



Setting the Pace

July 31 - August 3, 2016

SOFFEE

Society of Financial Examiners

Indianapolis Marriott Downtown
Indianapolis, IN



Table of Contents



Information About CDS and Indianapolis	3
AES Invitation	6
CDS Scholarship Sponsor	7
CDS Committee Members	7
CDS Sponsors	8
CDS Agenda	9
Future Sites	18
SOFE Antitrust Compliance Guidelines for Meetings and Functions	19

Information about CDS and Indianapolis

Learning Objectives

Through lectures, roundtable discussions and interactive formats, participants in the Society of Financial Examiners' 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, 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 National 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 Cybersecurity risks and their potential impact on regulatory examinations.

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	5
Auditing	21
Computer Science	20*
Regulatory Ethics	5
Specialized Knowledge and Applications.....	25.5
Maximum number of CRE/CPE hours per attendee	24.5*
Total number of CRE/CPE hours available	76.5*

* **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 June 28.

Registration Fees

	Received	
	By June 28	After June 28
Members of SOFE	\$530	\$630
Non-Member Examiners	\$680	\$780
Retired Members	\$300	\$400
Spouse/Guest/Youth	\$100	\$125
IT Special Session*	\$120	\$120

*Optional session for conference registrants

Wed. afternoon, August 3 - Thu. morning, August 4.

Cancellation Policy: A \$50 administration charge will be applied to all cancellations prior to July 15. For cancellations received after July 15, registration fees are subject to forfeiture.

Spouse/Guest/Youth Hospitality Registration

SOFE is pleased to offer a Hospitality Suite to the spouses, guests and youths of our attendees. This registration includes the following:

- Access to the hospitality suite—a great place to relax and unwind, to catch up with old friends or make new ones.
- A continental breakfast on Monday, Tuesday and Wednesday in the Hospitality Suite.
- Sunday night social including buffet dinner, as well as entertainment.

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.

Also, please note that all first-time attendees are invited to attend the State Chair/First Time Attendee Social on Saturday, July 30 from 7-9:00pm. If you will be attending this function, please check the applicable box on the registration form.

CDS Scholarship Funds Available

The Financial Examiners Education Foundation has provided SOFE with scholarship funds for a limited number of attendees for this year's CDS. These scholarship funds are intended for insurance regulators whose state insurance department or agency does not cover the cost of attending SOFE's CDS. The scholarship applicants shall be insurance regulators that are employed directly by a state or U.S. territory, (i.e. contract examiners are not eligible). Applicants must be a member of SOFE in good standing. The scholarship funds cover only the registration fees and do not cover any travel or hotel-related expenses. Written evidence of the fact that the state does not pay for CDS attendance shall be provided by the Commissioner/Director, Deputy Commissioner/Director or Chief Examiner/Analyst of the state that employs the applicant.

Applications received prior to the May 6 closing date will be reviewed by the Scholarship Committee. If more applications are received than can be accommodated based on funding, prioritization will be given by the Scholarship Committee to: SOFE membership status, designations held by applicant (AES, AFE and CFE) and first time attendee status. The Scholarship Committee also reserves the right to limit the number of scholarships awarded to individual states to allow for a broader geographic spread of attendees. Scholarship applications received after the closing date may be accommodated as funding allows. The application period closes May 6. See application at www.sofe.org for more details.

NOTE: Scholarship applicants must wait until after receiving results of their scholarship application before registering for the CDS. Notice will be sent of scholarships awarded by May 16.

Hotel Information: INDIANAPOLIS MARRIOTT DOWNTOWN

350 W. MARYLAND STREET | INDIANAPOLIS, IN 46225



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 29. 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 24 hours of arrival will be charged the deposit.

Rate:

\$169 – Single or double occupancy, exclusive of state and local taxes.

Hotel Description

The Indianapolis Marriott Downtown is central to all the sights and activities of the city. The NCAA Hall of Champions, White River State Park, Lucas Oil Stadium, and more are just a few minutes from the hotel. Great shopping and dining in downtown Indianapolis are within easy walking distance. The Indianapolis Marriott Downtown is connected via Skywalk to the convention center, Circle City Mall, and much more.

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

INDIANAPOLIS MOTOR SPEEDWAY

"Start Your Engines"! SOFE is Setting the **Pace** for the 2016 CDS in Indianapolis with the Sunday Social being hosted at the Indianapolis Motor Speedway. You will enjoy wonderful food and drinks while taking in the view of the Speedway from the world famous Pagoda. We will have access to the 6th, 7th and 8th floors. You will also have the opportunity to take your turn around the Speedway in **Ride Alongs** driven by Speedway Drivers. Experience the thrill first hand by taking your laps around the oval. Bring your Winners Circle smile for the photo booth opportunities.

