



SOFE

SOCIETY OF FINANCIAL EXAMINERS

**REGULATORY
R • O • D • E • O**

2012

JULY 29 • AUGUST 1

DALLAS • TX

**OMNI MANDALAY HOTEL
AT LAS COLINAS**

**ANNUAL
CAREER
DEVELOPMENT
SEMINAR**



Information About CDS and Dallas, TX3

AES Invitation7

CDS Scholarship Sponsor.....8

CDS Sponsors.....9

CDS Agenda.....10

Future CDS Sites and Dates17

CDS Cmmittee Members18



LEARNING OBJECTIVES

Through lectures, roundtable discussions and interactive formats, participants in the Society of Financial Examiners' 2012 Career Development Seminar (hereafter referred to as SOFE 2012 CDS) will learn of the latest developments, current issues and new solutions in the regulation of insurance companies. Issues will include the risk-focused examination procedures, fraud detection, IT development and the latest legislation.

PREREQUISITES

This seminar is offered for Intermediate and Advanced Financial Examiners. No advanced preparation or prerequisites are necessary, as this seminar will provide group-live delivery updates and overviews of knowledge to which examiners are already exposed.



CPE/CRE CREDITS

The Society's Career Development Seminar 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.



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. CD's that have been provided in the past will not be provided this year. Presentation materials will be made available on the SOFE Web site shortly before the beginning of the conference and will be retained there for a short period after the conference.

POTENTIAL CREDITS

Accounting	3.0
Auditing	27.0
Computer Science	21.0
Finance	3.6
Personal Development	1.8
Regulatory Ethics	1.8
Specialized Knowledge	19.2
Taxes	1.8
Maximum number of CRE/CPE hours per attendee	23.5
Total number of CRE/CPE hours available	79.2

REGISTRATION INFORMATION

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.**

REGISTRATION FEES

	Received	
	<u>By 6/29</u>	<u>After 6/29</u>
Members of SOFE	\$530	\$630
Non-Member Examiners	\$680	\$780
Retired Members	\$300	\$400
Spouse/Guest/Youth	\$90	\$115

Cancellation Policy: Registration fee is subject to forfeiture if SOFE is notified of a cancellation after July 12. A \$50 administration charge will be applied to all cancellations prior to July 12.

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 hor d'oeuvres and host beer and wine bar, as well as entertainment.

Please note that spouse/guest/youth registrations do not include breakfasts, lunches or coffee breaks with the conference participants. You may take advantage of the option to join the participants for these functions by registering for each of the individual functions you wish to attend by contacting SOFE.



FIRST-TIME ATTENDEE SPECIAL REGISTRATION RATE

Firms/departments that send two or more first time attendees to the 2012 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 28th from 7 to 9 p.m. 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 the 2012 CDS. These scholarship funds are intended for state and federal insurance regulators whose 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, US territory, or federal government agency (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 governmental agency does not pay for CDS attendance shall be provided by the person in charge of the state or federal agency or his/her designee. For more information and an application, please go to www.sofe.org/CDS2012/scholarship.html. All applications are due by April 30.

HOTEL INFORMATION: OMNI MANDALAY HOTEL AT LAS COLINAS

221 East Las Colinas Blvd. • Dallas, TX 75039



RESERVATIONS

All room reservations for this event are being done through a third party vendor. They will monitor the room block and assist SOFE in making the reservations. Our special room rates are ONLY available through this process. Please note that the vendor will be charging an additional \$2.50 per room night to your hotel bill. This fee has already been added in to the following room rates.

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.

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 July 6. Reservation requests received after this date will be based on availability at the hotel's prevailing rates.

RATES:

\$157.50 – Deluxe Guest rooms

\$201.50 – One Bedroom Suite



Patterned after the exotic charm of a Burmese city, the Omni Mandalay Hotel in Las Colinas is a unique oasis that puts you close to the business and cultural attractions of Dallas. Located on the Mandalay Canal in Irving, Texas' prestigious Las Colinas Urban Center, the Omni Mandalay invites you to experience the elegance of a luxury hotel with a sophisticated Asian touch.

