

Gold



**TALCOTT**  
FINANCIAL GROUP

Silver



Bronze



# Actuaries' Club of Hartford & Springfield

May 21<sup>st</sup>, 2024, Connecticut Convention Center

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## General Session #1 (9:15-10:15)

### **Professionalism in the Everyday Life of an Actuary**

Dave Dillon, Senior Vice President & Principal, Lewis & Ellis, LLC

#### **Session Description:**

Participants will explore the importance and role that professionalism plays in the everyday life of an actuary through interactive discussions of brief scenarios and real-world examples. Participants will also gain awareness of the resources available to actuaries as they navigate professionalism issues.

**Dave Dillon**, a consulting actuary with Lewis & Ellis, has dedicated his career to serving a wide range of insurance companies, state insurance departments, and other health insurance stakeholders. His area of expertise includes the ACA, Voluntary Benefits, valuation, and financial solvency. From 2018-2021, Dave served on the SOA's Board of Directors. He is currently an instructor for the Academy's Life & Health Qualification Seminar and Georgia State's Actuarial Program.

## Breakout Sessions #1 (10:45-11:45)

### **A: Changing HealthCare Landscape: Role of the Actuary**

Dan Rachfalski, SVP & Chief Actuary, Aetna CVS Health

#### **Session Description:**

This session will focus on how healthcare utilization has changed due to Consumer Behavior, Site of Care, Pharmacy, and COVID-19. This has spurred an increased need for actuaries to collaborate with data scientists, as well as evolve their role as an actuary.

**Dan Rachfalski** joined CVS Health in September 2020 as the SVP & Chief Actuary. Prior to joining the company, Dan was the SVP & Chief Actuary at Harvard Pilgrim Healthcare. Dan started his actuarial career at CIGNA Corporation as part of their Actuarial Executive Development Program. He worked at CIGNA for 13 years during which he held various positions with increasing responsibilities, including a role as their Assistant Business Controller. After CIGNA, he went to work at Independence Blue Cross, where he led their Commercial Healthcare Pricing Unit, and later became their VP of Actuarial.

Dan has served on the Board of the West Chester (PA) Area YMCA and the Board of the Charles River YMCA in Needham, MA. He is currently a member of the SOA's Employer Council and University of Connecticut's Actuarial Science Industry Advisory Board.

He is married with two daughters, a grandson and granddaughter. He currently resides in West Chester, PA. He is an avid sports fan. In his free time, he enjoys playing ice hockey and reading legal thrillers.

### **B: IUL Pricing and Performance Insights**

Nik Godon, Senior Director, WTW

Francis Hebert-Losier, Director, WTW

#### **Session Description:**

IUL continues to be the most popular UL product. Our pricing surveys indicate that many companies take a simple approach to IUL for pricing, modeling, and assumption setting, and assume it will perform just like UL. Company profitability expectations for IUL are high, but our conversations with companies suggest those expectations are not being met for various reasons. Presenters will discuss WTW pricing survey results and why IUL products may be underperforming. The presenters will focus in on policyholder behavior assumptions for IUL and why results may differ from UL, as well as how companies might address IUL underperformance.

**Nik Gordon** is a Senior Director at WTW where he focuses on embedded value, assumption setting, litigation support, and M&A buy-side support for life insurance business. Prior to joining WTW Nik spent over 22 years with a major US life insurance company that is a leading IUL provider. Nik acted as Chief Actuary during the last 4 years and was responsible for actuarial including valuation, financial reporting, modeling, assumption setting and experience studies. Nik also had oversight over pricing and product development in his role as Chief Actuary.

**Francis Hebert-Losier** is a Director at WTW where he specializes in Bermuda-related matters, modeling in both a pricing and valuation perspective, and M&A buy-side support for life insurance sector. Before joining WTW, Francis spent over 10 years with a prominent US life insurance company. During his tenure, he has oversight for all life pricing models and played a pivotal role in IUL product design, IUL indexed account parameter setting, and IUL illustration initiatives.