Please note the following:

- Due to Speedway regulations and liability, you must be 18 years old or older to participate in the Ride Alongs.
- There will be no personal vehicles allowed at the speedway. All participants must be transported via the buses in order to gain access to the facilities.

THIS WILL BE A GREAT NIGHT AT A TRULY AMAZING VENUE!

Sites to See in Indianapolis

Indianapolis Sites

Arrive early or stay on after CDS to take in a baseball game or visit Indy's many museums and cultural landmarks. Known as the "Crossroads of America", Indianapolis offers many unique attractions and inviting opportunities to take in the sites. Museums line the Central Canal in the city, and visitors can rent bikes and boats to enjoy the sites. Many see the sights via the Indy Cultural Trail, a bike-friendly path which traverses five downtown neighborhoods and attractions, including Fountain Square, the Capitol Building, City Market and White River State Park; a 250-acre park connecting the Indianapolis Zoo, the NCAA Hall of Champions, and Victory Field baseball stadium and more! Indianapolis is a truly unique and accessible city you are sure to enjoy.




You are invited to a Special and Extended Session!

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

August 3 & 4, 2016
IT SPECIAL SESSION

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

Session: **E1 & E2 - Cybersecurity Requirements and Examination Considerations** 
This special session will be in the format of an interactive workshop to work on new techniques and experiences for the new NAIC CyberSecurity Guidelines as well as any other facet of the IT Review that attendees would like to discuss. Requests for discussion topics can be made prior to the session by sending an email to Jenny Jeffers at jenny@jennan.com.

Workshop Panel:

Sam Bowercraft | McKonley & Asbury LLP • *Coordinator and Moderator*
Don Horn • CareFirst
Jerry Wynn • Noridian
Tom Wagenhauser • Techlocity
Rook Security Cyber and Security Experts
Michael Morrissey, AES • Morrissey Consulting
Jenny Jeffers • Jennan Enterprises
Additional participants may be included to accommodate as many requests as possible.

Cost: \$120 per person

Sponsors: Eide Bailly LLP | Examination Resources, LLC | Noble Consulting Services, Inc.

Financial Examiner Educational Foundation

The Financial Examiner Educational Foundation

in conjunction with SOFE is sponsoring the scholarship program for regulators. This program allows qualified regulators to have their registration fees waived for the 2016 CDS.

SOFE thanks the Financial Examiner Educational Foundation for their continued support of our educational programs.

CDS Committee Members

CDS Committee

Eli Snowbarger, CFE • *Chairman*

Lindsay Crawford, CFE

Bryant Cummings, CFE

Jim Kattman, CFE

Glenn Legault, CFE

Connie Moody, CFE

Jim Morris, CFE

Mark Murphy, CFE

Leanne Rafalko, CFE

CDS Program Committee

Jim Kattman, CFE and Mark Murphy, CFE • *CoChairmen*

Lew Bivona, AFE

Joanne Campanelli, CFE

Bryant Cummings, CFE

Natalie Davis, CFE

Stewart Guerin, CFE

Jenny Jeffers, AES

Fred Karlinksy

Steve Killingsworth, CFE

Annette Knief, CFE

Jan Moenck, CFE

Connie Moody, CFE

James Morris, CFE

Rick Nelson, CFE

Phil Schmoyer, CFE

Eli Snowbarger, CFE

Kelly Wensing

Thank You

<i>Company Name</i>	<i>Sponsorship Level</i>
Baker Tilly	Platinum
Eide Bailly LLP	Platinum
Examination Resources, LLC	Platinum
Noble Consulting Services, Inc.	Platinum
Risk & Regulatory Consulting, LLC	Platinum
The INS Companies.....	Platinum
Merlinos & Associates	Gold
Risk & Regulatory Consulting, LLC	Silver
Carr, Riggs & Ingram, LLC.....	Silver
Johnson Lambert LLP.....	Silver
JP Consulting Investment Advisors	Silver
REDW LLC	Silver
Taylor-Walker & Associates, Inc.	Bronze
Alvarez & Marsal Insurance and Risk Advisory Services.....	General

AES Special Session Sponsors

Eide Bailly LLP

Examination Resources, LLC

Noble Consulting Services, Inc.

