

OUR MGM RESORT

Society of Financial Examiners CAREER DEVELOPMENT SEMINAR

JULY | 21-24 | 2019

Memphis, TN

The Peabody Memphis



always on my mind.

Registration opens March 2019 at sofe.org

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Information about CDS and Memphis, TN

LEARNING OBJECTIVES

Through lectures, roundtable discussions and interactive formats, participants in the Society of Financial Examiner's Career Development Seminar (hereafter referred to as SOFE CDS) will learn of the latest developments, current issues and new solutions in the regulation of insurance companies. Issues will include critical risk categories, ORSA/ ERM risk-focused examination procedures, fraud detection, risk-focused analysis and IT developments.



CRE/CPE CREDITS

The Society of Financial Examiners is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing education on the Na-

tional Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE Credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its Website: www.learningmarket.org.

INSTRUCTIONAL DELIVERY METHOD - GROUP-LIVE

Program Level - This seminar is offered for Intermediate and Advanced Financial Examiners and Analysts.
 Prerequisites - Previous professional experience in regulatory examination or analysis of insurance companies.
 Advance Preparation - No advanced preparation is necessary.

Learning Objectives - After attending this event, participants will be able to:

- Recognize the impact of new developments in regulation, group supervision and solvency modernization initiatives on insurance company surveillance.
- Enhance risk-focused examination procedures through increased understanding of examination best practices, critical risk categories, and changes to the accreditation program.
- Effectively incorporate structured enterprise risk management and corporate governance assessments into insurance company examinations.
- Understand and identify risks to insurer investment portfolios and integrate analysis and follow-up procedures into the examination process.
- Effectively incorporate the IT General Controls Review into the risk-focused examination process.
- Understand Cyber-security risks and their potential impact on regulatory examinations.
- Rick-focused Analysis

ATTENDANCE TRACKING

SOFE will be tracking session attendance electronically. Each attendee badge will be scanned upon entering the session. In order to receive CRE/CPE credits, the attendee's badge will need to be scanned at the door.

PRESENTATION MATERIALS

Presentation materials will not be available at CDS in hard-copy or on CD. Presentation materials will be made available on the SOFE Website shortly before the beginning of the conference and will be retained there for a short period after the conference.

POTENTIAL CREDITS

Accounting	17.5
Auditing	8
Ethics	
Specialized Knowledge and Applications	25
IT	
Maximum number of CRE/CPE hours per attendee	*25.5
Total number of CRE/CPE hours available	*75

* Exclusive of the 8 additional IT credits in the optional Extended Session

REGISTRATION INFORMATION

Conference registration must be completed prior to hotel reservations being accepted. All registrations must be made online at www.sofe.org. After you register, you will receive an email confirmation and receipt. If paying by check, please mail your check to SOFE. Your registration will not be processed until payment is received. Any payment by check must be received by **July 5**.

REGISTRATION FEES

R	Registration	
By June 21	After June 21	
\$625	\$725	
s \$825	\$925	
\$345	\$445	
\$100	\$120	
\$150	\$150	
	By June 21 \$625 s \$825 \$345 \$100	

*Optional session for conference registrants Wed. afternoon, July 24 - Thu. morning, July 25.

Cancellation Policy: A \$50 administration charge will be applied to all cancellations prior to July 8. For cancellations received after July 8, registration fees are subject to forfeiture.

SPOUSE/GUEST SUNDAY SOCIAL REGISTRATION

SOFE is pleased to offer SOFE Spouse/Guest registration for our Sunday Night Social. Children under the age of 13 may attend the Social without paying a registration fee. SOFE asks that all attendees (spouse/guest/child) for the Sunday Night Social register in order to attend.

Please note that spouse/guest/youth registrations do not include breakfasts, lunches or coffee breaks with the conference participants.

FIRST-TIME ATTENDEE SPECIAL REGISTRATION RATE

Firms/departments that send two or more first-time attendees to the SOFE CDS will receive a 25% discount on the applicable registration fee, regardless of membership. To register for this rate, please complete the appropriate box on the registration form and email a list of the names of the other first-time attendees from your firm or department that qualify for this discounted rate to sofe@sofe.org.

HOTEL INFORMATION: THE PEABODY HOTEL

149 Union Avenue | Memphis, TN, 38103



RESERVATIONS

Please note that you must register for the seminar before you can get a hotel room. The registration confirmation will include information that will allow you to book your hotel room. As members are aware, SOFE is required to meet a set room block, accordingly, SOFE reserves the right to cancel any room reservations made prior to registering for the CDS. A review will be made of the hotel rooming list versus SOFE CDS registration on a regular basis in order to monitor the room block. We ask that you please adhere to this policy and make your CDS registration first. All room rates are subject to state, local and any occupancy taxes in effect at the time of the function.

The "cut-off" date for room reservations at the special rate is June 21. The room block will likely sell out before the cut-off date. Reservation requests received after this date will be based on availability at the hotel's prevailing rates.