DRESS

Dress for this conference will be business casual. The hotel has informed SOFE that they usually keep the hotel very cool during the summer months. It is recommended that the participants dress in layers with jackets and sweaters available to adjust to cooler classrooms.



- Greeting and photo opportunity with a Longhorn Steer
- Authentic Texas BBQ Buffet Menu
- Beer and Wine service
- Professional DJ
- Country Western Line Dancing
- Western Gun Fighters for Quick Draw Challenge

SUNDAY SOCIAL

Our Sunday night Social activities are being coordinated with the Circle R Ranch and promise to include great Texas BBQ, lots of activities for all interests and an opportunity to maximize networking opportunities with friends and colleagues.

Our evening will conclude with a 30 minute Circle R Ranch Rodeo show which is sure to be the highlight of the evening.



Watch for an appearance of the Circle R Ranch Cowboys during the last session of the Sunday afternoon program to kick off the evening's activities. Guests will be transported to the Ranch aboard comfortable coach buses complete with beverages to begin the evening's festivities. Once there, we will saddle-up for a taste of Texas hospitality set amidst acres of green rolling hills and open pastures in the north Texas countryside. SOFE members and guests will be entertained in the 17,500 square foot Western Pavilion with a large open patio. Highlights at the ranch will include:

NEARBY POINTS OF INTEREST

The Gondolas at Irving.....Adjacent to the Hotel

Sail away on your private gondola cruise as you enjoy the most unique and memorable experience on the Mandalay Canal and Lake Carolyn in Las Colinas.



Mokara Salon & SpaAdjacent to the Hotel

Offers a full range of salon and spa treatments. Allow yourself to be pampered with a soothing facial, body treatment, massage, manicure or pedicure.



Downtown West End Historic District.....10 miles

Provides visitors with a window to Dallas' past with beautifully preserved and masterfully renovated historic buildings. The premier destination in Dallas to dine, shop and play.

Cowboy Stadium.....18 miles

Cowboys Stadium is more than the home of the Dallas Cowboys, it's the world's largest domed structure, an art museum and a classroom. The things you can do inside Cowboys Stadium are endless, and with Cowboys Stadium Tours, you can experience them all.



Dallas World Aquarium15 miles

Get a fascinating glimpse into the marine, freshwater and terrestrial ecosystems.



Six Flags Over Texas.....18 miles

Great shows and rides, including the new Texas Giant roller coaster, winner of the 2011 Golden Ticket Best New Ride award.

Grapevine Mills Outlet Mall10 miles

180 stores, 1.6 million sq. ft. of shopping, entertainment and restaurants. Includes LegoLand Discovery Center and Sea Life Aquarium.

The Shops at Willow Bend18 miles

Anchored by Dillard's, Macy's and Neiman Marcus, this is a fabulous experience for the discerning shopper. A few of the featured stores are Anthropologie, Crate & Barrel, Coach, J. Crew and many more.



Campion Trails2 miles

Smooth, 12 ft. wide concrete path hugging the Elm Ford of the Trinity River for in-line skaters, cyclists, joggers and walkers.

Riverchase Golf Club9 miles

A competitively-priced 18-hole course features a beautiful landscape and water is in play on 14 of the 18 holes.

Cowboys Golf Club.....15 miles

The world's only NFL-themed golf club; an innovative golf and entertainment experience.



These are just a few of the many activities available in the area. Dallas is a mecca for arts, entertainment, shopping and sports.



You are invited to a Special and Extended Session!

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

AUGUST 1 & 2, 2012

Prevent Binary Bilking - Cyber Foren\$ic\$ 

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

Topic: **Prevent Binary Bilking - Cyber Foren\$ic\$**

In this session, Mr. Kolthoff will be covering a systematic response to employee malfeasance and incidents of fraud and embezzlement. This sequence of activity should be considered as a strong practice for effective risk mitigation and a baseline for any organization's incident response practices utilizing both cyber forensic and HUMINT (Human Intelligence) techniques.

- Assist in establishing an executive response by
 - setting up a command center and directing all investigatory protocol for controlling information protection within the investigation.
 - on-going collection of all necessary and relevant historic, operational, and technical data to enable an effective and efficient examination.
 - conducting forensic analysis of all data to enable identification of evidentiary capability to move forward with identification of incident's root cause.
 - providing evidence for executive response in terms of prosecution, leveraging, or Human Resource action.