SOFE 2016 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 30

12:00pm–6:00pm	Registration Desk Open
1:00pm–3:00pm	Executive Committee Meeting
3:00pm–6:00pm	Board of Governors Meeting - Executive Session
5:00pm–6:00pm	State Chair/First-Time Attendee Reception

SUNDAY, JULY 31

8:00am – 5:00pm	Registration Desk Open
8:30am – 12:00pm	Board of Governors Meeting
12:30pm – 5:00pm	Spouse & Guest Hospitality Suite
1:00pm – 2:15pm	GENERAL SESSIONS Welcome and Opening Comments President Annette Knief, CFE • The INS Companies CDS Chair Eli Snowbarger, CFE • Oklahoma Insurance Department CDS Program Co-Chairman Mark Murphy, CFE • Connecticut Insurance Department CDS Program Co-Chairman Jim Kattman, CFE • Noble Consulting Services, Inc.
	A1 - Commissioner's Update Insurance commissioners will discuss a variety of current topics.
2:15pm – 2:30pm	Break (<i>Refreshments</i>)
2:30pm – 3:45pm	A2 - Cyber Threat Patterns Affecting Companies Large and Small  Arturo Perez-Reyes • HUB International More and more companies are experiencing hacking and Ecommerce intrusions. The presenter will lead a detailed discussion centered around the types of breaches, legal risks, liability exposures and costs, and determining existing and impending threats. Large enterprises like Target, Sony and Home Depot may have grabbed headlines for recent cyber-attacks, but small to mid-size businesses are the most exposed and the easiest prey. Small businesses have fewer resources and may falsely believe hackers only target large organizations. Last year, small organizations accounted for 85% of data breach claims, and breaches of less than 10,000 records cost an average of \$4.66 million. The discussion will include how the information related to current threat patterns are identified and utilized in the constant review of activities on networks.
3:45pm – 4:00pm	Break (<i>Networking</i>)
4:00pm – 5:15pm	A3 - Ethics for the New Generation of Leadership - E John Roberts • Dixon Hughes Goodman LLP Explore ethical behaviors displayed by big business through an analysis of corporate and personal responsibilities, employee and consumer rights, and practices in making rationally defensible moral judgments in accordance with sound moral principles.
5:30pm – 9:30pm	Sunday Night Social • Indianapolis Motor Speedway CDS name badge is required.

7:30am – 5:00pm

Registration Desk Open

7:55am – 8:45am

BREAKFAST ROUNDTABLES**B1 - Introduction to Life and P&C Reinsurance**

Jim Ryan • Noble Consulting Services, Inc. | Larry Stern • Canterbury Consulting, LLC

Introduction to Life and P&C Reinsurance covers basic understanding of reinsurance defining terms, types of reinsurance, why companies use reinsurance, and considerations for valid risk transfer.

B2 - Current Issues Arising from Large Deductible Programs in Insurance Insolvencies

Barbara Cox • National Conference of Insurance Guaranty Funds | Robyn Crosson • ADP

Sandy Robinson • American Guaranty Fund Group | Rowe Snider • Locke, Lord

Presentation on the impact of recent large deductible workers' compensation insolvencies. Discussion of collateral allocation, collection of deductible reimbursements and other issues. Recommendations, including what financial examiners can be looking for in these cases. Some focus on PEO policyholders using these programs as they are prevalent in our recent experience.

B3 - Exam Efficiency: Lessons Learned Through the Peer Review Program

Miguel Romero, Jr. and Jacob Steilen • The National Association of Insurance Commissioners (NAIC)

The Peer Review program has helped identify various sound practices in completing efficient examinations. This session will discuss sound practices in leveraging the work of the department's analysts and the insurer's external auditors.

B4 - It's 10 o'clock. Do You Know Where Your Data Is? NIST and COBIT Guidance for Data Asset Management 

Jenny Jeffers, AES, CFE • Jennan Enterprises | Michael Morrissey, AES • Morrissey Consultants

While cyber-security threats from hacking get most of the headlines, managing and protecting data from the inside remains equally if not more important than advanced firewalls and intrusion prevention. Yes—hard disks and tapes are still being misplaced! We'll discuss best practices for data asset inventory, encryption at rest, and continual monitoring, along with the NIST and COBIT guidelines.

8:00am – 5:00pm

Spouse & Guest Hospitality Suite

8:45am – 8:55am

Break (Networking)

8:55am – 10:10am

BREAKOUT SESSIONS**B5 - The Modern Examiner - Understanding the Current Solvency Regulation Environment**

Becky Meyer and Miguel Romero, Jr. • The National Association of Insurance Commissioners (NAIC)

This session will focus on a variety of current topics that impact examiners: effectiveness in solvency regulation including the timing and frequency of on-site visits, the relationship between examiners and analysts, the impact of new requirements such as ORSA and the ability to obtain and maintain the needed skill-sets.