Room reservations require a one night deposit fee. Rooms cancelled in less than 72 hours of arrival will be charged the deposit.

All guest room rates are subject to applicable taxes and hotel services fees. Current taxes are 15.95% and the Hotel Services Fee (HSF) of \$11.95 has been reduced to \$6.95 per room, per night, guaranteed. The HSF entitles all guests to wireless internet access in guest rooms, unlimited local phone and 800 number calls, complimentary use of the health club, morning newspaper, overnight shoe shine, and coffee and tea service in the Deli each morning at designated hours.

RATE:

\$175 – Single or double occupancy, plus applicable hotel fees and taxes.

DRESS

Dress for this conference will be business casual. Hotels are typically well-cooled during the summer months, so a sweater or light jacket may be needed for comfort in the meeting rooms.

SUNDAY NIGHT SOCIAL

Graceland Mansion | Home of Elvis Preslev



No trip to Memphis would be complete without a visit to Graceland – Home of the King of Rock 'n Roll – Elvis Presley. Enjoy an evening exploring the museums detailing Elvis's incredible career through hundreds of artifacts from the extensive Graceland Archives, including Elvis's amazing collection of gold and platinum records, his stunning jumpsuits, memorabilia from his movies, and more!

Elvis loved cars and the Presley Motors Automobile Museum displays some of his favorites. Highlights of this most impressive Elvis Presley Automobile Museum include his Pink Cadillac, a 1975 Dino Ferrari, a 1973 Stutz Blackhawk and many others. Our evening will include an opportunity to tour the Graceland Mansion. This tour will include a narration of Elvis Presley's home, his life and legacy. You are sure to learn interesting facts about the King of Rock 'n Roll.

A buffet dinner featuring Southern Favorites will be served. So bring your "Blue Suede Shoes" and let's take a walk through the life of The King of Rock 'n Roll.

SITES TO SEE IN MEMPHIS

MEMPHIS SITES TO SEE

Memphis is one of the youngest towns in the South. This charming town in Tennessee has a cheerful vibe that will warm your heart and leave you wanting to stay here forever. The excellent food and soulful music of this town are also strong magnets in attracting tourists from all over the world. The town of Memphis is jolly with rays of the bright southern sun. It's a great place to spend your holidays either lazing around with great food or running to, over a score of, exciting activities and beautiful monuments. Some of the most popular places to visit in Memphis are listed below.

- See the origins of Rock & Roll at The Sun Studio
- Get Touristy at Beale Street
- · Cool yourself off at Mud Island River Park
- Visit The Slave Haven/Burkle Estate Museum
- Gibson Factory
- Memphis City Tour
- B.B. King's Blues Club
- Orpheum Theater Tour just to name a few.

Rock 'n' Soul Museum



Memphis Zoo



National Civil Rights Museum



Memphis Riverboat Cruise

You are invited to a Special and Extended Session!

For **AES designees, IT Specialists** and other interested parties.

July 24-25, 2019 IT SPECIAL SESSION

When: Wednesday • 1:00pm – 5:00pm & Thursday • 8:00am – 12:00pm

Session: E1 & E2 - What's New in Exhibit C, Technology and Regulation?

Jenny Jeffers, AES • Jennan Enterprises, LLC | Miguel Romero • NAIC

Phil Schmoyer, AES, CFE • Baker Tilly Virchow Krause, LLP

Steven Sigler, AES, CFE • Examination Resources, LLC | Jerry Wynne • BCBSND

The extended sessions are designed to cover hot topics around IT examinations. It is an open forum where attendees are encouraged to participate, share experiences and new knowledge. Topics include: Exhibit C changes, security attestations like SOCs, CoBIT and NIST frameworks, and new areas of security, cyber-threats and disaster recovery.

Topics will Include:

- Future platform for TeamMate (cloud) since the IT folks will need to help end users.
- IT examination reviews-- lessons from accreditation reviews (assuming they look at IT). Do they look at IT and what areas need improvement?
- · Controls that we need to address in APO and MEA
- Cyber-security how deep should we be digging vs. reliance on work of others?
- Reported and non-reported breaches -- what should we be documenting and asking of the CISOs? Each attendee is encouraged to suggest other topics.

Cost: \$150 per person

Sponsors: Eide Bailly LLP

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CDS COMMITTEE MEMBERS

CDS Committee

Richard Foster, CFE • Chair

Rae Adams

Anjanette Briggs, CFE

Lori Brock, CFE

Joanne Campanelli, CFE

Lindsey Crawford, CFE

Vivien Fan, CFE

Mat Holdt

Charles Kreske, CFE

Glenn Legault, CFE

James (Jim) Morris, CFE

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Robin Roberts, CFE

Alison Schleit, CFE

Phil Schmoyer, CFE, AES

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PLATINUM

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Risk & Regulatory Consulting, LLC

The INS Companies

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Lewis & Ellis

Taylor-Walker Consulting, LLC

AES Special Session Sponsors

Eide Bailly LLP

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The SOFE CDS Committee would also like to thank **NOBLE CONSULTING SERVICES, INC.** for their laptop donations. These laptops will be used by our presenters at this CDS and future seminars.