As part of the presentation, Jarrett will also provide real-world studies of his most recent cases; to include analyzing the various market studies on the insider threat.

Presenter: **Jarrett Kolthoff**, CISSP, Sans GIAC (GCFA), MS, BA, is the President and CEO of SpearTip, LLC, a corporate and cyber counterespionage consulting firm headquartered in St. Louis, and has more than 17 years of experience in the Information Security field for both government and corporate sectors. As a former Special Agent in the Military Intelligence Corps of the United States Army, Mr. Kolthoff has vast experience in cyber counterespionage, counterintelligence, and fusion cell analysis. He conducted key counterespionage investigations and security assessments in order to safeguard futuristic classified technology. His civil casework includes investigations in anti-trust lawsuits, embezzlement, collusion, theft of intellectual property and corporate secrets, as well as data security. He received a Letter of Accommodation by senior Pentagon officials upon completion of an intensive and thorough investigation that impacted U.S. national foreign policy.

Cost: \$100 per person

Sponsors: Eide Bailly LLP
Jennan Enterprises, LLC
Noble Consulting Services, Inc.
Risk & Regulatory Consulting, LLC (*formerly RSM McGladrey, Inc.*)





FINANCIAL EXAMINERS EDUCATIONAL FOUNDATION

The **Financial Examiners Educational Foundation** is sponsoring the scholarship program for regulators. This program allows qualified regulators to have their registration fees waived for the 2012 CDS.



Thank You!

COMPANY NAME	SPONSORSHIP LEVEL
Eide Bailly LLP.....	Platinum
Huff Laprath, LLC.....	Platinum
INS Regulatory Insurance Services, Inc.....	Platinum
Invotex Group.....	Platinum
Noble Consulting Services, Inc.....	Platinum
Risk & Regulatory Consulting, LLC <i>(formerly RSM McGladrey, Inc.)</i> ..	Platinum
Examination Resources, LLC.....	Gold
Bingham McCutchen, LLP.....	Silver
CCH® TeamMate, part of ARC Logics® A Wolters Kluwer Business.....	Silver
Taylor-Walker & Associates, Inc.....	Silver
AGI Services.....	Bronze
Carr, Riggs and Ingram, LLC.....	Bronze
McKonly & Asbury, LLP.....	Bronze
Merlinos & Associates, Inc.....	Bronze
ParenteBeard LLC.....	Bronze
Stroock & Stroock & Lavan LLP.....	Bronze
The Thomas Consulting Group.....	Bronze
Bluestone Work Paper Software.....	General
Lewis and Ellis, Inc.....	General
Reinsurance Association of America.....	General

AES SPONSORS
 Eide Bailly LLP
 Jennan Enterprises, LLC
 Noble Consulting Services, Inc.
 Risk & Regulatory Consulting, LLC
(formerly RSM McGladrey, Inc.)



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 28

- 12:00pm–6:00pm Registration Desk Open
- 3:00pm–6:00pm Executive Committee Meeting
- 7:00pm–9:00pm State Chair/First-Time Attendee Reception