B6 - Risk-Focused Examinations for Small Companies Including RRGs

Stacey Alden, CFE • State of Vermont Dept. of Financial Regulation | Holly Osumi, CFE • Hawaii Insurance Div.

The panel will provide insight and perspective on how the risk-focused examination approach is most effectively and efficiently used for small companies with specific attention to captive insurance companies. The panelists will share their individual experiences with the audience.

B7 - Critical Risk-Assessment and Resulting Procedures

Scott Eady, CFE and Alan Kalisky • Risk & Regulatory Consultants, LLC

By using a case study and actual company profiles, this class is designed to give participants a mastery of the requirements of Exhibit DD. Interactive exercises will enhance your understanding of each risk, including the intricacies of the initial assessment (Phase 2) to the execution of substantive procedures (Phase 5).

B8 - 10 Questions to Ask to Improve IT Risk Management

Tom Wagenhauser • Helpdesk.net

These questions are particularly critical given that 47 percent of enterprises are leveraging IoT (Internet of Things) already, or have plans to do so in 2016. Connected devices are everywhere—from obvious ones, like mobile devices, smart watches, and internet-enabled cars, to ones most people may not even be aware of, such as smoke detectors. Organizations may be using IoT without even realizing it—which means their risk management stakeholders are not as involved as they should be; and potential cyber-attack points are going unmonitored.

10:10am – 10:30am

Break

10:30am – 11:45am

BREAKOUT SESSIONS

B9 - CRO and Regulator Panel Discussion of ORSA and ERM, Including the Identification and Integration of Key Risk Information into Financial Analysis and Examinations

William Harrington, Jr., CFE • Examination Resources, LLC

Pat McNaughton • Washington State Office of the Insurance Commissioner

Sara Stehlick • | Vicky Yamasaki • OneAmerica

The panel will provide a unique forum for regulators and CRO's to discuss how to best incorporate ORSA and ERM information into the financial examination and analysis process. There will be a discussion of the importance of each section of the ORSA as well as how to best leverage key information within each section. The panel will also discuss the lessons learned through the ORSA pilot project as well as the 2015 ORSA submissions, including best practices and improvements to the current process.

B10 - Analysts: What Can They Do for You?

Larry Knight, CFE and Joe May • Carr, Riggs & Ingram, LLC

The session will be led by a former Assistant Commissioner of Insurance with more than 20 years of experience in the analysis and examination arena. We will review the key areas of the examination process for which analysts can provide essential value to the examination process.

B11 - Emerging Capital Markets Issues for Regulators

Edward Toy • The National Association of Insurance Commissioners (NAIC)

The impact of market volatility on insurance company portfolios, the management of external asset managers, and other investment topics.

B12 - Security 101: Information Security Preparedness - Stories from the Field

Mike Patterson • Rook Security

In this session, we evaluate recent hacking incidents from the news look at what options there are for handling these situations and how to make sure you have threat intelligence capabilities to help make sure that your company is ready when the next big breach occurs.

11:45am – 1:15pm

Luncheon and Annual Business Meeting

1:15pm – 2:30pm

GENERAL SESSION

B13 - Chief Financial Regulator Panel

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

Pat McNaughton • Washington State Office of the Insurance Commissioner

Justin Schrader, CFE • Nebraska Department of Insurance

The Chief Financial Regulator Panel will provide updates on NAIC initiatives and provide an opportunity for attendees to ask questions of leading regulators.

2:30pm – 2:50pm

Break

2:50pm – 4:05pm

BREAKOUT SESSIONS

B14 - Statutory Accounting Update

Robin Marcotte, CFE • The National Association of Insurance Commissioners (NAIC)

This session will review the highlights of changes to Statutory Accounting Principles in the last year.

B15 - Enterprise Risk Management - Risk Identification, Governance, and Stress Testing

Michael Angelina • Saint Joseph's University

There has been much discussion around risk awareness over the last few years, particularly around the topic of Enterprise Risk Management (ERM). Its name may suggest ERM as defensive or tactical in nature; others often confuse ERM with a complex exercise in sophisticated economic capital modeling. At its core, ERM is process that enables organizations to appreciate both the internal and external risks inherent in their business; understand the drivers of those risks; and strategically manage their operations and the allocation of capital for optimal results. We will discuss risk culture, governance, transparency, and the results of risk modeling.