SOFE 2019 CAREER DEVELOPMENT SEMINAR AGENDA

Program Subject to Modification: Note that the following program agenda is preliminary and presentation topics, speakers, dates and times are subject to change.

SATURDAY, JULY 20

12:00pm-6:00pm Registration

2:00pm-5:30pm Executive Committee Meeting

SUNDAY, JULY 21

8:00am – 5:00pm Registration

8:30am – 12:00pm Board of Governors Meeting

GENERAL SESSIONS

1:00pm – 1:30pm **A1 - Welcome and Opening Comments**

President Mark Murphy, CFE • Connecticut Department of Insurance

Commissioner TBD

1:30pm – 3:10pm **A2 - Ethical Traps E**

Joel Sander, CFE • Oklahoma Department of Insurance

John Humphries, AES, CFE • Risk & Regulatory Consulting, LLC | Panelists TBD

Everyone must guard against Ethical Traps that can ensnare Examiners and the Companies we examine. Learn to identify these traps through group discussion of case studies and videos in this highly interactive session. This session will continue our discussion from the 2018 CDS with fresh concepts and examples.

Come prepared to share your ideas and opinions on difficult situations!

3:10pm – 3:20pm Break (Refreshments)

3:20pm – 5:00pm A3 - Chief Financial Regulators Panel

Bruce Jenson • National Association of Insurance Commissioners (NAIC) - Moderator | Panelists TBD

The Chief Financial Regulators Panel will provide updates on various ongoing regulatory initiatives and allow

participants to ask questions of leading financial regulators.

6:00pm - 10:00pm Sunday Night Social • Graceland Mansion - The Home of Elvis Presley

CDS name badge is required for all participants.

MONDAY, JULY 22

6:30am - 8:00am

Breakfast

7:30am - 5:00pm

Registration

BREAKFAST ROUNDTABLES

7:55am - 8:45am

B1 - Counter-party Credit Risk - You've Got to Fight for Your Right to Collateral!

Bryan Fuller • Examination Resources, LLC

Given the behavior of today's insurance and financial markets, many insurers are re-evaluating their reinsurance programs. This presentation will look at how various solvency capital regimes around the globe evaluate counter-party credit risk and account for uncollectible reinsurance.

B2 - Conducting More Efficient Exams

Chris Rushford, CFE • Risk & Regulatory Consulting, LLC

Be a more efficient Examiner! This lively session will share tips and tricks for examination efficiencies from the presenter while encouraging audience discussion to get everyone's ideas on the table.

B3 - Corporate Governance 2019 Shifting the Focus of Examiners and Analysts

Rick Nelson, CFE • Johnson Lambert LLP

Approved in 2014, the "New" Corporate Governance Model Act mandates new filing requirements for insurance companies starting in 2019 and becoming an accreditation standard for exams as of YE2019. This session will help examiners and analysts prepare for the new insurance company reporting requirements, and how they can work together to efficiently coordinate their objectives as Corporate Governance reviews shift from the traditional 3-5 year examination review to an annual assessment.

B4 - Is Healthcare Data Safer Now?

Michael Morrissey, AES • Morrissey Consultants, LLC

Phil Schmoyer, AES, CFE • Baker Tilly Virchow Krause, LLP | Jerry Wynne • BCBSND

It has been five years since the big breach at the Big Blues. What's changed and what more needs to be done? Are health providers and insurers making the best use of technology to secure their data?

8:45am - 8:55am

Break (Networking)

8:55am - 10:10am

BREAKOUT SESSIONS

B5 - Statutory Accounting Update

Robin Marcotte, CFE • NAIC

This session will provide an overview of the most recent statutory accounting changes adopted by the Statutory Accounting Principles (E) Working Group. It will also address the hot topics currently under consideration by the Working Group.

B6 - Sharpening Your Risk-Focused Analysis Skills

LeeAnne Creevy • Risk & Regulatory Consulting, Inc.

Risk-Focused Analysis is important not only for Analysts but also for Examiners. Learn how to make this new process work for you in developing a strong IPS. The Risk-Focused Analysis requirements have now been out for a full year and analysts have had a chance to get their feet wet with them. This session will discuss how skills can be honed on the risk-focused analysis.

B7 - Is Your Management Style Effective? Is Your Management Style Right for Your Generational Team?

Annette Knief • The INS Companies

This session is a sequel to the 2017 SOFE Session "Managing Through the Generations". In this session, the six key management styles will be explored and recommendations will be given on which management styles are most effective for certain generational teams. At the end of the session, participants will have a working guide of six management styles which are successful for building high performing teams despite differences in the team dynamics.

B8 - Things That Go VRM at Night - The Importance of Vendor Risk Management!