SUNDAY, JULY 29

- 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–1:30pm GENERAL SESSIONS**
Welcome and Opening Comments
 President Michael P. Dinius, CPA, CFE – Noble Consulting Services, Inc.
 James M. Kattman, CFE – Noble Consulting Services, Inc.
 Rick Nelson, CFE, CIE – Eide Bailly LLP
- 1:30pm–2:30pm **A1-Affordable Care Act, MLR and Rate Review - “The Rubber Has Hit the Road”**
 Carol S. Jimenez – Center for Consumer Information & Insurance Oversight (CCIIO)
 Sally McCarty – Center for Consumer Information & Insurance Oversight (CCIIO)
 This session will cover complying with issuers’ reporting, filing and other obligations, and the role of the States under the ACA’s MLR and Rate Review provisions; and HHS’ oversight.
- 2:30pm – 2:45pm Break
- 2:45pm – 3:45pm **A2-Commissioners Roundtable**
 Insurance Commissioners - TBD
 Insurance commissioners from several states discuss a variety of current topics.
- 3:45pm – 4:00pm Break
- 4:00pm – 5:00pm **A3-Mobile Computing’s 4GSecrets - Tether Your Device**
 Jarrett Kolthoff, CISSP, Sans GIAC (GCFA), MS, BA – Spear Tip, LLC
 Mobile devices have quickly become the nexus of our daily lives and are often the primary driver that has increased the revenue of many companies. These mobile devices contain a tremendous amount of corporate secrets, although are vulnerable to theft and malware. The number of breaches has steadily been increasing; either through unintentional data loss, theft of intellectual property by competitors, rogue employees, or state-sponsored collection efforts. The risks associated with these devices need to be fully understood, so corporations can implement the appropriate compensating controls.
- 6:00pm – 11:00pm Sunday Social

7:30am – 5:00pm Registration Desk Open

7:45am – 8:45am

BREAKFAST ROUNDTABLES

B1-Reinsurance Basics: An Introduction for New Examiners and Review of Potential Transfer of Risk 'Red Flags'

John Romano, CPA – ParenteBeard LLC

This session will provide examiners a brief introduction to the common types and coverages of P&C reinsurance as well as point out potential 'red flags' that may prohibit appropriate risk transfer and render the contract inadequate for full reinsurance benefit.

B2-IFRS and Its Possible Impact on Statutory Accounting and Financial Examinations

James E. Stangroom, CPA – Invotex Group

It is likely that International Financial Reporting Standards will have a significant impact on insurance companies as the IASB and the FASB establish joint standards on insurance contracts and financial instruments. This panel will advise attendees on the status of these emerging standards and on the potential statutory accounting and examination implications.

B3-How Analysts and Examiners Can Utilize Schedule P

David J. Macesic, ACAS, MAAA – INS Consultants, Inc.

The session will provide a description of Schedule P, which includes an explanation of the content and interpretation of Part 1. The uses of Parts 2, 3 and 4 will be discussed, along with the reconciliation of Schedule P to other Annual Statement items.

B4-The IT Examination: Relying on the Work of Others

Michael Morrissey, AES, CISA, CISSP – Examination Resources, LLC

Rachelle Gowins, CFE – Examination Resources, LLC

The session will explore the art and pitfalls of relying on CPA, internal audit and other third party documents in performing financial examinations. While these documents can add efficiency by reducing control testing, they are often produced for different purposes, and fail to address IT and financial risks related to insurance operations. This presentation is designed to engage attendees and improve the risk-focused methodology.

8:00am – 5:00pm

Spouse & Guest Hospitality Suite

8:55am – 10:25am

BREAKOUT SESSIONS

B5-Rating and Analysis of Captives and RRGs

Sandra A. Bigglestone, CPA, CFE – State of Vermont - Dept. of BISHCA

Steven M. Chirico, CPA – A.M. Best Company

Lisa M. Poulin, ACI – Milliman, Inc.

Attendees will hear about the qualitative and quantitative aspects of analyzing captives and risk retention groups. Attendees will be presented with interesting data and statistics on the alternative insurance market and learn how that market might interact with the traditional insurance market.

B6-Business and Professional Ethics

Elaine R. Nissley, MBA, CISA, PMP, CCSA, CICA – McKonly & Asbury LLP

This is a presentation of the basic ethics principles along with scenarios for group discussion. The objective is to heighten examiners awareness of their professional ethics responsibilities and the internal controls required in insurance companies to provide an ethical business environment.

B7-Financial Examinations Software in the Cloud with Teammate R10

Jerry Link, MCSE, CCA – INS Regulatory Insurance Services, Inc.

Anthony C. Cardone, CPA, CFE – INS Regulatory Insurance Services, Inc.

This is a presentation on new technology available for the use of State Insurance Regulation including the use of new features in Teammate R10 and how to properly support the infrastructure for improved work process efficiencies.

