



Actuaries' Club of Hartford & Springfield 2008 Spring Meeting Agenda

*The Hartford Club
Hartford, Connecticut*

Wednesday, May 21, 2008

- 9:30-10:00 [Morning Session Registration](#)
- 10:00-11:30 [Optional Morning Session](#)
Secrets for Delivering a Top-Notch Presentation with
Bill Corbett, *MassMutual*
- 11:30-12:15 [Afternoon Session Registration](#)
- 12:15-12:30 [Club Business, Elections, and Lunch](#)
- 12:30-1:30 [GENERAL SESSION 1 and Lunch](#)
SOA CPD Requirement & the US Qualification Standard with
Emily Kessler, *Society of Actuaries*
- 1:40-2:30 [BREAKOUT SESSION 1](#)
- A) Predicting Annuity Policyholder Behavior – Are We Out of the Dark Yet? with Steve Turer, *Lincoln Financial Group* and Kendrick Lombardo, *MassMutual Financial Group*
- B) Medicare Part D -- Lessons Learned with Bill Thompson and Andrea Burrell, *Milliman, Inc.*
- C) Current Status of Principles-based Regulation, and Implications for Pricing and Capital Management with Hubert Mueller, *Towers Perrin*
- D) What's it All About, PPA?, with Rick Erickson, *MassMutual Financial Group*
- 2:30-3:00 [Snack Break](#)
- 3:00-3:50 [BREAKOUT SESSION 2](#)
- A) High Face Amount Life Policies – Who is Buying, How to Reach Them with Russ Lowry, *Sagemark Consulting* and Karen Terry, *LIMRA International*
- B) Securitization of Disability Income Insurance with Susan Sames, *Towers Perrin*
- C) The Sub-prime Mortgage Tail and its Effects with Charles Kandilis, *Oppenheimer Funds*
- D) GASB 45 Strategies: Practical Approaches to Managing the Implications, with Steve Lemanski, *Milliman, Inc.*, Steven May, *Milliman, Inc.* and Harvey Katz, *Brown Rudnick Berlack Israels, LLP*
- 4:00-5:00 [GENERAL SESSION 2](#)
The Commissioner's Perspectives on Issues Facing the Insurance Industry with John Purple, *Chief Actuary, Connecticut Insurance Department* speaking on behalf of Commissioner Thomas R. Sullivan
- 5:00-6:30 Networking Reception

This will be a paperless meeting. If you wish to print slides before the meeting, please visit us on our website at:
<http://www.newenglandactuaries.org>

PROGRAM COMMITTEE

Terry Boucher
Michael Braunstein
Thea Cardamone
Jennifer Fleck
Stephen Fox
Steve Lemanski
Weiling Lao
Adeniyi Olayiya
Michael Ryan
Cheryl Reese
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Thea Cardamone

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Accepting Nominations

Someone you'd like to nominate?
Contact us at:
HartfordClub@
newenglandactuaries.org

Thank you to our meeting sponsor!





**Actuaries' Club of Hartford & Springfield
2008 Spring Meeting Registration Form
The Hartford Club - Wednesday, May 21, 2008**

Name: _____

Company: _____

Phone: _____ Email: _____

Please check all the sessions you plan to attend:

| Session |
|--|
| <input type="checkbox"/> Morning Session: Secrets for Delivering a Top-Notch Presentation <i>Space is limited & reserved on a first-come, first-served basis</i> |
| <input type="checkbox"/> General Session 1: SOA CPD Requirement & the US Qualification Standard Includes Lunch (please choose meal) <ul style="list-style-type: none"> <input type="checkbox"/> Stuffed Breast of Chicken (<i>Fresh Thyme, Cranberry, Walnuts and Orange Stuffing</i>) <input type="checkbox"/> Grilled Salmon Fillet <i>with Mango Salsa</i> <input type="checkbox"/> Portabella Mushroom Napoleon |
| Breakout Session 1 (please choose one): <ul style="list-style-type: none"> <input type="checkbox"/> 1A Predicting Annuity Policyholder Behavior – Are We Out of the Dark Yet? <input type="checkbox"/> 1B Medicare Part D -- Lessons Learned <input type="checkbox"/> 1C Current Status of Principles-based Regulation, and Implications for Pricing and Capital Management <input type="checkbox"/> 1D What's it All About, PPA? * |
| Breakout Session 2 (please choose one): <ul style="list-style-type: none"> <input type="checkbox"/> 2A High Face Amount Life Policies – Who is Buying, How to Reach Them <input type="checkbox"/> 2B Securitization of Disability Income Insurance <input type="checkbox"/> 2C The Sub-prime Mortgage Tail and its Effects <input type="checkbox"/> 2D GASB 45 Strategies: Practical Approaches to Managing the Implications |
| <input type="checkbox"/> General Session 2: The Commissioner's Perspectives on Issues Facing the Insurance Industry |
| <input type="checkbox"/> Networking Reception |

The ACH/S and ACB certify that they believe in good faith that each activity qualifies as a Recognized Organized Activity, and that attendance at each session will provide CE credits in the appropriate practice areas.

* The Actuaries' Club of Hartford/Springfield ("the Club") has been designated by the Joint Board for the Enrollment of Actuaries as an approved sponsor of continuing education for enrolled actuaries. The specific requirements for continuing education are published by the Joint Board for the Enrollment of Actuaries. The Club has taken all steps reasonably necessary and appropriate to ensure that the pension session(s) presented at this meeting will meet the requirements set forth by the Joint Board. We caution, however, that we cannot guarantee attendees that each pension session presented will earn credit under the Joint Board's program, either as core or non-core, inasmuch as that determination ultimately rests with the Joint Board for the Enrollment of Actuaries

(Please Select)

Retired – Unaffiliated –

| Registration Fees: | Active | Regulators – College Students |
|--|---------------|--------------------------------------|
| Morning Session | \$20 | \$20 |
| Afternoon Session: Early Bird (Before May 9) | \$70 | \$30 |
| Afternoon Session: Regular Fee (As of May 10) | \$80 | \$30 |
| Total of Morning & Afternoon Session Registration Fee: | _____ | _____ |

Mail registration form with checks payable to: Actuaries' Club of Hartford & Springfield

Steve Lemanski, Consulting Actuary, Milliman, Inc., 80 Lamberton Road, Windsor, CT 06095
E-mail: steve.lemanski@milliman.com 860.687.0143 / Fax: 860.687.2111

Please register on or before May 9

Lunch choices may be limited for walk-ins and registrations received after May 14.

Advance payment is preferred; however, payment will be accepted at the door.

Payment is required unless registration is cancelled on or before May 9

MORNING SESSION

Secrets for Delivering a Top-Notch Presentation

This session combines audio, video, and lecture with an interactive session to get participants familiar and comfortable with how to give a first rate presentation. It is designed for those who need to get started on giving presentations, as well as for those who want to brush up on their skills.

Have you ever found yourself faced with having to give a presentation and wishing the event had already passed? Our ability to conduct a presentation effectively can impact our skills, our confidence, and our performance in our job. Whether you speak to groups on a regular basis or just want to be prepared for the day an opportunity arrives, this fun and interactive workshop will reveal simple techniques for pulling off a polished presentation. This professional overview combines video segments, interactive demonstrations, step-by-step instruction, and lecture. Some of the key concepts participants will learn are:

- Barriers that keep us from doing our best
- Tips for handling nervousness
- The skills of top-notch presenters
- Suggestions and guidelines for using effective Power Point slide shows
- Techniques to use at the front of any room
- A quick and easy formula for any talk lasting as short as 1 minute or as long as several hours
- Methods for additional training and education

Bill Corbett is a professional speaker with clients such as Dollar General Corporation, the State of Tennessee, and Berkshire Children and Families. He is an award winning speaker with Toastmasters International, a syndicated columnist, and a former radio talk show host with Clear Channel Broadcasting. In addition to his speaking and writing career, Bill holds a director position at MassMutual Life in Springfield, Massachusetts and is the President of the MassMutual Toastmasters chapter. For more information, visit his Web site at www.BillCorbett.com. For more information on Toastmasters, visit <http://www.toastmasters.org/>.