Ashley Brooks, Mat Holdt and Uso Sayers • Johnson Lambert LLP

This session will cover the importance of a robust Vendor Risk Management framework, how to assess a Company's vendor risk when there is no VRM framework, and considerations when reviewing a Company's third-party relationships. The session will also explore when Companies should be requesting SOC reports from third-party service providers/vendors, requirement for vendor site visits and other due diligence procedures, importance of business associate agreements, and risks associated with third-party service providers/vendors.

10:10am - 10:30am

Break

BREAKOUT SESSIONS

10:30am - 11:45am

B9 - Three Skills that are Critical to Effective Examination Interactions

John Hall • Hall Consulting, Inc.

We're all trained as examination technicians. Then we go to the field and must communicate effectively with management from the C-Level and Board to first-level supervisors. So why does it often feel like we're speaking a different language from management? In this session, we'll show you why and exactly how to improve examination skills as a result.

B10 - Financial Examinations in 2025? New Trends, Shifting Mind-sets and Current Methods Turned Upside-down

John Romano, CFE • Baker Tilly Virchow Krause, LLP

A collaborative session where attendees will be actively involved in the discussion of the trends in risk-focused examinations and the growing importance of non-financial, critical and prospective risks. Discussion of current methods that may be considered obsolete by 2025.

B11 - Examiners and Analysts Working Together

Scott Eady, CFE • Risk & Regulatory Consulting, LLC

Risk-Focused Surveillance depends on strong, frequent communication between Examiners and Analysts. This fast paced session will explain the importance of this communication and provide concrete, real life examples that Examiners and Analysts can apply on every examination.

B12 - Is Reliance on a Third-Party Controls Appropriate? How to Analyze Service and Organization Control (SOC) Reports ■

Terry Ryals • The INS Companies

Find out what constitutes good (and not so good) vendor management assessments when assessing a company's ability to manage its vendors, IT general controls and cyber-security. This session will provide tips and tools for EICs and examiners to deploy as a check on IT controls, particularly when utilizing specialists in examinations.

11:45am - 1:15pm

Luncheon and Annual Business Meeting

GENERAL SESSION

1:15pm - 2:30pm

B13 - Evaluating Business Ethics: An Interactive Learning Experience E

John Hall • John Consulting, Inc.

Too often, Ethics CPE lectures feel like sermons to the already converted. But in this session, you'll participate in a very active discussion of how compliance and control professionals can assist, nudge or push business leaders towards creating and sustaining an ethics-based business environment.

2:30pm - 2:50pm

Break

BREAKOUT SESSIONS

2:50pm - 3:40pm

B14 - Integrating Analysis, Financial Exams and Market Conduct Activities to Maximize Audit Results Lewis Bivona, Jr., AFE • The INS Companies

Breaking down silos is the best way to yield efficient regulation. Learn tricks from a former audit partner that has done all three!

B15 - Prospective Risks

Steve Hazelbaker • Noble Consulting Services, Inc.

Prospective risks will be addressed from the examiner and analyst perspectives, as well as from the company perspective. Practical insights of how companies actually identify and address prospective risks will be provided. Discussion will include key prospective risks relevant to the insurance industry.

B16 - How to Maintain Your Ethical Center in Uncertain Situations E

Barry Armstrong, CFE • The INS Companies

Real-world examples and live polling questions will be presented for participants to record anonymously their responses to scenarios that examiners often face in their work lives.

B17 - Disaster Recovery in the Cloud - Is that OK?

Michael Morrissey, AES • Morrissey Consultants, LLC | Steven Sigler, AES • Examination Resources, LLC The panel will discuss the pros and cons of implementing disaster recovery plans making use of cloud-based platforms, infrastructure and services.

3:40pm - 3:50pm

Break

BREAKOUT SESSIONS

3:50pm - 5:05pm

B18 - Forensics for Examiners - Identifying Deception When Conducting Interviews

Jason Olsen and James Menck • Eide Bailly LLP

Being able to conduct effective interviews is essential for examiners. The question is, are you able to detect deception? During this seminar, we will discuss an effective interview process, causes of deception during an interview, an understanding of where deception originates from, stress response states and the difference between deception and lies. We will also discuss some of our experiences in unique or unusual fraud situations, causes and potential controls that could mitigate the risks. By attending this session, you will walk away a more informed interviewer with a better understanding of potential fraud tactics and emerging issues.

B19 - Medical Loss Ratio: Common Exam Findings and Enforcement Update

Barbra Varnhagen • The Center for Consumer Information and Oversight

An overview of common exam findings from recent Federal and state MLR examinations, as well as other issues and challenges encountered. Other topics covered will include an MLR regulatory update, the effort of adopting reliance on some controls during exams, recent developments regarding collaboration with state examiners, sharing perspectives on how various states utilize the SHCE filing, and areas where the administrative burden is being reduced on issuers. SOFE attendees that work on MLR issues and compliance are encouraged to send Barbra questions relating to the examination process in advance, in order that they can incorporate answers to questions into the presentation.

