

*Actuaries' Club of the Southwest
&
Southeastern Actuaries Conference*

**Joint Annual Meeting
November 15 – 17, 2006**

**JW Marriott Hotel
New Orleans, Louisiana**

Executive Committees

SEAC

ACSW

<i>President</i>	<i>Bradley D. Leonard</i>	<i>Esther Blount</i>
<i>Vice President</i>	<i>Janet D. McGowin</i>	<i>Leigh Harrington</i>
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<i>Member at Large</i>	<i>D. Joeff Williams</i>	<i>John Norton</i>

Wednesday, November 15th – Pre-Meeting Seminars (3 PD Credits Each)

2:00 p.m.–5:00 p.m. **Seminar #1 – Measuring and Modeling Market Risk [Ile De France III]
Sponsored by the Tillinghast Business of Towers Perrin**

- *Overview of the Greeks*
 - *Hedging Programs*
 - *Modeling Considerations*
 - *Pricing Implications*
- **Dean Kerr, ASA**
 - **Winter Liu, ASA**
 - **Michael Taht, FSA, MAAA**
 - **Doug Doll, FSA, MAAA**

2:00 p.m.–5:00 p.m. **Seminar #2 – Hot Topics in Health Insurance [Ile De France II]
Sponsored by Milliman**

- ❖ **Medicare Advantage Update**
 - *Marketplace Update – Major Players in MAPD & PDP*
 - *Understanding Private Fee-for-service Plans (PFFS) – The Wave of the Future?*
 - *Understanding the Bid Process*
 - *Product Design, Pricing, & Bid Submission*
 - *CMS Review, Resubmission, & Approval*
- ❖ **Employer Considerations in Offering a CDHP**
 - *Current & Future Market Penetration*
 - *Employer Goals & Expectations*
 - *CDHP Experience*
 - *Critical Success Factors*
 - *Current Availability of Consumer Data*
- ❖ **Individual Health Issues**
 - *Critical Illness Insurance – A Product Whose Time Has Come... Maybe*
 - *Limited Benefit Medical – A Growth Product for the Individual Worksite & Group Markets*
 - *Supplemental Health Update – Developments Influencing the Market*
 - **Stu Rachlin, FSA, MAAA**
 - **Matt Chamblee, ASA, MAAA**
 - **Sue Hart, FSA, MAAA**
 - **Cathy Quock**
 - **Darrell Spell, FSA, MAAA**

1:45 p.m.–5:30 p.m. **Registration [Ile de France Foyer]**

5:00 p.m.–7:00 p.m. **Reinsurer's Reception**

Thursday, November 16th

7:15 a.m.–8:15 a.m. **Registration & Joint Breakfast [Ile de France Foyer & Ile de France II]**

8:15 a.m.–8:30 a.m. **SEAC Business Session [Ile de France I]**

❖ **Annual Meeting Business Session Topics**

❖ **SEAC Presidential Address**

➤ **Brad Leonard, FSA, MAAA**
American Life Insurance Company

8:30 a.m.–10:15 a.m. **General Session [Ile de France I] (1.5 PD Credits in Total)**

❖ **Introduction**

❖ **The 21st Century Actuary**

- *In What Industries Will Actuaries Be Working?*
- *What New Roles Will Actuaries Fill?*
- *What Does the Profession Need to Do to Prepare?*
- *What is Happening Today to Make This Happen?*

➤ **Bob Beuerlein, FSA, MAAA**
Sr. Vice President & Chief Actuary
AIG American General

❖ **NAIC and AAA Updates**

- **LHATF – Life Health Actuarial Task Force**
 - *Changes to the Standard Valuation Law*
 - *Preferred Mortality Table Regulation*
 - *Actuarial Guideline 38*
 - *VACARVM*
 - *Other*
- **AHWG – Accident & Health Working Group**
 - *LTC Exhibits*
 - *Closed Block Rate Spiral Issue*
 - *Other*
- **CADTF – Capital Adequacy Task Force**
 - *C3 Phase 2*
 - *Exposure of Governance Law & Rule*
 - *Other*
- **AAA Valuation Law & Manual Team – Update**
 - *Status of Valuation Manual*
 - *Coordination with the NAIC LHATF*
 - *Timing*
 - *LTC Issues*

➤ **Mike Boerner, ASA, MAAA**
Managing Actuary
Texas Department of Insurance

10:15 a.m.–10:30 a.m. **Break**

10:30 a.m.–12:00 p.m. **General Session [Ile de France I] (1.5 PD Credits in Total)**

