



34 - Role of ERM in Large Transformations (e.g., Actuarial Mordernization, FASB LDTI implementation etc.)

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2019 Valuation Actuary Symposium

DANA HUNT, TIM BISCHOF, KALLY MARKS, & ALY MOOSA

Session 34, Role of ERM in Large Transformations

August 26, 2019



Panel discussion topics

- ❖ Large Transformation within Insurers
- ❖ Role of the Risk Function
- ❖ Model Validation Approach
- ❖ Role of Operational Risk Teams
- ❖ Risk Management and Future Transformations

Introductions



Moderator

Dana Hunt | Partner, PwC

Dana is a Partner at PwC and leads the Life Insurance Enterprise Risk Management practice. With a diverse background in life insurance, annuities, and long term care across a wide range of functional areas – from forecasting and planning to financial reporting, pricing and product management, Dana brings an integrated perspective to her clients. At PwC, Dana helps insurers develop and improve their risk management frameworks, and in this capacity works with all three lines of defense. She specializes in 1) implementation of effective model risk management and governance capabilities, including model validations; 2) development and assessment of stress testing and economic capital; and 3) review of ERM effectiveness. Dana also leads the actuarial support for key audit clients.



Panelist

Tim Bischof | Senior Vice President, Chief Risk Officer, CNO

Tim Bischof currently serves as CNO Financial Group's Senior Vice President, Chief Risk Officer. Mr. Bischof's responsibilities include managing the enterprise risk management function, overseeing actuarial controls, assumption and model governance, and inforce reinsurance, in addition to partnering to oversee the company's ALM program. He also provides support and leadership on other corporate finance and actuarial initiatives. During his time at CNO, Mr. Bischof's responsibilities have included leading CNO's corporate development activities, overseeing pricing standards, managing long term care financial analysis and valuation, and maintaining onshore and offshore IT professionals dedicated to actuarial work. Mr. Bischof earned a Bachelor of Science degree in mathematics and education from Rockhurst College, and a Master of Science in statistics from the University of Iowa. He is a Fellow of the Society of Actuaries (FSA) and a Member of the American Academy of Actuaries (MAAA). He has served on various industry committees.



Panelist

Kally Marks | Director, Operational Risk Management, Transamerica

Kally Marks is a Director of Operational Risk Management at Transamerica, with a focus on risk oversight of finance, actuarial, and ALM functions, including transformation activities and change initiatives. Her experience in the industry, both in the US and internationally, has created a broad base in risk management, actuarial, financial reporting and Solvency II methodology. Kally graduated from the University of Iowa with a Bachelor of Science in mathematics and actuarial science, and is a Fellow of the Society of Actuaries (FSA) and a Member of the American Academy of Actuaries (MAAA).



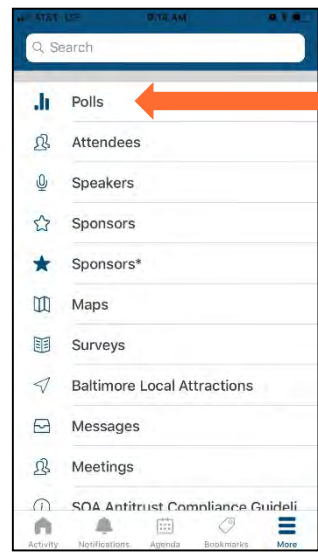
Panelist

Aly Moosa | Director, Head of Model Risk Governance, National Life

Aly Moosa is a Director and the Head of Model Risk Governance at National Life Group. He manages a team of validation and governance experts and is responsible for building a systemic method of identifying, quantifying, and mitigating model risk across all functional areas. Prior to National Life, Aly was a consultant at KPMG where he led several model validation and conversion projects, directed external audits, and advised clients in a number of M&A deals for Fortune 500 companies. Prior to KPMG, Aly worked in the Valuation and ALM departments of AIG and Scor Re. Aly graduated from the University of Texas at Austin where he studied Mathematics and Economics.