AFTERNOON SESSION

General Session 1

SOA CPD Requirement & the US Qualification Standard

2007 was a year for continuing professional development standards. The Academy issued a qualification standard (US Qualification Standard) that applies to any actuary practicing in the US, and the SOA issued its own continuing professional development standard in exposure draft format. This session will cover the basic continuing education requirements of both standards, how they work together, discuss what the SOA heard back from members during its exposure draft period, and give you an opportunity to ask questions and offer your feedback.

Emily Kessler, FSA, EA, MAAA, FCA is a Managing Director with the Society of Actuaries (SOA). She is primarily responsible for the sections and for the staff fellow's role in content and intellectual content development. She has been the primary staff partner on the development of the CPD requirement and *Retirement 20/20*. She joined the SOA in 2003 as the Retirement Systems Staff Fellow. She has presented at numerous actuarial conferences as well as at the National Academy of Social Insurance and the Pension Research Council (Wharton) conferences. Emily is an FSA, EA, MAAA, FCA and a member of the National Academy of Social Insurance. Previously, Emily was a consulting actuary at Towers Perrin for 14 years, including 3 years in Europe. She worked with Fortune 500 clients on the design, administration and financing of pension and post-retirement medical plans. She also worked briefly for KPMG.

Breakout Session 1

1A – Predicting Annuity Policyholder Behavior – Are We Out of the Dark Yet?

Experience is slowly emerging on the utilization of the myriad of options embedded in annuity contracts. Given the lack of credible data regarding the utilization of these options (including GMIBs and GLWBs on variable annuities), how do we know we're appropriately reflecting such behavior in product pricing? This session will address best practices in incorporating policyholder behavior assumptions in the pricing of fixed and variable annuities. Attendees will: gain exposure to what available experience data tells us regarding behavior on these products; gain an understanding of the various approaches currently used to model annuity policyholder behavior; and gain exposure to the challenges of setting dynamic assumptions. At the end of the session, you'll be more familiar with the complexities involved in modeling policyholder behavior, and with current approaches used.

Steve Turer, FSA, MAAA, joined Lincoln in April 2005. He is an Assistant Vice President and is responsible for the pricing of variable product initiatives. For the 7 years prior to joining Lincoln, Stephen worked for Travelers Life & Annuity as an actuary pricing accumulation and payout annuity products. Stephen graduated with high honors from the Pennsylvania State University with a Degree in Actuarial Science and a minor in Mathematics.

Kendrick Lombardo, FSA, MAAA joined MassMutual in 2004. He is an Assistant Vice President and is responsible for pricing and risk management of variable annuity products. For the 5 years prior to joining MassMutual, Kendrick worked for Travelers Life & Annuity as an actuary with roles in the pricing and risk management of fixed and variable annuity products. Kendrick graduated from the University of Hartford with a Degree in Actuarial Science from their business school.

1B – Medicare Part D -- Lessons Learned

Medicare added prescription drug coverage in 2006. How have the 47 million Medicare-eligible Americans done under Part D? What have the Part D plan sponsors (Insurers, PBMs and others) learned from the first two years of the program? Are employers changing their drug coverage for their Medicare-eligible retirees? Join us for a discussion of how the Part D program has developed and evolved to date, along with information about emerging experience, trends, issues, and what the future may bring.

Bill Thompson, Principal & Consulting Actuary, directs Milliman's health practice in their Hartford office. He has worked with several Medicare Prescription Drug Plan (PDP) sponsors in developing their Part D programs, both for individuals and for employer groups. He also performs actuarial equivalence testing and actuarial attestations for over 100 employers that participate in the Retiree Drug Subsidy (RDS) program and has supported EGWP pricing and decision-making for several employers. (Note: If you don't know what EGWP means, come to the session!)