- ❖ **[The Health Solution Right under Our Noses - Wellness](#)**
 - *Why Healthcare Costs Have to Reduce (Medicare, Uninsured, Spiral, etc...)*
 - *So Many Opportunities to Change for the Better*
 - *Actuaries Can be Catalysts, but All Disciplines Are Needed – Plus Government*
 - *Lifestyle-based Analytics*
 - *Give People a Chance to Help Themselves with Reliable Information*
 - **Chris Stehno**
Consultant
Deloitte Consulting, LLP

- ❖ **[Pandemics: What You Need to Know](#)**
[Example](#)
 - *What is Avian Flu?*
 - *How to Model the Impact*
 - *Business Continuity Issues*
 - *The Industry Response*
 - **Jim Toole, FSA, MAAA**
Managing Director, Life & Health
MBA Actuaries, Inc.

12:00 p.m.–1:30 p.m. **Lunch**

1:30 p.m.–3:00 p.m. **General Session [Ile de France I] (1.5 PD Credits in Total)**

- ❖ **[The Financial Impact of Underwriting Class Exceptions](#)**
[Example1](#)
[Example2](#)
 - *Graphical Illustration of the Underwriting Classification Process*
 - *Impact on Mortality*
 - *Impact on Profitability*
 - *Other Considerations*
 - **Jim Filmore, FSA, MAAA**
Second Vice President & Actuary
Munich American Reassurance Company

- ❖ **Long-term Care**
 - *Products, New Issues, Innovations*
 - *Consolidation of Carriers*
 - *Worksite Market*
 - *Trends in Market on Stand-alone*
 - *Reinsurance Availability*
 - *Consumer Needs – Are They Being Met?*
 - *Accelerated Death Benefit Variations – Market Interest & Availability*
 - *Accelerated Death Benefit Pricing*
 - **Tim Hale, ASA, MAAA**
Assistant VP & Health Actuary
Munich American Reassurance Company

3:00 p.m.–3:30 p.m. **Break**

Concurrent Sessions (1.5 PD Credits Each)

3:30 p.m.– 5:00 p.m. **1. Life Insurance Topics [Ile de France I]**

❖ **Principles-Based Reserve System - Theory**

- *Why is the NAIC Doing This Now?*
- *Theory: What are the Principles?*
- *Practice: Proposed SVL2, Valuation Manual, Regulation, Guidelines, Peer Review, Governance*
- *More Practice: Procedures, Assumptions, Scenarios*
- *Prognosis for Adoptions*

➤ **Doug Doll, FSA, MAAA**
Towers Perrin

❖ **Principles-Based Reserve System - Application**

- *How Do You Develop Assumptions under SVL2?*
- *What Should You Be Doing Now to Get Ready for SVL2?*
- *Description of an Algorithm Developed by the Joint AAA/SOA Task Force to score preferred underwriting classes, which may be used in SVL2*

➤ **Allen Klein, FSA, MAAA**
Senior Consultant
Towers Perrin

3:30 p.m.– 5:00 p.m. **2. Health Insurance Topics [Ile de France II]**

❖ **Consumer-Directed Healthcare: A Look at Consumer Experience**

- *Historical and Current Trends*
- *At the Beginning: What We Knew Then*
- *Experience Update: A Look at Two New Analyses*

➤ **Bill O'Brien, FSA, MAAA**
Reden & Anders Ltd

❖ **Health ERM – What's Hot?**

- *The Value of ERM*
- *The Basics of Health ERM*
- *ERM Tools & Concepts for Health Insurance*

➤ **Kara Clark, FSA, MAAA**
Staff Fellow
Society of Actuaries

- ❖ **Macroeconomic Modeling in Trend Forecasting**
 - *Why Create a Macroeconomic Healthcare Trend Model?*
 - *Which Variables to Model*
 - *Statistical Methodology*
 - *Model Accuracy – Historical Accuracy*
 - *Model Accuracy – Preliminary Forecasting Accuracy*
- **Paul Stordahl, FSA, MAAA**
Principal
Reden & Anders

6:30 p.m.–7:30 p.m. **General Reception [Ile De France II]**

7:30 p.m.– 11:00 p.m. **Reception Sponsored by D.W. Simpson [The Lobby Bar]**

Friday, November 17th

7:15 a.m.–8:15 a.m. **Joint Breakfast [Ile de France II]**

8:15 a.m.–8:30 a.m. **ACSW Business Session [Ile de France I]**

8:30 a.m.–10:45 a.m. **General Session [Ile de France I] (1.5 PD Credits in Total)**

- ❖ **Introduction**

- ❖ **Equity Indexed Annuities in Today's Market**

- *Current Products Designs*
- *Compensation Trends*
- *Market Conduct Issues*
- *NASD and SEC Activities*
- *Hedging Approaches*
- *Industry Direction*

- **Noel Abkemeier, FSA, MAAA**
Consulting Actuary
Milliman, Inc.