B20 - What's New on the Blank? Changes to the 2018 Annual Statement

Don Carbone, CFE and Joseph Fritsch, CFE • The INS Companies

This session will review the 2018 changes to the Annual Statement that take into consideration Schedule's implementation of the new Reinsurance Credit Risk RBC charge methodology. This change consolidates the previous Schedule F Parts 3 through 8 into a single new Part 3, which eliminates duplication, promotes consistency of the reported ceded transactions, provides for greater automation, and reduces filing errors.

B21 - Some IT Swag, or is it, IT EWG - An IT Examination Working Group Update 💻

Miguel Romero • NAIC | Phil Schmoyer, AES, CFE • Baker Tilly Virchow Krause, LLP Session will discuss recent charges given by the Risk-Focused Examination Working Group to the IT Examination Working Group, including: 1) the conclusions reached at the end of an information technology (IT) review; 2) exam responses to significant findings when IT general controls (ITGCs) are still found to be effective; 3) the impact of an ineffective conclusion at the end of an IT review. Additional considerations will be discussed, including: a) IT examination conclusions—when are controls really "ineffective"? b) What it means with an "Effective" conclusion, but still significant findings have been identified.

TUESDAY, JULY 23

6:30am - 8:00am Breakfast

8:00am – 5:00pm Registration

BREAKFAST ROUNDTABLES

7:55am - 8:45am

C1 - K.I.S.S. - Best Practice Implementation of Reliance on Audit Work Papers

John Romano, CFE • Baker Tilly Virchow Krause, LLP | Miguel Romero • NAIC

In 2015, the NAIC staff issued Sound Practices in Documenting Reliance on Audit Work Papers offering guidance on leveraging the additional flexibility in relying on the work of auditors to address less significant financial reporting risks. This session will explore via real world examples and opinions how to effectively implement the guidance. Attendees will also be provided a template example that showcases how to effectively bridge the review and documentation of conclusions on reducing financial reporting risks.

C2 - CGAD: Now That It's Here, What Does That Mean for You?

Barry Armstrong, CFE • The INS Companies

As more states adopt the Corporate Governance Annual Disclosure Model Law (CGAD), how can this required filing be used by examiners during examination planning and the assessment of an organization's corporate governance?

C3 - Don't Be Cruel: Effective Coaching Techniques

Bailey Henning and Jacob Steilen • NAIC

During this session insights will be discussed from the NAIC's course: Effective Coaching Techniques for Financial Regulators.

C4 - Cyber Security Insurance: What Questions to Ask 🗔

Annette Knief, CFE, Michael Kogut and Carl Badean, CFE • The INS Companies

Jeffrey Grossman • Stradley, Ronon, Stevens and Young LLP

An interactive panel discussion on cyber security, with a focus on performance of financial surveillance, analysis and exams, on companies that are writing a significant amount of coverage in this area.

8:45am - 8:55am

Break (Networking)

BREAKOUT SESSIONS

8:55am - 10:10am

C5 - Coordinated Financial Examinations: We're All Shook Up!

Joanne Smith, CFE • Johnson Lambert LLP | Panelists TBD

Join us for a riveting panel discussion with experienced Lead State and Facilitating State Exam Team Leaders on best practices for coordinated financial examinations. Panel topics include: communication between Lead/Facilitating/Participating States; coordination of C-Level interviews; coordination of External & Internal Audit work paper review; coordination of KFA Risk Matrices; Coordinated IT Review considerations; coordinated Actuarial Review considerations; coordinated information request log tracking; coordinated exam findings; and coordinated Company Kickoff and Exit meetings.

C6 - How to Incorporate the ORSA into Exams and Analysis

LeeAnne Creevy • Risk & Regulatory Consulting, LLC

Make the ORSA work for you. The ORSA is a powerful document to take your Examination or Analysis to another level, if you use it wisely! Now that examiners and analysts are becoming more comfortable with reviewing the ORSAs, this session will take the analyst/examiner to the next level in understanding how elements from the ORSA can be incorporated in more detail into analyst surveillance and exam risk identification and testing of key risks and risk mitigation strategies/controls. This is a key session for all Examiners and Analysts to really put the ORSA to work.

C7 - Investments and Capital Markets Update

Edward Toy • Risk & Regulatory Consulting, LLC

The capital markets have gone for a wild ride over the past year. Ed will discuss the current state of the markets and risks to consider during examinations and analysis.

C8 - Systemically Cyber - An Exploration into Current Cyber Regulation Implementation 💻

Phil Schmoyer, AES, CFE • Baker Tilly Virchow Krause, LLP

Presentation will provide attendees an update on where we stand with Cyber Security Regulations among multiple states that have either drafted their own or adopted the NAIC model. Further discussion through comparative analysis to the various State regulations and insight into examination and enforcement activities.