B16 - Long Term Care - Financial Examination Overview

Michael Berman • Merlinos & Associates | Lisa Warrum • Noble Consulting Services

This session will provide financial examiners an overview of the LTC product and discuss the various issues that are likely to come up on a risk focused financial examination. The presentation will include the perspective of an EIC and an examination actuary.

B17 - Safeguarding/Analyzing Data

Don Horn • CareFirst | Arturo Perez-Reyes • HUB International | Jerry Wynn • Noridian

How companies protect/review/analyze data at rest and in motion.

4:05pm – 4:15pm

Break

4:15pm – 5:05pm

BREAKOUT SESSIONS

B18 - Current and Advanced Reinsurance Topics

Larry Stern • Canterbury Consulting, LLC

This presentation will cover in detail the use of captives for reinsurance; actuarial guideline 48 and principle-based reserves—how they impact current reinsurance structures for term insurance and universal life; longevity—the risk of living too long and the impact on life insurance annuity reserves.

B19 - Building High Performance Work Teams

Maureen Dodson | Baker Tilly

Teams are inherent in any workplace today; you must work with others to get things done. But some teams are more effective than others. Learn the stages of development that all teams go through and how to build a team to achieve peak performance.

B20 - Role of Investment Specialist in Coordinated Examinations

Joseph Prakash • JP Consulting

As risk-focused examinations have become more nuanced, there is a greater need for coordination. We plan to discuss some of the challenges faced in this area.

B21 - Security 201: Hacking Defense - How Security Processes Protect Your Organization

Luke Klink and Mike Patterson • Rook Security

In this session, we share the minimum controls needed to detect and respond to incidents, and how to utilize this approach to help both management and IT to move ahead with successful changes.

B22 - Ethical Dilemmas - A Discussion on Professionalism and Barriers to Ethical Decision Making - E

James Black, III and Jeff Miceli • Black and Gerngross

The session will focus on defining professionalism as it relates to sound ethical decision making. Sample ethics guidelines will be discussed. These guidelines will be presented as rules to live by for insurance examiners. Real life ethical dilemmas will be reviewed as situational examples.

TUESDAY, AUGUST 2

8:00am – 5:00pm

Registration Desk Open

7:55am – 8:45am

BREAKFAST ROUNDTABLES

C1 - 2016 NAIC Financial Condition Examiners Handbook Update

Bailey Henning and Jacob Steilen • The National Association of Insurance Commissioners (NAIC)

During this session, examiners will learn about the recent updates to the Financial Condition Examiners Handbook. Specific changes to be discussed include updated interim work, contractor oversight and cybersecurity considerations.

C2 - ORSA UPDATE: Integrating the ORSA into Risk focused Examinations

Tony Cardone and Joseph Fritsch • The INS Companies

This session will focus on recent updates to the ORSA process related to financial examinations. Applicable examples will be discussed.

C3 - Sunshine or Sunburn: Ethical Issues in an Era of Disclosure - E

Bill Goddard • Day Pitney, LLP

A discussion of ethical issues in the new disclosures in the Corporate Governance Annual Disclosure Model Act as well as the Holding Company Act filings and Annual Statement Disclosures.

C4 - How to Manage Vendors in an Increasingly Outsourced World 

Jason Dunn • Eide Bailly LLP

We will discuss risks associated with various types of vendors used by organizations, including staff augmentation, service providers, and subject matter experts.

8:00am – 5:00pm

Spouse & Guest Hospitality Suite

8:45am – 8:55am

Break (Networking)

8:55am – 10:10am

BREAKOUT SESSIONS

C5 - Examining Investments - An Effective Overview

Scott Eady, CFE • Risk & Regulatory Consulting, LLC

In this fast paced session, you will learn the basics of accounting and statutory reporting of investments for Life, Health, and P&C insurance companies and be able to respond to company investment profiles with appropriate risk-assessment and effective, efficient examination procedures.

C6 - Ethics and the Examiner - E

John Humphries, CFE, AES • Risk & Regulatory Consulting, LLC | Joel Sander, AFE • Oklahoma Insurance Dept.

Ethics applies to everyone and examiners are no exception. This session will provide a practical discussion of ethics and how ethics should apply to examiners and the companies we examine. Come ready to discuss case studies and examples where examiners have faced ethical questions.

