholder Behavior Modeling and the Risks of Over-fitting Data	8
Life Product Update	9 & 17
The Science Behind a Successful Retirement	15
Credit-based Scores, Why They Work, and Their Consequences	16
Individual Life Mortality Trends	26
Illustrations	27
PBR Implementation: Lessons Learned	28
Impact of FASB Target Improvements (ASU 2018-12) on VA/FIA Product Development and Inforce Management	31
Life PBR: Modeling Considerations	34
Established and emerging data sources to understand and manage risk	35
Mortality Potpourri (improvement, suicides, PLT)	36
Emerging Experience on Combination Products Coupling Life or Annuities with Long Term Care or Chronic Illness	41
Annuity Product Update	43,62
Accelerated underwriting	44
Reinsurance Focus (recapture, admin issue)	45
Recent Trend of Fixed Indexed Annuities and Structured Annuities Product Development	51
In Force (Stakeholder) Management	52
Best Practices for performing actuarial review	53
How do you sell sprouts? Behavioral Science, Consumer Proposition	63
Assumption setting and predictive modeling techniques	64
Case study: Lean-Agile Product Development for Wearable Accidental Death insurance	69
Final expense	71
In Force Policyholder Behavior	72



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