10:10am - 10:30am

Break

BREAKOUT SESSIONS

10:30am - 11:45am

C9 - Get Better Interviewing the C-Suite

Taylor Phillips • Carr, Riggs & Ingram, LLC

Invaluable knowledge can be gained from conducting effective C-Level interviews. On the other side, poor interview skills or planning can render the process useless. This session will guide the examiner through interview techniques to maximize results.

C10 - Financial Analysis Solvency Tools Update

Jane Koenigsman • NAIC

This session will discuss new and enhanced financial analysis solvency tools which are used by state insurance regulators for the analysis function of risk-focused solvency surveillance as well as preview enhancements currently under development.

C11 - The Profile of a Typical White Collar Criminal and How to Spot a Possible Ethical Meltdown - E Jonathan Marks • Baker Tilly Virchow Krause, LLP

The session will provide the constructs of fraud from a perpetrator and crime view-point, explain how the Advanced Meta-Model of fraud became the new standard when it comes to evaluating ethical lapses, teach the basic constructs of the art of profiling and provide examples of common traits. In addition to the in-depth discussion around criminal profiles, the session will discuss and highlight common red-flags of an ethical meltdown.

C12 - Risk Modeling for Catastrophic Loss & Cyber Security Loss 💻

Fred Karlinsky • Greenberg Traurig, P.A. | Matt Nielsen • Risk Management Solutions

The insurance industry is ripe for innovation. InsurTech companies are testing the waters on a host of potential game changers, such as the use of AI and machine learning to develop better pricing models that more accurately quantify risk. This panel of InsurTech industry leaders will focus on risk modeling for catastrophe and cyber security exposure. Panelists will discuss the use of data analytics to quantify the impact of catastrophic loss and cyber security exposure and will explain how those technologies are used to price insurance products to protect against those risks.

11:45am - 1:15pm

Luncheon

11:45am - 1:15pm

State Chairs Luncheon

BREAKOUT SESSIONS

1:15pm - 2:30pm

C13 - Coordination in Risk-Focused Surveillance or How to Win Friends and Influence People

Bruce Jenson, Jane Koenigsman and Miguel Romero • NAIC

This session will discuss effective techniques for communicating and collaborating across analysis and exam functions to increase the effectiveness of risk-focused surveillance. In addition, the session will compare and contrast the two functions and discuss problems to avoid in communication and collaboration.

C14 - External Auditors Work Papers: How Much is Too Much?

Joseph May, CFE • Carr, Riggs & Ingram, LLC

The Handbook encourages reliance on the external auditors' work papers when practical. How much reliance can you place on their work paper before the examination project resembles a replica of the auditor's work?

C15 - Investing in the "New Normal" Environment

James Morris, CFE • Baker Tilly Virchow Krause, LLP

This session will include a review of recent trends in the investment markets and a discussion of how they're impacting insurers' investment strategies. Topics will include the low interest rate environment, dislocation within the credit markets, inversion of the yield curves, alternative investment products, and liquidity considerations, among others.

C16 - InsurTech Panel - What is it and How is it Impacting the Insurance Industry?

Rob Galbraith • AF Group | Jerry Link • The INS Companies Phil Schmoyer, AES, CFE • Baker Tilly Virchow Krause, LLP Jerry Wynne, Chief Information Security Officer • BCBSND

Join us to learn how innovative technology is being used to reshape the insurance industry. Cutting edge technology is disrupting the industry's entire value chain and long-standing business models. As more companies begin leveraging these technologies, are regulators equipped to understand the risk and apply regulatory oversight?

2:30pm - 2:50pm

Break

BREAKOUT SESSIONS

2:50pm - 3:40pm

C17 - 2019 NAIC Financial Condition Examiners Handbook Update

Bailey Henning, CFE and Jacob Steilen • NAIC

During this session examiners will learn about the recent updates to the Financial Condition Examiners Handbook. Specific topics will include a discussion of revisions made to address efficiency concerns and IT review related updates.

C18 - Update from the NAIC Capital Markets Bureau

Eric Kolchinsky • NAIC

General update from the NAIC Capital Markets Bureau covering timely developments in the Insurance Company holdings.

C19 - Linking Strategy and ERM

Jan Moenck, CFE • Risk & Regulatory Consulting, Inc.

Some companies have linkage between strategy and ERM clearly documented in their ORSA and are deliberate in its integration, and some are not quite there yet. This session will cover how companies are linking their strategic planning and ERM as their ERM becomes more mature, from mitigating basic risks to capitalizing on areas where the Company manages risk well.

C20 - What to Do with One More SOC?

Michael Morrissey, AES • Morrissey Consultants, LLC

Phil Schmoyer, AES, CFE • Baker Tilly Virchow Krause, LLP | Jerry Wynne • BCBSND

A panel discussion around SOC reports and the new SOC for Cybersecurity. Topics will discuss scope, focus, value and adoption amongst industry.