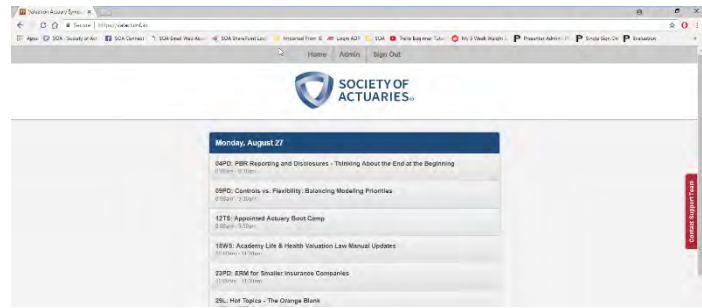
To Participate, look for Polls in the SOA Event App or visit valact.cnf.io in your browser

Find The Polls Feature Under **More** In The Event App



or

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Choose your session



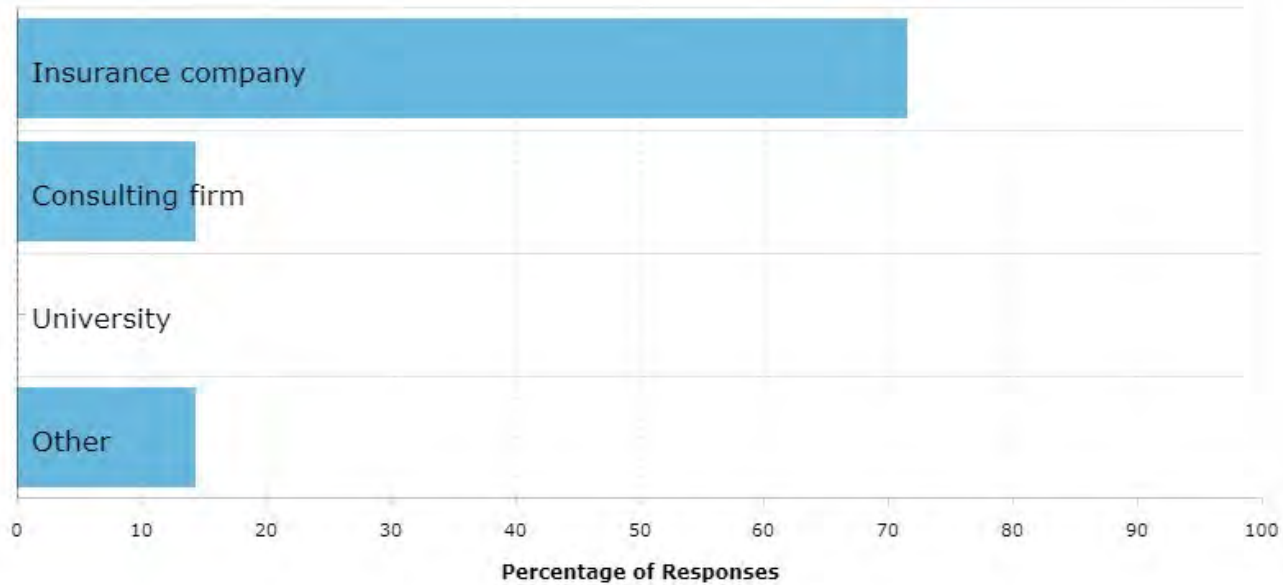
Respond to Polls when they appear

Audience Polling Question 1

Information about our audience. Are you employed by:

1. Insurance company
2. Consulting firm
3. University
4. Other

Poll: Information about our audience. Are you employed by:

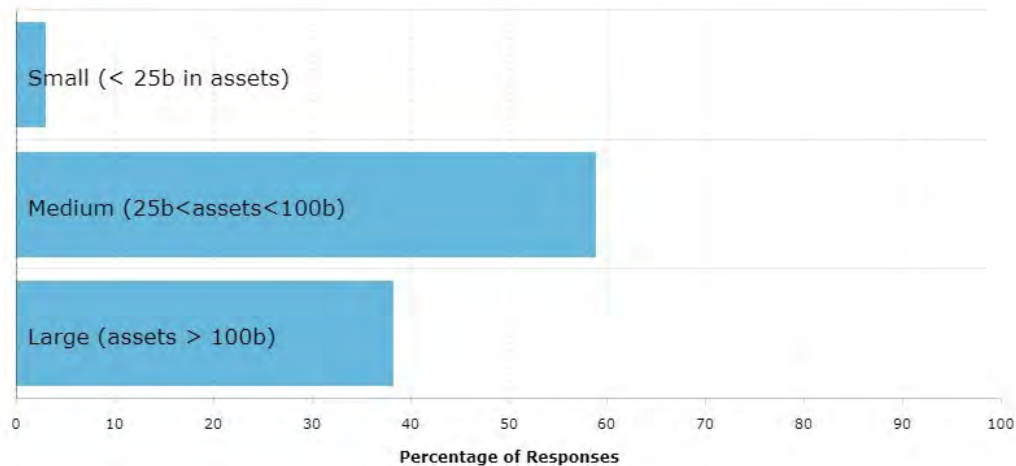


Audience Polling Question 2

Information about our audience. If you are employed by an insurance company, please choose the relative size of the company.

