

# Actuaries' Club of Hartford and Springfield Annual Meeting

May 21, 2013  
Sheraton Hartford South Hotel  
Rocky Hill, CT

## AGENDA

### General Session 1: (9:00 – 10:00)

#### Does That Apply to Me? – How Actuarial Standards of Practice May Apply to Your Daily Work

There are now a total of 47 Actuarial Standards of Practice (ASOPs) that provide guidance to actuaries. This session will provide an overview of the goals and objectives of standards, case studies of the application of those standards to life & health actuarial practice, and an overview of the process by which standards are developed and revised. In addition, some of the recent developments regarding ASOPs, including those related to communications, enterprise risk management, modeling, credibility, and actuarial value under the Patient Protection and Affordable Care Act (ACA) will be discussed.

Patricia Matson, FSA, MAAA recently joined Mass Mutual as a Vice President in Enterprise Risk Management, and has nearly 20 years of experience in the life insurance industry. She is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. Prior to joining Mass Mutual, Tricia worked for 18 years at two large consulting firms. Tricia's experience includes leading large scale risk management and finance transformations, developing enterprise risk measurement and reporting capabilities, building and reviewing internal capital models, implementing new financial reporting requirements, implementing risk and model governance programs, and working on regulatory compliance issues related to Solvency II, MCEV, USGAAP, US Statutory, and IFRS. She is a frequent speaker at industry meetings on risk management and financial reporting topics and has published numerous articles on capital and risk management issues. She currently serves as vice chair of the U.S. American Academy of Actuaries' (Academy) Actuarial Standards Board, chair of the Academy's Life Capital Adequacy Subcommittee, chair of the Academy's ORSA subgroup, and participates in several other Academy committees and task forces.

### General Session 2: (10:15 - 11:15)

#### Health Care Reform – 3 Years Later

Nearly every facet of the healthcare system was impacted with the passage of the Patient Protection and Affordable Care Act in 2010. This session will provide a brief recap of the reforms already implemented and the impacts to date. The session will then turn to upcoming changes to the healthcare system and the associated risks.

Eric Palmer is the chief financial officer of Cigna Corporation's Global Healthcare Segment. Since joining Cigna in 1998, Eric has held roles with increasing responsibility in pricing, reserves, underwriting, human resources and financial planning and analysis. Eric is a Fellow of the Society of Actuaries, and a Member of the American Academy of Actuaries. He holds a bachelor of arts degree in actuarial science from the University of Iowa, and is a member of the board of directors of the Hartford Chorale, Inc.

### Breakout Session 1: (11:30 - 12:30)

A: Indexed Annuity/Life Topics

Indexed product sales have performed well in the current low interest rate environment and the products have gained broader acceptance. This session focuses on:

- Market dynamics
- Product trends
- Pricing and risk management issues

Guillaume Briere-Giroux is Senior Consultant at Towers Watson. Guillaume joined the company in 2008 and specializes in the pricing and risk management of fixed indexed annuities (FIA) and variable annuities (VA). At Towers Watson, Guillaume is a key contributor to a wide range of projects focused on FIA / VA pricing, risk management, financial modeling, product development and financial reporting. He also applies his annuity knowledge in the context of M&A and experience studies. His research and marketing activities include several industry surveys, articles and industry presentations. Prior to joining Towers Watson, Guillaume was an Actuary at Allianz Life. Guillaume reported to the CRO and was responsible for the pricing and risk review of new products. Guillaume has a degree in actuarial science from the École d'Actuariat de l'Université Laval, located in Quebec City. He is a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries and a CFA Charterholder.

Rob Stone, FSA, MAAA, has been with Milliman since 1994 and is currently a principal in the Indianapolis office. Rob's responsibilities at Milliman have included a variety of life and annuity projects in product development, asset-liability management, tax issues, financial projections, and appraisals. He focuses mostly on universal life products and indexed and variable products (both life and annuity) with and without secondary guarantees. Rob is a frequent speaker and moderator at insurance industry meetings and has written many articles for multiple insurance trade publications. He received his BS in Mathematics from Butler University and his MS in Applied Mathematics from Northwestern University.

#### B: Annuity and Life Insurance Taxation – How Did We Get Here, and Where Are We Going?

Annuity and Life Insurance Taxation are complex and highly technical subjects. This session will provide an overview of current Annuity and Life Insurance taxation issues, along with the historical developments that have shaped the current tax regime. Current tax issues and topics will be discussed, including recent IRS Notices and pronouncements. Finally, the future of Annuity and Life Insurance Taxation will be considered in light of impending tax reform.

Tim Branch is the Assistant Vice President and Tax Actuary for the Hartford Financial Services Group, and is responsible for the oversight of both life and P&C tax reserves, tax planning opportunities, capital management, IRS audits, and Tax Law issues. Tim is also a member of the Taxation Section of the Society of Actuaries and participates in various industry working groups on tax issues.