## **C: Complexity Versus Interpretability in Actuarial Assumption Setting**

John Brady, Chief Actuary, Talcott Financial Group

John Golemba, Senior Actuarial Consultant, Talcott Financial Group

### **Session Description:**

Actuarial assumption setting is a balance between art and science that puts to practice many of the unique aspects of an actuary's job function. Striking the right balance between an assumption's complexity and interpretability is a challenging yet important part of the assumption setting process.

This session will use a case study approach to first discuss actuarial assumption setting techniques using Predictive Modeling but assumes no audience familiarity with the topic. The discussion will continuously revisit the goal of balancing an assumption's complexity and interpretability. The second half of the presentation will focus on ways that an executive level actuary can gain comfort and understanding around assumptions that have been set using complex techniques such as those pertaining to Predictive Modeling. The case studies and discussion will have direct applications to Variable Annuities but the concepts can be easily extended to assumption setting for other life and annuity products.

**John Brady** is the Chief Actuary of Talcott Financial Group's U.S. insurance companies. In this role he is responsible for experience studies, product management, reinsurance administration, and valuation. He also oversees Talcott's actuarial leadership development program. He has more than 30 years of experience within the industry, and prior to joining Talcott, held a variety of actuarial leadership roles at The Hartford. John holds a Bachelor of Science in Mathematics from Rensselaer Polytechnic Institute, and he is a fellow of the Society of Actuaries and a Member of the American Academy of Actuaries.

**John Golemba** is a Senior Actuarial Consultant at Talcott Financial Group. He has been a member of Talcott's Actuarial Student Program for four years and has filled rotational positions in ERM, Variable Annuity Assumption Setting, and most recently New Business Pricing. He has also served as a leader of Talcott's summer Actuarial Internship program and is currently an ACHS planning committee member. John holds a bachelor's degree in actuarial science and finance from the University of Connecticut, and he is an associate of the Society of Actuaries while currently pursuing an FSA.

## **D. "Both Sides of the Pond" – Pension Risk Transfer in the US and UK Markets**

Diana Schneider, Head of Institutional Solutions, MassMutual

Ian Cahill, Head of Pension Risk Transfer, MassMutual

### **Session Description:**

This session will 'dive' into the Pension Risk Transfer markets in the US and UK. This will include an overview of the drivers of the market growth and how they differ, the structural and risk differences in the liabilities that are transferred between the two markets, as well as what that markets have in common and what they might tell us about each other in regard to regulatory environment, reinsurance usage, and profitability profile.

**Ian Cahill** is the Head of Pension Risk Transfer for MassMutual where he oversees the business development, pricing, new business installation and ongoing administration for the PRT business. In his prior role, he was responsible for the PRT pricing and underwriting team at MassMutual. He has over thirteen years of experience in retail and institutional annuity pricing, Annuity Purchase Consulting, Variable Annuity Hedging, and Financial Planning & Analysis. Ian earned a Bachelor of Science degree in Actuarial Mathematics from Worcester Polytechnic Institute and he is a Fellow of the Society of Actuaries, Member of the American Academy of Actuaries, and a Chartered Enterprise Risk Analyst.

**Diana Schneider** is the Head of Institutional Solutions at MassMutual, overseeing the design and delivery of solutions that help our institutional customers meet their financial needs related to investment returns, risk management, insurance protection, employee benefits and pension liabilities. Prior, Diana led the product function for Institutional Solutions at MassMutual, focused on developing and pricing solutions for institutional clients within the Institutional Insurance, Pension Risk Transfer, Funding Agreement, and Stable Value businesses. Diana has held various roles in corporate finance, including financial planning and analysis, financial communications, inforce management, and valuation. Diana received a Master of Science and Bachelor of Science in Mathematics from Syracuse University, and is a fellow of the Society of Actuaries and a member of the American Academy of Actuaries.