1. Small (< 25b in assets)
2. Medium (25b<assets<100b)
3. Large (assets > 100b)

Poll: Information about our audience. If you are employed by an insurance company, please choose the relative size of the company.



Panel discussion topics

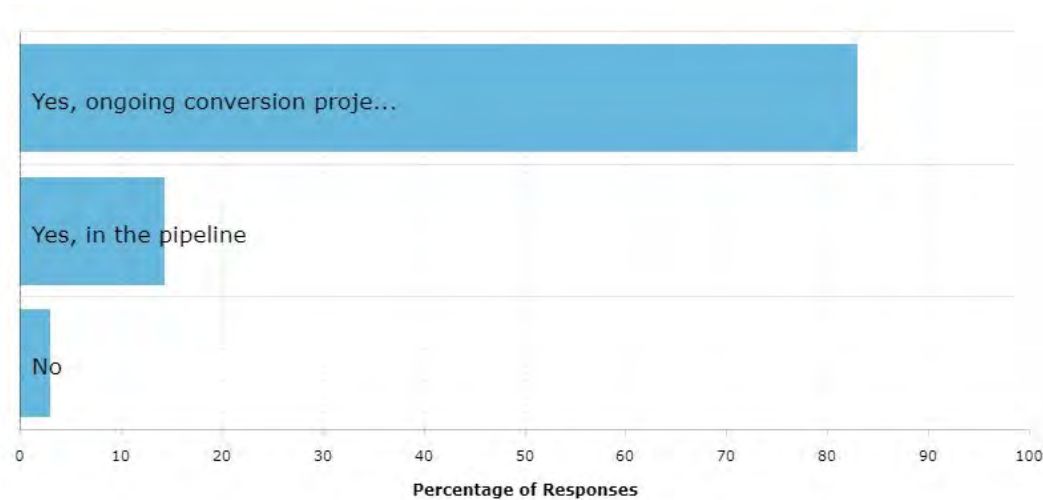
- ❖ **Large Transformation within Insurers**
- ❖ Role of the Risk Function
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- ❖ Risk Management and Future Transformations

Audience Polling Question 3

Has your company undertaken or is currently in the middle of a large transformation or modernization efforts that impact the organization (e.g., actuarial platform conversion, LDTI, IFRS17, PBR,...)?

1. Yes, ongoing conversion projects
2. Yes, in the pipeline
3. No

Poll: Has your company undertaken or is currently in the middle of a large transformation or modernization efforts that impact the organization (e.g., actuarial platform conversion, LDTI, IFRS17, PBR,...)?

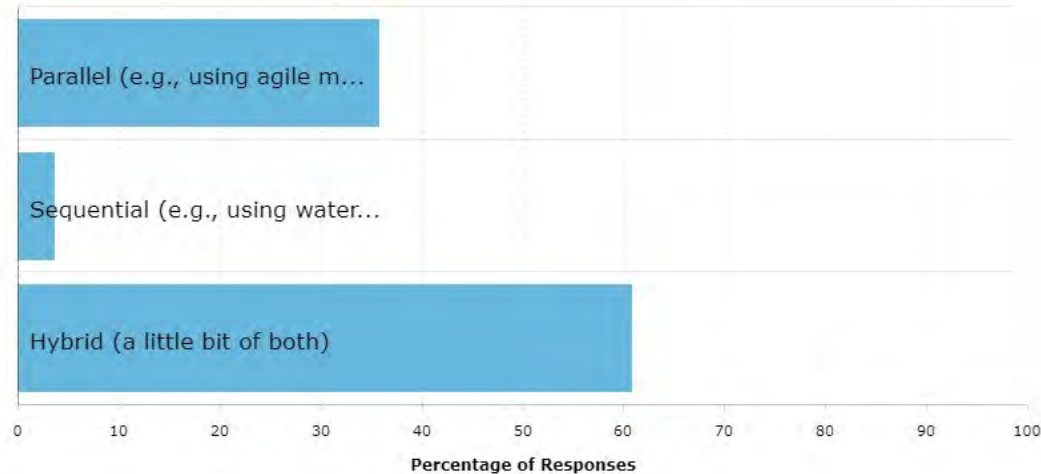


Audience Polling Question 4

With respect to project management, does your company generally undertake a parallel approach or a sequential approach to managing these transformation projects?