C7 - Cyber Security Risk-Assessment Integration into Financial Exams 

Barry Armstrong, CFE and Jerry Link • The INS Companies

Cyber security has become a top concern for insurance regulators. In this session, you will learn what financial examiners can do during an examination to assess an insurance company's cyber security risks and to recommend ways for the insurer to enhance its protection of personally identifiable information. In addition to understanding what is considered in assessing a company's cyber security risks, this presentation will focus on how the results of the assessment are incorporated into and impact the risk-focused examination approach.

C8 - Security Vendor Due Diligence 

Tom Wagenhauser • Helpdesk.net

How to evaluate, and hire, a security vendor to perform a thorough security assessment. Learn about the different methods in which security vendors will perform various testing methods, and additionally, the right and wrong ways some security vendors perform those tests. What should you look for in results from a security audit.

10:10am – 10:30am

Break

10:30am – 11:45am

BREAKOUT SESSIONS

C9 - An Update on Medical Loss Ratio (MLR) Enforcement and an Overview of Significant Changes to the 2014 MLR Calculation

Craig Moore, CFE • Risk & Regulatory Consultants, LLC

Barbra Varnhagen • The Center for Consumer Information and Insurance Oversight

An update on MLR enforcement by the Center for Consumer Information and Insurance Oversight (CCIIO), including frequent findings and challenges encountered during recent examinations. Implementation of additional procedures will be covered to address the significant changes in the 2014 MLR Annual Reporting Form.

C10 - Accreditation Update and Hot Topics

Julie Garber • The National Association of Insurance Commissioners (NAIC)

The presentation will discuss recent updates to the NAIC Financial Regulation Standards and Accreditation Program, as well as any hot topics currently being discussed by the Financial Regulation Standards and Accreditation (F) Committee.

C11 - Practical Tips to a Successful Coordinated Examination

Annette Knief, CFE • The INS Companies | Jan Moenck, CFE • Risk & Regulatory Consulting, LLC

Jim Morris, CFE • Baker Tilly

State Insurance Departments are increasingly being encouraged to coordinate examination activities and leverage resources. This session will have a panel of experts that will share their experiences on recent coordinated examinations along with the best practices they have implemented to share information among the participating states. The perspectives of both the lead state and a following state will be presented. In addition, this session will review the revised NAIC Examiners Handbook guidance for Exhibit Z and discuss practical tips for completion of Exhibit Z.

C12 - Cybersecurity? What You need to Know as an Insurance Regulator

Jim Hattaway, CFE • Noble Consulting Services Inc. | Chris Blow, Mike Patterson and Luke Klink • Rook Security
Pat McNaughton • Washington State Office of the Insurance Commissioner

Perspectives of a seasoned regulator, a former regulator, and a nationally-recognized cybersecurity firm. Candid discussion regarding how cybersecurity is being addressed by the NAIC, Examiners, and the Industry. What is being done? What more can be done? What more should be done?

11:45am – 1:15pm

Luncheon

11:45am – 1:15pm

State Chairs Luncheon

1:15pm – 2:30pm

GENERAL SESSION

C13 - Security Awareness: We Are the Weak Link

Don Horn • CareFirst | Jenny Jeffers, AES, CFE • Jennan Enterprises | Jerry Wynn • Noridian

In this session we will discuss and participate in the security awareness program that two of the leading Chief Information Security Officers utilize in their companies. This session is intended to be interactive.

2:30pm – 2:50pm

Break

2:50pm – 4:05pm

BREAKOUT SESSIONS

C14 - Developing the IPS and SRM: Translating the Heat Map into Statements that can be Used for Effective Supervision

Darin Benck, CFE, Amber Kinney and Christopher Rushford, CFE • Risk & Regulatory Consulting, LLC

Examiners and analysts have struggled with the use of the new IPS and SRM. This course will provide tips for developing meaningful and actionable descriptions of risk in the IPS/SRM and translating those risk statements into the resulting segment of the heat map.

C15 - Risk-Focused Changes for Financial Analysis

Bruce Jenson • The National Association of Insurance Commissioners (NAIC)

This session will provide attendees with an update on the status of risk-focused surveillance enhancements under development for the financial analysis process and how those enhancements will impact the overall solvency monitoring process.

C16 - Key Elements of the Affordable Care Act - Heath Insurance Company Financials

Janice Frazer and Dan Wolke • Anthem, Inc.

Attendees will gain an understanding of the Key Elements of the Affordable Care Act Overview Risk Stabilization Programs - Reinsurance - Risk Adjustment - Risk Corridor Affordable Care Act Fees.