3:40pm - 3:50pm

Break

GENERAL SESSION

3:50pm - 5:05pm

C21 - The End of Insurance As We Know It

Rob Galbraith • AF Group

Change is coming to P&C and other insurance lines. This time it's different. "The End Of Insurance As We Know It" highlights areas where opportunities lie, what technologies matter, and how insurers must stay relevant in our revolutionary time.

WEDNESDAY, JULY 24

6:30am - 8:00am

Breakfast

BREAKFAST ROUNDTABLES

7:55am - 8:45am

D1 - Accreditation Updates and Hot Topics

Becky Meyer • NAIC

This session will include recent updates to the NAIC Accreditation Program, as well as a discussion of various hot topics being discussed by the Financial Regulation Standards and Accreditation (F) Committee.

D2 - Insolvency Warning Signs: Red Rock Case Study

Eric Free • Risk & Regulatory Consulting LLC

Learn fact patterns that lead to insolvency. This session will cover the Red Rock insolvency to explain issues and fact patterns that could affect any company. This session is based upon a set of recently published case studies reported in the Society of Actuaries report - "Actuarial Review of Insurer Insolvencies and Future Preventions".

D3 - Updates from the SVO and Valuation of Securities (E) Task Force

Charles Therriault • NAIC

Updates in regulatory changes that have occurred over the past year that may impact insurance investments and their examination.

D4 - SDLC Refresh - What's New and How to Examine the New Development Processes?

Michael Morrissey, AES • Morrissey Consultants, LLC

Phil Schmoyer, AES, CFE • Baker Tilly Virchow Krause, LLP

Steven Sigler, AES, CFE • Examination Resources, LLC | Jerry Wynne, BCBSND

IT Examiners should keep up with evolving SDLC technology. The panel will explore software development methodologies and related risks. Topics include waterfall vs. Agile, continuous development, BSIM (build security in maturity model) and software testing.

8:45am - 8:55am

Break (Networking)

BREAKOUT SESSIONS

8:55am - 10:10am

D5 - Effective Communication Among Examiners, Analyst and Specialists

Larry Knight, CFE • Carr, Riggs & Ingram, LLC

The Handbook requires the examination team to be in contact throughout the examination process with state department analysts and specialists. This session will explore best practices to better integrate the entire team and improve communication throughout the examination process.

D6 - Decrypting the CPA's Audit Standards

Barry Armstrong, CFE • The INS Companies

As we continue to place higher reliance on the CPA's work over financial reporting risks, do we really understand the audit standards that the CPAs must adhere to in conducting their audits? And what does a familiarity of those standards mean for us?

D7 - Time and Project Management: Managing Projects Efficiently

Francois Houde, CFE, AES • Carr, Riggs & Ingram, LLC

Discover how time and project management aids the project efficiently. Identify barriers to time and project management. Determine effective time and project management strategies. Practice implementing time and project management methods. Develop a system of time and project management.

D8 - Cyber Security 🗔

LeeAnne Creevy and Alex Quasnitchka, CFE • Risk & Regulatory Consulting, LLC

Neal Foster • South Carolina Department of Insurance

All Examiners and Analysts need to understand cyber security and the risks posed to companies. This session will explain how the IT specialist addresses cyber security in examinations and how you can apply this knowledge in your next IPS or SRM. We will include a discussion of the newly-enacted NAIC Data Security Model Law and how you can effectively incorporate your state's version and better understand how cyber security risk is addressed in your next exam.

10:10am - 10:30am

Break

BREAKOUT SESSIONS

10:30am - 11:45am

D9 - Prospective Risks on the Rise

John Humphries, AES, CFE • Risk & Regulatory Consulting, LLC

Prospective Risks—How to Identify and How to Address! This session will cover significant prospective risks that often get overlooked: Underwriting risks for life, health and P&C companies, Product Development risks for life, health and P&C companies; risks with large deductible workers' compensation plans, and risks associated with pension risk transfer business and the list grows daily. Learn current issues with lively audience participation and more importantly, learn techniques to address the issues you identify.

D10 - Corporate Governance Annual Disclosure (CGAD) on the Brain

Changyi Song • Baker Tilly Virchow Krause, LLP

This session will provide an overview of the requirements set forth within the CGAD Model Act and Model Regulation, as well as an update on the status of adoption as of 6/30/19 and discuss how examiners can utilize CGAD filings in the future to facilitate the assessment of corporate governance.

D11 - Reserve Data: Addressing this Critical Risk Category

Annette Knief, CFE and Cheryl Plozizka, CFE • The INS Companies

Reserves are generally the most significant liability reported by the insurer. Accuracy and completeness of reserve data is critical for proper evaluation of those reserves. This session will explore the various types of reserve data that is critical for the actuarial calculations and offer guidance for both the examination actuary and the financial examiner in coordination of the work required to address this critical risk category.