- ❖ **The Impact of Medicare Part D on Pharmacy Benefit Managers**

- *What Roles Do PBM's Play under Part D?*
- *How Have PBM's Benefited from Part D?*
- *What Challenges Lie Ahead for PBM's under Part D?*

- **Troy Filipek, FSA, MAAA**
Actuary
Milliman, Inc.

❖ **Economic Capital**

- *What is Economic Capital?*
 - *Methods for Calculating Economic Capital*
 - *Using Economic Capital In Decision Making*
- **Cheryl Tibbits, FSA, FIAA, MAAA**
Consulting Actuary
Towers Perrin

10:45 a.m.–11:15 a.m. **Break**

11: 15 a.m.–12:30 p.m. **Workshops (1.25 PD Credits Each)**

1. Getting Started on Enterprise Risk Management [St. Jerome]

- [Guiding Principles for Implementing ERM](#)
- [Current State of the Industry](#)
- *Key Topics When Implementing ERM*
 - *Economic Capital, Framework, Operational Risk, Rating Agencies*

➤ **Hubert Mueller, FSA, MAAA**
Principal
Towers Perrin

➤ **Kara Clark, FSA, MAAA**
Staff Fellow
Society of Actuaries

2. SVL2: Follow-up to Life Concurrent Session [St. Claude]

- *What System Changes Will Be Required?*
- *What Changes to Experience Studies Will Be Required?*
- *What If I Do Not Have Any Experience?*

➤ **Alice Fontaine, FSA, MAAA, FCIA**
Consulting Actuary
Allen Bailey & Associates

3. Health Topics [Maurepas]

- *Trends*
- *Regulatory Issues*
- *Efforts to Cover the Uninsured*
- *Individual Pricing & Underwriting*
- *Medicare Modernization, Part D, Medicare Advantage Plans*
- *Follow-up to Health Concurrent Session Topics*

➤ **Hank Frantz, FSA, MAAA**
Associate Actuary
Blue Cross / Blue Shield of Louisiana

➤ **Jim Galasso, FSA, MAAA**
President & Consulting Actuary
Actuarial Modeling

4. Current Valuation & Financial Reporting Issues (Life & Health) [Frontenac]

- *Changes to Annual Statement*
 - *Updates*
 - *LTC Exhibits*
- *Premium Deficiency Reserves*
- *Financial Reporting Concerns*

➤ **John Condo, FSA, MAAA**
Consulting Actuary
Actuarial Resources Corporation of Georgia

5. Life & Annuity Products [Orleans/Rosalie]

- *Traditional Life Products*
- *Universal Life Products*
- *Rider Benefits (ROP, Accelerated Death Benefit, etc....)*
- *Deferred Annuities*
- *Immediate Annuities*

➤ **Doug Israel**
Sr. Vice President, Product Development
AIG American General

12:30 p.m.

Adjourn

(Total PD Credits Possible: 11.75)

ACSW Members Joined Since Last Meeting

Jennifer Cheney
Natalia Humphreys
Yang Yang

AEGON
HealthMarkets
AIG American General

Future ACSW Meetings

Moody Gardens Hotel	Galveston, TX	June 7-8, 2007
Menger Hotel (tentative)	San Antonio, TX	Nov. 15-16, 2007

SEAC Members Joined Since Last Meeting

Daniel James Hamilton	Hannover Life Re
George K. Hawkins, Jr.	Wakely Consulting Group
Lucretia Hydell	Pan-American Life
James MacDougall	Dominion Actuarial Consulting
Ben Robert Neeley	American General Life & Accident
Benjamin Rayburn	Milliman
Jodi Vann	Transamerica Re
Charlotte Wang	Genworth Financial

Future SEAC Meetings

The Westin Resort	Hilton Head, SC	June 20-22, 2007
Disney Grand Floridian Resort & Spa	Orlando, FL	November 14-16, 2007
The Ritz-Carlton	Amelia Island, FL	June 18-20, 2008