Andrea Burrell, is an Actuarial Associate at Milliman. She has performed the pricing of PDP plans for Part D sponsors since the program's inception. She has built the pricing models, formulary analysis tools, low income benchmarking models, creditable coverage determination models, and actuarial equivalence testing tools for RDS.

1C – Current Status of Principles-based Regulation, and Implications for Pricing and Capital Management

This session will discuss current status and recent trends regarding the implementation of Principles-based Regulation for risk-based capital and reserves, as well as the implications for US life insurers concerning their pricing and capital management.

Hubert Mueller, FSA, CERA is a senior consultant with the Tillinghast insurance consulting practice of Towers Perrin in the firm's Hartford office. He has been with the firm since 1986. He is a principal of Towers Perrin, and a member of the firm's Global Enterprise Risk Management Team, where he leads the ERM practice for life insurers in the Americas. He also manages the firm's quarterly CFO Survey. His more than 20 years of consulting experience covers a variety of areas, including:

- developing and implementing a framework for economic capital;
- assisting companies with the implementation of principles-based regulation for capital and reserves;
- actuarial valuations with particular focus on embedded/appraisal values and the implementation of economic value added as a performance measurement system;
- the design, implementation and review of asset/liability management (ALM), capital management and enterprise risk management (ERM) strategies; and
- providing assistance in developing and implementing strategies for the management of guarantees on equity-based products.

Mr. Mueller is a member of the American Academy of Actuaries' Life Capital Adequacy Subcommittee and the Annuity Capital Working Group. He is also a qualified German Actuary (Aktuar DAV).

Mr. Mueller is a frequent speaker at industry seminars in the U.S., Europe and Asia, and has coauthored several articles on insurance topics in trade publications in the U.S. and Europe. Born and educated in Germany, Mr. Mueller received an M.S. in mathematics and economics (Wirtschaftsmathematik) from the Albert Einstein University at Ulm, Germany. He also received an M.S. in probability and statistics from Syracuse University.

1D – What's it All About, PPA?

Administrative agencies are said not to make the law, but rather to find the law and declare its meaning. Not since the 410(b) regulations have regulatory examples been so good at illustrating what they found in the law. In this session we will take a closer look at examples from the recent 430 (Minimum Funding) and 436 (Funding-Based Limits on Benefits and Benefit Accruals) proposed regulations in an effort to figure out what PPA (the Pension Protection Act of 2006) is all about.

Rick Erickson, ASA, EA, MAAA, QKA, is an actuary with MassMutual Financial Group in Springfield, Massachusetts. He has 20 years of experience assisting companies with the design and administration of their defined benefit plans, both qualified and non-qualified.

Breakout Session 2

2A – High Face Amount Life Policies – Who is Buying, How to Reach Them

Policy sizes have been getting larger each year even as policy sales continue to decline. Much is made of the focus on affluent buyers and their ever-increasing share of the life market. But who really is buying these large policies? And what are the best ways to succeed in this competitive market? This session will look at who is buying life policies with high face amounts and the differences in attitudes and demographics between affluent and non-affluent large policy buyers. They will also explore best practices from the company perspective, and describe how selling in the affluent market differs from selling in the life insurance market in general.

Russ Lowry specializes in serving the business owner and high net worth family markets. His fee based financial planning and investment advisory practice is affiliated with Sagemark Consulting, a member of Lincoln Financial Network. Russ specializes in helping business owners and high net worth individuals accumulate and transfer wealth in tax efficient ways through unique strategies that support their personal goals and family values. He is a Certified Continuing Education Instructor for the CT. State Insurance Department, for The DARES Institute, Pride Real Estate University and others. He has a Bachelor of Science degree from Fairfield University and is a graduate of The American College and The College for Financial Planning and is a current holder in good standing of both Certified Financial Planner (CFP®) and Chartered Retirement Planning Counselor (CRPC®) industry designations. Russ is also a member of the Financial Planning Association and a member of the board of directors of The Society of Financial Professionals, a registered representative of Lincoln Financial Advisors, a broker/dealer and an Investment Advisor Representative of Sagemark Consulting, a Registered Investment Advisor.