Previously, Tim has worked in the International Annuity and Group Benefits areas within The Hartford as a valuation actuary. He has also worked as a pension consultant for Hooker & Holcombe, Inc. and Mercer.

Dave Carlson recently retired as Senior Vice President and Director of Taxes at The Hartford. He has 38 years of tax experience, including 15 years at The Hartford and 23 years at CIGNA Corp. Dave has a B.S. in Accounting from the University of Connecticut and a M.S. in Taxation from the University of Hartford. He was active in many industry associations and informal groups, and served as the Chairman of the ACLI's Company Tax Committee. He is now working as a part-time consultant to the ACLI, in the area of tax reform.

#### C: Group LTD – Trends and New Development

This session will discuss two different, but related topics. The first topic will discuss the latest trends in Group LTD experience. How has the economic environment impacted the industry? The second topic addresses a new valuation standard for group long term disability (LTD) claim reserves that the NAIC recently exposed for comment. This standard, and its underlying

Experience Table have introduced several new approaches that may be harbingers of things to come in valuation standards for other products. We think that group actuaries will find this discussion of these topics interesting and informative.

Tom Corcoran provides consulting services to the insurance industry, specializing in group life, group health and individual health products. Mr. Corcoran's areas of expertise include mergers and acquisitions, reserve valuations, financial reporting, capital management / reinsurance strategies, risk management, product pricing and best practice reviews.

Mr. Corcoran speaks frequently on actuarial topics and has published numerous articles and is a co-author of the Society of Actuaries text book on *Mergers & Acquisitions*. He has served as Vice President of the SOA Board of Directors, Chairman of the SOA Health Section and as chair or member of numerous committees.

Mr. Corcoran leads Towers Watson's Health insurance consulting practice. Tom has a Bachelor of Science degree in applied mathematics from Brown University. He is a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries.

#### D: Transforming the Pension Landscape: The role of actuaries in the \$25B General Motors pension risk transfer transaction

The \$25B GM pension risk transfer transaction reshaped the future of the US Pension Landscape. Actuaries played a central role in bringing this mammoth exchange of assets and risks to life. In this session you will learn what motivates GM and other sponsors to transfer these risks, the challenges these risks present to insurance companies, and how the combination of actuarial technical expertise and actuarial business leadership competencies helped shape creative, prudent solutions to bring value to GM and value to the insurer.

Brent Walder, Senior Vice President, Pricing, Pension Risk Management Solutions, is responsible for the pricing and underwriting of Prudential's pension risk management business. In this role, Walder led the pricing and financial assessment of the landmark General Motors and Verizon pension risk transfer transactions. Previously, Walder led Prudential's Institutional Income Innovations group, where he was co-architect of the first guaranteed lifetime withdrawal benefit tailored to provide retirement security within defined contribution plans. Brent has more than fifteen years of experience in the institutional retirement market, is a Fellow of the Society of Actuaries, and a member of the American Academy of Actuaries. Walder earned a bachelor's of science degree in actuarial science from the University of Illinois.

Margaret (Peggy) McDonald is a Senior Vice President and Actuary for Prudential Retirement. Peggy has over 25 years of experience as a pension actuary, consulting with a wide variety of plan sponsors. She rejoined Prudential Retirement in 2010 where she now focuses on Pension Risk Transfer Strategies for Plan Sponsors. In addition to working at Prudential, Peggy has also worked at Hewitt Associates and Towers Watson where she provided pension consulting services to a number of Fortune 500 clients. Peggy attended Smith College where she earned a B.A. in Economics. She is a Fellow of the Society of Actuaries, a Fellow of the Conference of Consulting Actuaries, a Member of the American Academy of Actuaries, and an Enrolled Actuary under ERISA..

### **Lunch and Club Meeting: (12:30 – 1:30)**

#### **General Session 3: (1:30 – 2:30)**

##### Killer Risks – Torpedoes in the Water

There are several killer risks that most organizations commonly overlook. These are risks that share 3 characteristics: (1) they are politically difficult to discuss; (2) everyone is aware of them; and (3) they are often leading indicators of high-severity risk events. In this presentation, we identify these killer risks, discuss their root causes and characteristics, and offer suggestions on how to mitigate them. Several case studies will be discussed.

Sim Segal is president and founder of SimErgy, a consulting firm specializing exclusively in ERM. He is author of *Corporate Value of Enterprise Risk Management*, which has been adopted on syllabi of the SOA and leading universities. Segal is adjunct professor at Columbia University, where he teaches an ERM course. He formerly served as vice president on the SOA board of directors and as chairman of the SOA Risk Committee, where he led the design and implementation of the SOA's ERM program. Segal is a Fellow of the Society of Actuaries (FSA) and a Chartered Enterprise Risk Analyst (CERA).