C17 - The Philosophy of IT: How State of Mind Influences Action

Sam Bowercraft • McKonly & Asbury LLP

This session will discuss how culture and environment within an organization related to information technology can influence and affect system security, data integrity, and operations. Topics covered will include governance considerations for the board, management, and staff, security awareness education, policies, and their interconnection and role in securing IT at a company.

4:05pm – 4:15pm

Break

4:15pm – 5:05pm

BREAKOUT SESSIONS

C18 - Integration of Financial Analysts in Financial Examinations

William Michael, CFE and Christopher Rushford, CFE • Risk & Regulatory Consulting, LLC

As the continuous risk-focused surveillance process matures, analysts will need to become more integrated into the examination process. Designed for examiners and analysts, this session will share best practices for integrating the analyst into the exam, such as the appropriate time and best practices of key information to share.

C19 - Life Insurance Captives - Is the End Near?

Greg Childs • Lincoln Financial Group

Since the introduction of Actuarial Guideline 48, effective January 1, 2015, and with Principles-Based Reserve approaching in 2017, will life captives continue to be in the tool chests of insurance companies? If so, why and how will they be used?

C20 - Economic Capital Modeling

Matt Stahl • FTI Consulting Inc.

Economic Capital is increasingly cited relative to managing risk and measuring ERM effectiveness, yet Economic Capital modeling is a complex topic and not well understood by many. This presentation explains various measures and modeling techniques and associated strengths, weaknesses, and pitfalls of Economic Capital modeling.

C21 - Thoughtful Responses - Lessons Learned in Responding to Cyber Breaches

Neil Miller, CFE • Alvarez & Marsal Insurance and Risk Advisory Services

This session explores the potential problems and solutions encountered in responding to large data breaches.

WEDNESDAY, AUGUST 3

7:55am – 8:45am

BREAKFAST ROUNDTABLES

D1 - Corporate Governance: Recent Developments and Emerging Issues

Fred Karlinsky • Greenberg Traurig, P.A. | Annette Knief, CFE • The INS Companies

This session will focus on recent developments in corporate governance standards as they relate to insurance companies. Issues that will be covered include new disclosure requirements, such as the Corporate Governance Annual Disclosure (CGAD) and the Own Risk and Solvency Assessment (ORSA) requirement. The type of information that must be included in these reports will be discussed, and the types of best practices that regulators expect companies to have in place will also be described. Finally, insight will be provided into emerging corporate governance issues.

D2 - Leveraging the SSAE 16 report for your exam (SOC 1, SOC 2, or SOC 3)

Matt Church • Dixon Hughes Goodman LLP

This course is geared toward financial examiners through discussions of the purpose of the SSAE 16 report, the differences between SOC 1, SOC 2, or SOC 3 type reports, and the reliance that can be placed on the report by the exam team.

D3 - Flight of Financial Risks: Best Practice Implementation of the Guidance on Reliance on Audit Work Papers

John Romano, CFE • Baker Tilly

On January 21, 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 on how to effectively implement the guidance. Attendees will also be provided an example template that showcases how to effectively bridge the review and documentation of conclusions on reducing financial reporting risks.

D4 - Hidden Threats

Scott Greene • Great Scott!

Scott will share real life forensic experiences and how systems are infiltrated with malware.

8:00am – 5:00pm

Spouse & Guest Hospitality Suite

8:45am – 8:55am

Break (*Networking*)

8:55am – 10:10am

BREAKOUT SESSIONS

D5 - The ABCs of G-SIFIs, SSIFs, FSB and IAIS Developments in Federal Regulation

Eric Dercher, CFE • ProInsurance Consulting Group LLC | Jim Morris, CFE • Baker Tilly

This session will provide an overview of the Financial Stability Board (FSB), the International Association of Insurance Supervisors (IAIS), Global systemically Important Insurers (G-SIIs), and systemically important financial institutions (SIFIs). Much has been happening on the federal and international regulatory fronts. Solvency II is a reality. The operations and authority of some of the federal agencies created under Dodd-Frank are being challenged. This session will provide a summary and overview of, as well as provide an opportunity to discuss, some of the more significant issues from the past year and into the near future.

D6 - Assessing Prospective Risk for Today's Health Products

Joseph C. Higgins and Xiaoping Hu • The INS Companies

How the examining actuary addresses prospective risks during a financial examination depends on the nature of the risks themselves. This session will focus on how an examining actuary might consider the risks associated with the health products offered by the company and how they impact the future solvency of the company. Emphasis will be placed on health insurance sold pursuant to the Affordable Care Act and currently popular individual products such as long term care, disability income and critical illness products. The presenters will discuss various approaches to evaluating risks associated with the 3Rs and how this affects the financial statements. The session will also discuss how Actuarial Standards of Practice impact the examining actuary's work and some common issues actuaries discover as they review company reserving practices.