D12 - The Tipping Point(s): Defining Effective Versus Ineffective IT General Controls 💻

Jenny Jeffers, AES • Jennan Enterprises, LLC • Jerry Link • The INS Companies

The old method of assessing IT controls as "moderate" are long gone. Find out what constitutes "tipping" the line between assessing "effective" IT general controls versus "ineffective" IT general controls.

11:45am – 3:00pm Board of Governors Luncheon/Meeting

3:00pm – 4:30pm Executive Committee Meeting

AES IT SPECIAL SESSION | JULY 24-25

Wednesday • 1:00pm - 5:00pm & Thursday • 8am - 12:00pm (Separate Fee of \$150 Applies)

Sessions: E1 & E2 - What's New in Exhibit C, Technology and Regulation?

Jenny Jeffers, AES • Jennan Enterprises, LLC | Miguel Romero • NAIC

Phil Schmoyer, AES, CFE • Baker Tilly Virchow Krause, LLP

Steven Sigler, AES, CFE • Examination Resources, LLC | Jerry Wynne • BCBSND

The extended sessions are designed to cover hot topics around IT examinations. It is an open forum where attendees are encouraged to participate, share experiences and new knowledge. Topics include: Exhibit C changes, security attestations like SOCs, CoBIT and NIST frameworks, and new areas of security, cyber-threats and disaster recovery.

The Society of Financial Examiners disclaims liability for any inaccuracies, errors or omissions in the program content. The material presented is provided as a general guide and should not be construed as providing professional advice. Opinions expressed by the presenters do not necessarily reflect those of the Society.



Mark Your Calendar

Society of Financial Examiners 3505 Vernon Woods Drive Summerfield, NC 27358

2020 | JULY 6-9 Orlando, FL *Walt Disney Swan Hotel*

2021 | JULY 18-21 Scottsdale, AZ Westin Kierland



2022 | JULY 24-27 Pittsburg, PA Omni William Penn















Details as they are available at sofe.org

SOFE ANTITRUST COMPLIANCE GUIDELINES FOR MEETINGS AND FUNCTIONS

SOFE is a not-for-profit educational and credentialing organization. As a professional association, SOFE's members are competitors, suppliers and customers of one another. SOFE meetings and functions shall not be used as a forum to obtain unlawful individual company advantages or to achieve anti-competitive objectives for any segment of SOFE's membership. It is the policy of SOFE to comply strictly with all laws applicable to SOFE's activities, and SOFE may be held responsible for unlawful conduct by its members and agents. Accordingly, SOFE requires members and agents to avoid any conduct that might violate, or would create the appearance of a violation of, the antitrust laws. The antitrust laws seek to preserve a free competitive economy. Generally, the antitrust laws prohibit unreasonable restraints of trade, such as conspiracies and agreements between competitors to engage in price-fixing, bid-rigging and customer or market allocation, and group boycotts or concerted refusals to deal with competitors, suppliers or customers. In particular, the discussion of competitively-sensitive subjects at SOFE meetings and functions, such as comments about current or future pricing for one's services, standardization of service contract terms, allocation of markets, and joint refusals to deal, might be interpreted as evidence of an unlawful objective, even though the intent of the parties was entirely legitimate. Participants should take care to avoid inadvertent discussion and recording in meeting notes, e-mails and related correspondence of competitively-sensitive topics and potentially ambiguous statements. The First Amendment constitutional right of free speech, along with the Noerr-Pennington Doctrine protection to petition the government, allows SOFE members and others to discuss general economic and regulatory developments in insurance, individual and joint plans to support or oppose legislation, regulatory actions or judicial proceedings through direct lobbying, campaign contributions, media campaigns, grass-roots activities and litigation. However, providing or gathering specific non-legislative information to or from members must adhere to antitrust compliance guidelines.

SOFE MEETING SITE SELECTION POLICY

The SOFE Career Development Seminar (CDS) location selection is made each year by the Future Sites Committee. Committee membership is open to any SOFE member in good standing and consists of both state insurance department employees and contract examiners. Several factors impact the selection of the location of the annual CDS. Site selection is limited to properties that can accommodate 450-500 attendees in one property to maximize the opportunities of members to meet and network. In addition, SOFE focuses on different geographic areas of the country each year to maximize the opportunity of members to attend the seminar. Seminar sites are selected 4-5 years in advance to enable SOFE to negotiate substantially reduced hotel room rates and maximize benefits to SOFE. Also, the seminar dates are scheduled for July which is off-peak in many areas and also help to reduce costs.

Other factors considered during the site selection process include the following:

- Amount of meeting space needed (CDS minimum requirements)
- Number of hotel rooms needed on property (CDS minimum requirements)
- Available overflow hotel options
- Hotel room rate (currently try to keep under \$200/night with consideration for per diem members)
- Internet costs and AV
- Food and beverage costs (Contract minimums typically capped at \$100k)
- Proximity to airport or other transportation considerations
- Convenience of surrounding areas for evening activities
- Sunday social options
- Value of hotel concessions