## **Breakout Session 2: (2:45 - 3:45)**

### A: Introduction to Volatility Control Techniques and Variable Annuities

This session will present a basic introduction to some volatility control techniques in the context of variable annuities. It will first introduce volatility control techniques, focusing on their background, mechanics, and option valuation. It will then provide some introductory examples of applications of these techniques to variable annuity guarantees.

Nick Mocchiolo has worked in the insurance industry for 12 years, and has been a derivatives quant and trader for the last 9, focusing on hedging and income generation applications. He holds the FSA, FRM, and CQF designations.

### B: Pricing and Managing Universal Life Products in Challenging Times

Several factors and potential developments have created a challenging environment in which to price and manage Universal Life ("UL") products. This session will provide an overview of the UL market and will discuss the impact on UL products of the low interest rates, revisions to Actuarial Guideline 38 and the work of the NAIC subgroup charged with reviewing the industry's use of captives. The session will also include a discussion of how companies are responding to these downward pressures on the profitability of their UL business.

Elinor Friedman, FSA, MAAA, is a Director at Towers Watson and leads Towers Watson's Risk Consulting and Software line of business for the Central Division. Elinor provides consulting assistance to the insurance industry in financial analysis, modeling and product pricing. She specializes in UL products and has been involved with a range of UL assignments which include: designing and pricing products, evaluating excess reserve financing transactions, re-determining non-guaranteed elements and assisting buyers in performing due diligence of potential acquisition of blocks of business. Elinor has served as the chair of the SOA's Product Development Section Council. She has authored several articles and is a frequent speaker at SOA meetings.

### C: Retirement Readiness – Focusing on Participant Income

In this session you will hear about the changing demographics of today's retirees and how the retirement plan market is evolving to meet their unique income needs. You will learn about recent product development innovation as well as new retirement planning tools designed to assist participants in creating a savings plan that provides a sustainable lifetime income stream in retirement.

Patricia Harris, is Assistant Vice President of Retirement Services Product Management at MassMutual Life Insurance Company. Pat has background in retirement plans, annuity and life product development. Most recently Pat led the product development team responsible for creating an innovative in plan guaranteed income solution for defined contribution plans.

Suzanne Amari is an Assistant Vice President and Actuary with MassMutual Retirement Services. In her role, Suzanne is responsible for the pricing of MassMutual's Institutional Income Annuities as well as product management and new business operations for Pension Buyouts. In addition to her primary business responsibilities, Suzanne also serves as the co-coordinator of

MassMutual's Actuarial Student Program. She has over 12 years of experience in the financial services industry, primarily in the retail and institutional annuity markets. She is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries.

#### D: State of Market Exchanges

Session will focus on challenges facing actuaries due to PPACA, including pricing approaches, product development, and the status of state Exchanges.

Daniel Pribe, FSA, MAAA, is a consulting actuary and Director with OptumInsight. Before joining OptumInsight in 2011, Daniel was the Executive Director and Chief Actuary for Mercy Health Plans. He is a graduate of the Ohio State University.

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

#### Professionalism in the Real World

It goes without saying that professionalism and ethical behavior are essential for actuaries at all levels of the organization. In this presentation, one of the very few actuaries who have reached the position of CEO will share several of his lessons learned over a 30 year career and provide real life examples along the way that will bring the actuarial Code of Conduct and Actuarial Standards of Practice to life.

Tom Marra is president and chief executive officer of Symetra Financial Corporation and its insurance subsidiaries, as well as a member of the company's board of directors. He joined Symetra in June 2010.

Marra has more than 30 years of experience in the insurance industry. He began his career at The Hartford Financial Services Group, Inc., in 1980 as an actuarial student. While at The Hartford, he held increasingly senior positions, most recently as president and chief operating officer of the parent company. He also served as president and chief operating officer of Hartford Life, Inc., where he drove innovation and expansion of products, distribution, service and operations. Throughout his career at The Hartford, Marra held various directorships, including at the parent company and its subsidiaries. In 2009, he became a senior advisor at the Boston Consulting Group in the North America Financial Services division.

Marra is a past chairman of the board of the American Council of Life Insurers and of the National Association of Variable Annuities, now known as the Insured Retirement Institute (IRI). In October 2011, Marra was inducted into the IRI Hall of Fame in recognition of his contributions and leadership in the insured retirement industry.

Marra is a Fellow of the Society of Actuaries, a member of the American Academy of Actuaries, and he serves on the board of his alma mater, St. Bonaventure University where he earned a bachelor of science degree.

In February 2011, Marra was elected to the board of directors of the Cal Ripken, Sr., Foundation, which helps teach life skills to disadvantaged youth through baseball- and softball-themed programs.

### **Networking Reception: (5:00 - 6:30)**

Hors D'oeuvres and one complimentary beverage will be served. Cash bar will be available for additional beverages.