1. Parallel (e.g., using agile methodology)
2. Sequential (e.g., using waterfall approach)
3. Hybrid (a little bit of both)

Poll: With respect to project management, does your company generally undertake a parallel approach or a sequential approach to managing these transformation projects?



Panel discussion topics

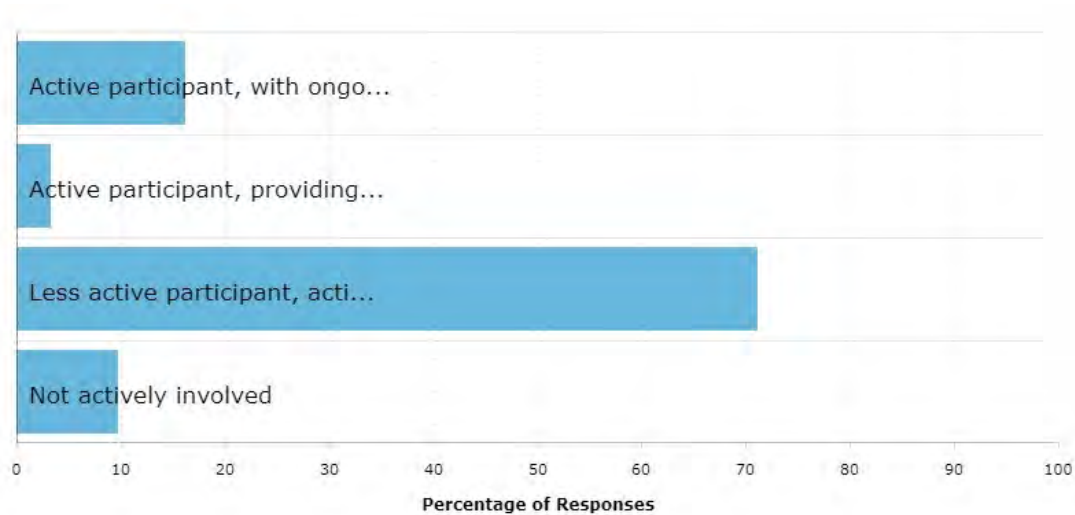
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Audience Polling Question 5

How is your risk management team participating in your transformation project?

1. Active participant, with ongoing deliverables
2. Active participant, providing oversight and monitoring
3. Less active participant, acting more as an informed party, offering thought leadership as needed
4. Not actively involved

Poll: How is your risk management team participating in your transformation project?



Panel discussion topics

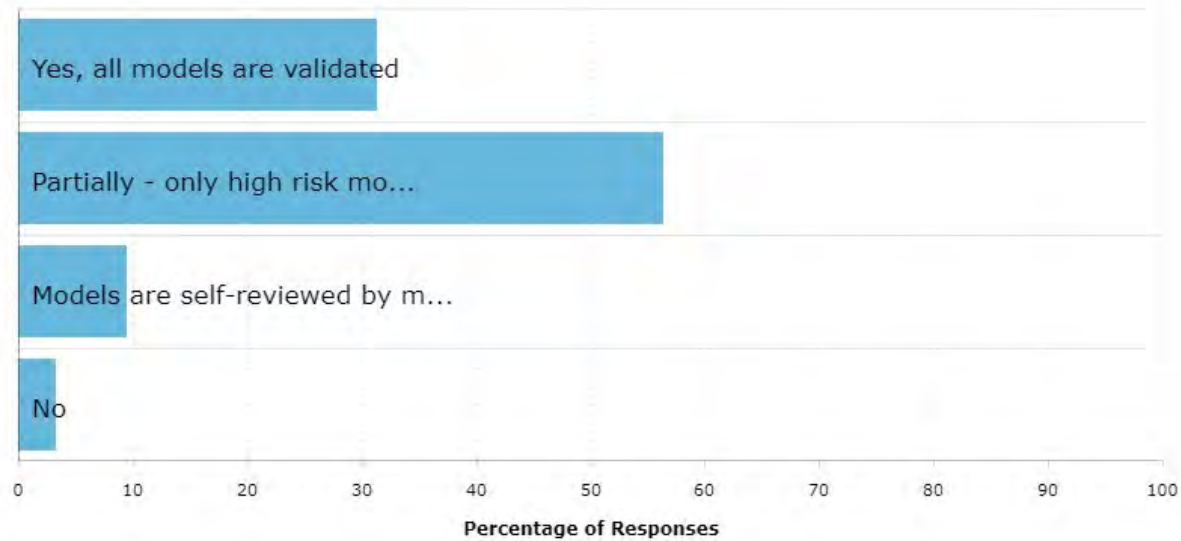
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Audience Polling Question 6