## Breakout Sessions #2 (1:15-2:15)

### **A: Paid Family and Medical Leave: Regulatory, Market, and Employer Perspectives**

Kelly Ayer, Senior Manager, Oliver Wyman  
Jill Birmingham, Principal, Mercer

#### **Session Description:**

Join consultants from Oliver Wyman and Mercer for a presentation on Paid Family Leave (“PFL”) and Paid Family/ Medical Leave (“PFML”), with topics including:

- Regulatory updates on state mandated and voluntary PFML/PFL programs
- Carrier considerations, financial and claims experience, and market dynamics
- Deeper dive into employer perspectives as companies seek to optimize paid leave benefit decisions, including whether to self-insure, purchase private insurance, and/or participate in state plans, especially with employees spanning multiple states

**Kelly Ayer** is a Senior Manager with the US Life Practice of Oliver Wyman Actuarial Consulting, Inc. She has over 13 years of actuarial experience across the insurance carrier and consulting spaces. She leads OW's Employee Benefits and Disability actuarial practice. Her experience also includes Absence Management finance, actuarial project management, FIS® Prophet model development and stewardship, Group Life and Disability pricing, Supplemental Health and Individual Disability modeling, and FP&A. Kelly is a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, and a United States Air Force veteran.

**Jill Birmingham** is a Principal with Mercer’s National Life, Absence and Disability Practice. She has over 7 years of consulting experience and 20+ years of claims operations experience. Jill works closely with employers to develop strategies related to paid time off, including paid family and medical leave benefits. Jill is also the lead auditor for Mercer’s East Market region.

### **B: Risky Business: Model Testing and Development**

Kevin Carr, Senior Manager, Oliver Wyman  
Matt Heaphy, Head of Pricing & Risk Analytics, Martello Re

#### **Session Description:**

A discussion of common model testing and development activities including purpose and pitfalls. Perspectives on use of open-source and home-grown solutions including necessary controls, benefits, and challenges experienced relative to more traditional actuarial software platforms. Will briefly touch on ASOP 56 and Model Development Life Cycle (MDLC).

**Kevin Carr** is Senior Manager at Oliver Wyman and is based in the greater Boston area. He specializes in model building, model validation and review, product pricing, and life and annuity valuation. He has experience with a wide-array of products, is an expert in Moody’s AXIS™ software and is experienced with MG-ALFA®, TAS, Python, and R. Previously Kevin has held roles at Nassau Financial Group where he led FDA and FIA valuation and Symetra Life Insurance Company where he priced multiple secondary-guarantee UL and indexed UL products. Kevin holds a Master of Science in Mathematics from Northeastern University and is working on a Master of Science in Computer Science from Merrimack College. In his spare time Kevin enjoys travelling with his wife Kendra and their dog Lucy, indoor rock-climbing, and writing music in his long-time death metal band Norseth.

**Matt Heaphy** is the Head of Pricing & Risk Analytics at Martello Re, a Bermuda-based asset-intensive reinsurer. His areas of expertise include data science, experience studies, annuity pricing and product development, modeling, hedging, and reinsurance. Matt is an enthusiastic open source promoter and has published two R packages and one Python package: actxps (an actuarial experience study toolkit for R and Python) and offsetreg (a predictive modeling ecosystem extension for offset terms). Prior to joining Martello Re in 2023, Matt held roles at Oliver Wyman and Nassau Financial Group. Matt holds a Bachelor of Science degree in Actuarial Science from the University of Connecticut, is a Fellow of the Society of Actuaries, and a Member of the American Academy of Actuaries. Matt hails from Connecticut and in his free time can often be found running, biking, or exploring the woods while trying to catch up on podcasts.