Karen Terry, FLMI, who joined LIMRA in 1995, is a manager in the individual product research area and supervises research studies on life insurance and disability and health products. She is project director for the U.S. Individual Life MarketMap product, which provides geographic sales estimates. Terry also conducts consumer research projects, such as the High Face Individual Life Buyer survey and the U.S. Buyers and Nonbuyers of Individual Disability Insurance survey. Prior to joining the Product Research area, she worked in LIMRA's Markets Research area. Terry received her bachelor's degree in marketing from the University of Maryland.

2B – Securitization of Disability Income Insurance

This session will provide an overview of the basic principles of securitizations applied to disability income transactions, including: 1) What is a securitization and how does it work?; 2) History of securitization transactions in the insurance industry and for health products in particular; and 3) Current market conditions for securitizations and anticipated future trends. Note: Since this session will cover securitizations of any life and health product, non-health actuaries are also welcome if they are interested in the subject.

Sue Sames, FSA, MAAA, is a senior consultant with the Tillinghast insurance consulting practice of Towers Perrin in the firm's Hartford office. Sue has over 25 years of experience working in the group insurance arena. Her areas of expertise include pricing, valuation, product development, experience analysis, embedded value reviews, as well as financial modeling of group products for appraisals. She chairs the Society of Actuaries' "Actuary of the Future" Section Council. She was previously president of the Actuaries' Club of Hartford & Springfield.

2C – The Sub-prime Mortgage Tail and its Effects

The Sub-prime Mortgage Crisis has had a reeling effect on the economy. With concerns of financial institutions facing widespread credit risk and rising consumer debt, much uncertainty exists on its true impact on the financial market. Topics to be covered include: The US Mortgage Market, the role of Securitization in the Sub-prime Crisis, Potential Solutions and the Contagion.

Charles Kandilis, is Vice President and Senior Investment Strategist for Oppenheimer Fund's Taxable Fixed Income Products. In his position, Mr. Kandilis is responsible for product development, investment positioning and is the Client Portfolio Manager for the taxable investment teams. Oppenheimer Fund's Taxable Fixed Income teams: Core Plus, International, Bank Loans and Commodity teams manage more than 50 billion dollars in assets. Mr. Kandilis has over 20 years of experience in the investment industry. Prior to joining Oppenheimer Funds, he was Chief Investment Officer of a Private Family Office.

2D – GASB 45 Strategies: Practical Approaches to Managing the Implications

All governmental employers who offer Other Post-Employment Benefits (OPEB) -- such as health care and life insurance benefits -- to retired employees are affected by the new GASB 45 accounting standards. Many employers have received their initial GASB 45 actuarial valuations and are finding that the liability and potential budget impact are often substantial. This session will provide vital information and planning techniques that will enable employers to avoid the potentially disastrous consequences of failing to identify, control and fund their OPEB liabilities. The speakers will provide a brief review of GASB 45, discuss strategies for managing the liabilities, outline the requirements for setting up a trust, and explore other GASB 45-related issues.

Steve A. Lemanski FSA, FCA, MAAA, Enrolled Actuary is a Consulting Actuary at Milliman, Inc. Steve has 19 years of experience in providing actuarial consulting services to many diverse clients, including municipalities, multi-employer pension funds, and Fortune 500 companies. His areas of expertise include the valuation of defined benefit and other post-retirement benefit plans, plan design, benefit certifications, experience studies, general administration of qualified plans, and consulting on compliance issues. He also consults on union negotiation issues for corporate and municipal clients. Steve is a board member of the Connecticut Public Pension Forum and is a member of the EA-1 Actuarial Examination Committee. He also is a past Meeting Editor of The Record (a publication of the Society of Actuaries), and a past member of the EA-2 (Segment B) Actuarial Examination Pre-Test Committee.