Are models validated before they are placed into production, and if so, are the results used by management to make business decisions or report results?

1. Yes, all models are validated
2. Partially - only high risk models are validated
3. Models are self-reviewed by model developers
4. No

Poll: Are models validated before they are placed into production, and if so, are the results used by management to make business decisions or report results?



Panel discussion topics

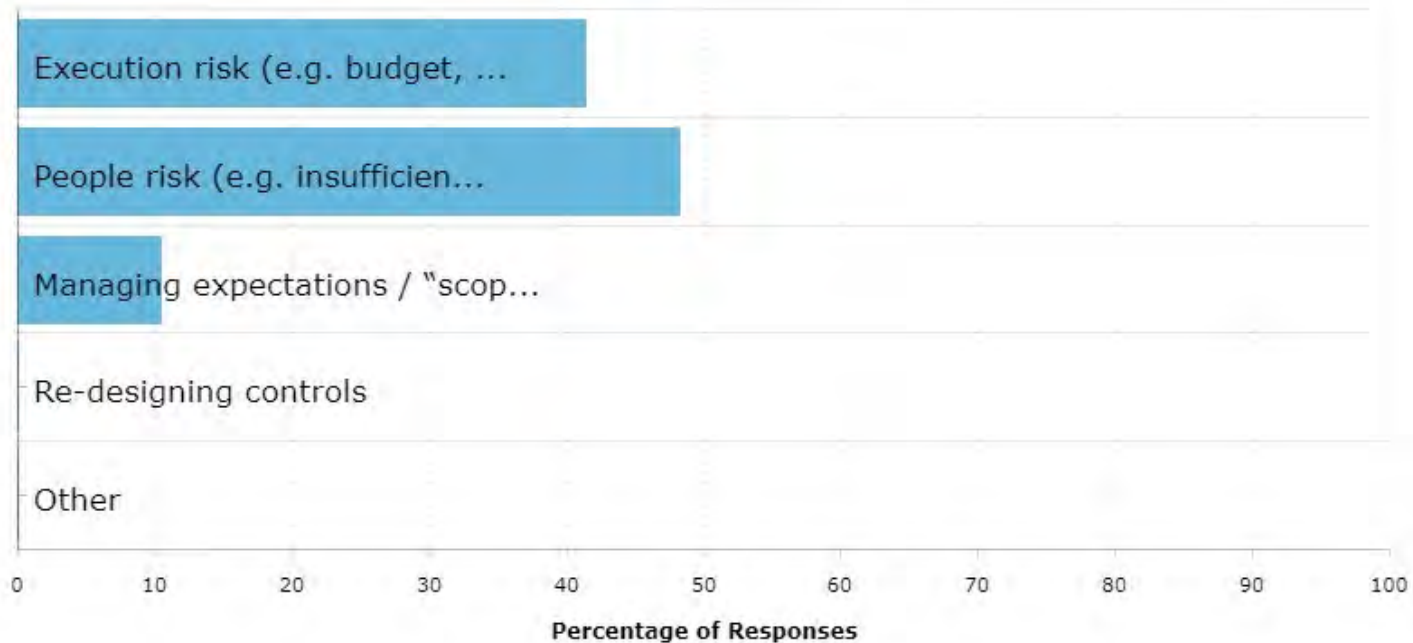
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Audience Polling Question 7

What is the primary operational risk you've observed in transformation?

1. Execution risk (e.g. budget, timelines)
2. People risk (e.g. insufficient resources, key person risk)
3. Managing expectations / "scope creep"
4. Re-designing controls
5. Other

Poll: What is the primary operational risk you've observed in transformation?



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- ❖ **Risk Management and Future Transformations**

Live Content Slide

When playing as a slideshow, this slide will display live content

Social Q&A

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