## **C: The Revised S&P Global Insurance Capital Model**

Spencer Ackerman, Assistant Vice President FP&A, Group 1001 Insurance

### **Session Description:**

S&P Global published a revised insurance capital model in November 2023. The revisions add considerable complexity to their insurance capital model and relies more on companies to fill out the detailed model inputs. In return, the new model allows for better risk differentiation and an overall better assessment of insurance company risk adjusted capitalization. In this session we will review the new capital model in-depth, considering its implications for capital management and product development.

**Spencer Ackerman** is an Assistant Vice President at Group 1001. As a member of the FP&A team, Spencer is responsible for Corporate Forecasting for the L&A business unit as well as Capital Reporting and Analysis for both the L&A and P&C business units. Spencer recently led the initial submission and discussion of revised S&P capital model inputs for Group 1001. Spencer graduated Cum Laude from Brandeis University with a degree in Economics. He is a Fellow of the Society of Actuaries as well as a Member of the American Academy of Actuaries.

## **D: Life and Annuity Pricing Trends**

Amber Ruiz, Director, WTW

Rick Hayes, Director, WTW

### **Session Description:**

Competition for life and annuity new business continues to be hot. In this session we will share key insights from recent pricing methodologies surveys, including WTW's general pricing survey and Registered Index-Linked Annuity (RILA) pricing survey. Topics covered will include company pricing profitability targets, assumptions, and methodologies.

With the insights presented during this session, you'll have a better understanding of how your pricing practices and goals compare with those of your peers and gain knowledge needed to optimize your new business portfolio.

**Amber Ruiz** is a Director in WTW's Insurance Consulting and Technology Life practice and leads WTW's General Pricing Survey Initiative for the Americas. Her experience includes pricing, product development, assumption setting, M&A, modeling validation, risk management, financial modeling, and financial reporting issues.

**Rick Hayes** is a Director in WTW's Insurance Consulting and Technology Life practice and leads WTW's Annuity Initiative for the Americas. He has extensive experience with financial modeling and reporting and is mostly focused on annuity-based pricing, model building and validation, and M&A activity.

## Breakout Sessions #3 (2:30-3:30)

### **A. Actuarial Considerations of GLP-1s**

Dan Acton, Actuarial Managing Director, The Cigna Group

#### **Session Description:**

GLP-1s are a blockbuster category of drugs with industry analysts projecting that it could become a \$100 billion dollar market by 2030. This session will focus on the actuarial considerations of the GLP-1 drug class and will touch on Evernorth's newly launched EncircleRx solution.

**Dan Acton** is an Actuarial Managing Director for Express Scripts by Evernorth, a company of The Cigna Group. Dan has responsibility for Pricing Methodology, Pricing Governance and Analytics, and Solutions Pricing teams. Over his career with Cigna, Dan has held a variety of roles in the Commercial Healthcare space supporting Medical and Pharmacy pricing. He is a graduate of Emory University and is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. Dan lives in Austin Texas with his wife, Ellen, who is also an actuary with Cigna Healthcare, they have two boys and they enjoy spending time outdoors.

### **B: Swift Communication: Communicating as an Actuary with Style**

Kat Pezzullo

#### **Session Description:**

Join us for an "Enchanted" session on actuarial communication. Topics will include "Shaking Off" communication pitfalls, delivering "Fearless" presentations, writing memos that read like "Love Stories," and using influencing skills to achieve your "End Game." Whether you're an experienced actuary who knows it "All Too Well" or just tuning in at age "22," this session promises to be music to your ears.

**Kat Pezzullo** is an experienced actuarial leader who has held various pricing, product development, and risk roles throughout her career. Most recently she was Vice President of Pricing & Risk in Retirement Plan Services at Lincoln Financial Group, leading a team that provides expertise for retirement product pricing, strategy, and risk management activities. Prior to Lincoln, Kat held leadership roles at Prudential and Voya. She obtained her fellowship designation from the Society of Actuaries and is a member of the American Academy of Actuaries. Kat graduated from Bryant University with a degree in Business Administration and a concentration in Actuarial Mathematics. She is currently a member of Bryant University's Actuarial Board and is a past President of the Actuaries' Club of Hartford/Springfield.