D7 - Compliance Evaluation of ORSA Parts 1, 2 and 3. Where Do I Start?

LeeAnne Creevy, William Michael, CFE and Jan Moenck, CFE • Risk & Regulatory Consulting, LLC

Patricia Valley • Federal Reserve Bank of Boston

The 2015 Examiners and Financial Analysis Handbooks provided guidance on performing ORSA reviews. This session will present tools and techniques utilized to effectively perform these reviews, as well as provide fictional case study examples of what you might see in an ORSA and how it could be evaluated.

D8 - IT Supplier Management in Health Care - A Case Study

Jim Kucharczyk • Cigna

In 2010, Cigna set out to develop an industry-leading supplier management program. This session will discuss that journey, and will share the current best practices and tools Cigna utilizes in its day-to-day operations to identify, assess and control IT supplier risk. It will also speak to trends Cigna sees emerging in third party risk management, and the strategies being considered to address those challenges.

10:10am – 10:30am

Break

10:30am – 11:45am

BREAKOUT SESSIONS

D9 - You've Been Breached! Now What?

Susan Bernard • California Insurance Department | Jenny Jeffers, AES, CFE • Jennan Enterprises

Larry Lentini • The INS Companies | Pat McNaughton • Washington State Office of the Insurance Commissioner

This session will include a panel discussion of what will happen from a regulatory perspective from state and federal agencies when a company has been hacked. Regulatory procedures will be discussed and real life examples will be discussed. Helpful tips will be provided on how to prevent a hack.

D10 - Understanding the complexities of PBR

Patricia Matson and Jan Moenck, CFE • Risk & Regulatory Consulting, LLC

Principle-Based Reserves (PBR) for life insurance products is likely to take effect in 2017. It represents a significant change for companies and examiners. This session will provide an overview of PBR requirements, discussion of challenges and risks for companies, and views on how examiners can effectively examine PBR.

D11 - The Credit Analysis Process and NAIC Designations, Introduction to Structured Securities

Eric Kolchinsky, Frank Meyers and Linda Phelps • The National Association of Insurance Commissioners (NAIC)

This session will walk through the credit analysis process conducted by the SVO staff, the various steps, required documentation, what is being looked at and why, and discuss how they arrive at assigning an NAIC Designation. An introduction to Structured Securities. Overview of the size, scope and structure of the Structured Securities Market. Discussion of the important terms associated with Structured Securities and key concepts when looking at an insurer's structured securities portfolio. Adopted from the NAIC's Structured Securities Bootcamp.

D12 - Hope is Not a Plan: Why Strategic Planning for IT is Vital 

Sam Bowercraft • McKOnly & Asbury LLP

The focus of most security discussions centers on confidentiality, integrity, and availability (CIA) and the actions taken to ensure these areas. This session will speak to the importance of planning ahead before taking action and its importance to not only CIA, but to the long term effectiveness of the organization and its IT operations.


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

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

AES IT SPECIAL SESSION | AUGUST 3-4

August 3-4, 2016 IT SPECIAL SESSION

Wednesday • 1:00pm – 5:00pm & Thursday • 8am – 12:00pm | *Separate Fee of \$120 Applies*

Session: **E1 & E2 - Cybersecurity Requirements and Examination Considerations** 
This special session will be in the format of an interactive workshop to work on new techniques and experiences for the new NAIC CyberSecurity Guidelines as well as any other facet of the IT Review that attendees would like to discuss. Requests for discussion topics can be made prior to the session by sending an email to Jenny Jeffers at jenny@jennan.com.

Workshop Panel: Sam Bowercraft | McKOnly & Asbury LLP • *Coordinator and Moderator*
Don Horn • CareFirst
Jerry Wynn • Noridian
Tom Wagenhauser • Techlocity
Rook Security Cyber and Security Experts
Michael Morrissey, AES • Morrissey Consulting
Jenny Jeffers • Jennan Enterprises

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Mark Your Calendars

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2017 | JULY 23-26
Marco Island, FL
JW Marriott Marco Island

2018 | JULY 15-18
Indian Wells, CA
*Hyatt Regency Indian Wells
Resort and Spa*

2019 | JULY 21-24
Memphis, TN
The Peabody Memphis



Details as they are available at sofe.org

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