Steven P. May is a Senior Health Benefits Consultant at Milliman, Inc. Steve is a healthcare consultant specializing in the public sector market. He has more than 14 years of experience in the healthcare market as an underwriter and health benefits consultant. Prior to joining Milliman, Steve worked for

another national consulting firm where he led the East Region Public Sector Health Practice. As a public sector health consultant Steve worked closely with large municipalities in Connecticut and with the states of Vermont and New Hampshire. Steve is currently the lead health benefits consultant for the state of Connecticut. His work includes managing RFP processes, budget projections, funding arrangement analysis, strategic plan design analysis, presenting analysis to legislative bodies, collective bargaining, and expert testimony at arbitration hearings. Steve is an active member of the Connecticut Government Finance Officers Association, Connecticut Public Employer Labor Relations Association, Connecticut Conference of Municipalities, and the Connecticut Public Pension Forum. He has spoken frequently at these conferences regarding the Medicare Modernization Act, prescription drugs, and controlling health benefits in the public sector.

Harvey M. Katz, Esq. is a Partner with Brown Rudnick Berlack Israels, LLP. Mr. Katz is experienced in all aspects of insurance, pension and employee benefits law. In particular, he has represented employers and financial institutions in all aspects of structuring benefit and insurance related financial products, executive compensation and about the employee benefits aspects of merger and acquisition transactions. Mr. Katz has represented both plaintiffs and defendants in connection with benefit plan related litigation including claims denials, fiduciary responsibility, prohibited transactions, plan disqualification and tax related issues. Mr. Katz frequently consults as an expert to other law firms with respect to such matters.

General Session 2

The Commissioner's Perspectives on Issues Facing the Insurance Industry

The Chief Actuary will present the commissioner's views on issues currently facing the insurance industry, such as dealing with variable products with guarantees, issues surrounding optional federal charter, and other topics.

John M. Purple, FCAS, MAAA is the Chief Actuary with the Connecticut Insurance Department. John joined the Department in 1998. In the position of Chief Actuary, John has responsibility for ensuring the necessary actuarial resources and advice are provided to the Department on both Life/Health and Property/Casualty insurance issues. He currently represents the Department as the chairperson of the NAIC's Casualty Actuarial Task Force and a member of the Life/Health Actuarial Task Force.

John has over thirty years of experience in the insurance industry, having previously held positions as a consulting actuary and as Vice President and Actuary with a major Hartford insurance company. John is a Fellow of the Casualty Actuarial Society (FCAS) and a member of the American Academy of Actuaries (MAAA).

The Hartford Club
46 Prospect Street
Hartford, CT 06103
www.hartfordclub.com
860-522-1271

DRESS CODE

Business or Business Casual dress is acceptable. The following are not acceptable: shorts, jeans, athletic attire, sneakers, sport sandals such as Tevas or flip flops, T-shirts or other collarless shirts.

DIRECTIONS

From the SOUTH

Follow I-91 North to Exit 29-A (Capitol Area – note, it is a left-hand exit)
Exit at the second ramp (Prospect Street)
At the light turn right onto Prospect Street
The Hartford Club is 1½ blocks on the right

From the NORTH

Follow I-91 South to Exit 29-A (Capitol Area)
Exit at the second ramp (Prospect Street)
At the light turn right onto Prospect Street
The Hartford Club is 1½ blocks on the right

From the EAST

Follow I-84 West to Exit 54 (Downtown Hartford- left hand exit)
Continue over the Founder's Bridge
At the third light turn left onto Main Street
Turn left at second light onto Anthenium Square
At stop sign, The Hartford Club is diagonally across from you on Prospect Street

From the WEST

Follow I-84 East to Exit 52 (I-91 South)
Follow I-91 South to Exit 29-A (Capitol Area)
Exit at the second ramp (Prospect Street)
At the light turn right onto Prospect Street
The Hartford Club is 1½ blocks on the right

PARKING

Parking is available in the Travelers Garage adjacent to the Club. Parking costs will be paid by the Actuaries' Club of Hartford and Springfield. Please notify the parking attendant that you are with our group when you arrive.