### **C: Who Buys Life Insurance Anyway?**

Simon Gervais, Senior Manager, Oliver Wyman

Steven Zirolli, CFP® CLU®, Wealth Management Advisor, Northwestern Mutual

#### **Session Description:**

An overview of the relationship between the distribution of life insurance products and product design. The session will provide an overview a case study of four life insurance customer archetypes, their likely objectives in purchasing life insurance, and how companies design products consistently with their target market.

**Simon Gervais** is a senior manager with the actuarial practice of Oliver Wyman and is based in Hartford. He has extensive experience in life insurance modeling, pricing, and reserving under VM-20.

**Steve Zirolli** is a Wealth Management Advisor in West Hartford, Connecticut. He runs a comprehensive financial planning practice specializing in the integration of insurance with investment management. For all 16 years of his career, he has affiliated with Northwestern Mutual offering life insurance, disability income insurance, long term care insurance, annuities and investment management to his clients. In addition to his Life & Health, Series 7 & 65 licenses, he holds both the CERTIFIED FINANCIAL PLANNER™ certification and the Chartered Life Underwriter® (CLU®) designation.

## **D: Lessons Learned from the Adoption of LDTI: Targeted Improvements to Long Duration**

Adam Ockman, Director & Actuary, Prudential Financial

### **Session Description:**

Long Duration Targeted Improvements significantly changed US GAAP valuation at Life and Annuity companies. While the overall objectives were clear, many of the specifics were open to interpretation, especially given the diversity of products that have ever been sold. This session will consider the lessons learned from the conversion to post-LDTI GAAP financials. It will also discuss some of the areas in which the new GAAP guidance is unclear, and where enterprise GAAP policy functions need to come to a conclusion. This session will be useful to practitioners with a 2025 LDTI implementation date, those that use GAAP for internal reporting metrics, and those that are entering or acquiring new products.

**Adam Ockman** is a Director and Actuary at Prudential Financial. He is the enterprise lead for Actuarial US GAAP Policy and US GAAP Economic Assumptions. Previously, he was the Valuation Lead for Prudential's LDTI Implementation, and has held roles covering US life insurance and annuities. He is a Fellow in the Society of Actuaries, a Member of the American Academy of Actuaries, and has Bachelor's and Master's degrees in Mathematics from the University of Pennsylvania.



## General Session #2 (4:00-5:00)

### **All Things AI: Principles, Standards, and Best Practices**

Mitch Stephenson, Head of Model Governance Solutions, Fannie Mae

#### **Session Description:**

Artificial intelligence (AI) presents numerous opportunities in the insurance and financial industries. It also comes with heightened model, operational, legal and compliance, financial, and data risk. In this session, we will discuss speculation that emerging AI capabilities have sparked the fourth industrial revolution, examine what is different about this most recent round of capabilities, and examine why industry experts warn about the heightened risks the use of AI presents.

We will review a framework – which includes AI ethical principles, standards, and best practices – to govern the use of AI. This will include a cross-reference of relevant Actuarial Standards of Practice as well as industry guidance like the NAIC Model Bulletin on the Use of AI Systems by Insurers. This framework will help actuaries and insurance professionals gain confidence that – if governed appropriately – we can reap the vast rewards of using AI systems in our industry.

**Mitch Stephenson** is the Head of Model Governance Solutions at Fannie Mae. In this role, he is responsible for an Artificial Intelligence (AI) / Machine Learning program management office that enables compliance with AI-related standard requirements. Mitch previously was the head of Actuarial Model Management and Controls at Prudential Financial where his team worked with model, operational, privacy, data governance, and financial reporting control frameworks. Mitch is a Fellow of the Society of Actuaries and holds a Bachelor of the Arts in Mathematics from Rutgers University.