B8-Risk Transfer Analysis Revisited and Revisions to the Credit for Reinsurance Models - Implications to the Insurance Industry and Regulators

Junjie (JJ) Pan, CPA, CFE, CPCU, FLMI – Invotex Group

Main topics will be covered with this presentation including: views on determining risk transfer supported by case studies; and updates/analysis with the newly passed revisions to the Credit for Reinsurance Model Law – potential impacts to the industry, state regulation and financial examinations.

10:25am – 10:45am Break

10:45am – 12:15pm BREAKOUT SESSIONS

B9-Group Supervision

Michael P. Kogut, CPA, MBA – INS Regulatory Insurance Services, Inc.

David G. DelBiondo, CPA – INS Regulatory Insurance Services, Inc.

This session will provide an update of the current developments related to Group Supervision initiatives such as ORSA, ComFrame and Group Capital requirements with a discussion on how these requirements might change the responsibilities of financial analysts.

B10-Best Practices for IT Reviews 

Bruce E. Jensen, CPA – NAIC

This session will walk through the example IT review project recently adopted by the NAIC's IT Examination Working Group. Topics discussed will include appropriate documentation of the IT review process, customizing the IT review based on insurer size, and how the IT review can benefit the financial exam.

B11-Testing of Underlying Data in the Risk-focused Environment

Craig Moore, CPA, CFE – Risk & Regulatory Consulting, LLC (*formerly RSM McGladrey, Inc.*)

You will learn how to effectively and efficiently meet Accuracy testing requirements during a risk-focused examination.

B12-Insurance Company Taxation

Patrick Kautzman, CPA – Eide Bailly LLP

Join a general discussion about Insurance Company tax environment and introduction of SSAP 101 and differences from SSAP 10 and 10R.

12:15pm – 1:30pm Luncheon and Annual Business Meeting

1:30pm – 3:00pm GENERAL SESSION

B13-The Feds Are Coming! Aren't They?

A. Thomas Finnell, Jr., CPA, FLMI – Invotex Group

Commissioner TBD

3:00pm – 3:30pm Break

3:30pm – 5:00pm BREAKOUT SESSIONS

B14-IT Auditing – The Importance of Knowing ALL the Systems 

Samuel BowerCraft, MIS, CISA – McKonly & Asbury LLP

The Exhibit C Workplan covers many areas, but sometimes this is not enough to give an auditor a clear picture. This session will discuss what information you want to cover before you really start your IT testing efforts so you don't miss anything large, like an entire application.

B15-Statutory Accounting Update

Robin Marcotte, CPA, CFE, ARe, CISA – NAIC, Accounting and Reporting Manager

This session will give you an update on recent statutory accounting issues for examiners.

B16-Reinsurance Regulatory Modernization: Counterparty Credit Risk and the Examination Process

Bryan Fuller, CPCU, ARe – Examination Resources, LLC

Learn about the impact of reinsurance regulatory modernization and how counterparty credit risks should be addressed in the risk-focused examination process.

B17-Accreditation Update

Michael J. Sindel, CPA – NAIC

This session will provide information on recent and upcoming changes to the accreditation program.

TUESDAY, JULY 31

7:45am – 8:45am

BREAKFAST ROUNDTABLES

C1-Information Assurance at a Small Insurance Company

Keith D. Wandel, Jr., CFE – Pennsylvania Insurance Department

Listen as we proceed with a walkthrough of the process of information assurance at a typical small insurance company.

C2-Analysis for Separate Accounts

David A. Vacca, CPA – NAIC

This session will explore the types of examination evidence gathered and which types can be considered most persuasive in supporting examination objectives.

C3-Industry Responses to Risk-Focused Examinations

Becky Meyer, CPA – NAIC

During this session, feedback that has been gathered from those in the industry directly affected by the risk-focused examination approach will be presented.

C4-Does ERM Fit into a Regulator's Alphabet Soup?

Mary Peter, CPA, CFE, CFE (Fraud) – Eide Bailly LLP

James Menck, CPA, CFE, CFE (Fraud) – Eide Bailly LLP

Enterprise Risk Management is a term that has been utilized to describe a wide array of risk and compliance initiatives within many industries today. This presentation will provide you with a review of where it began for insurance companies and how it has developed today. We will review common elements of a program that can be used for regulatory exams as environments and regulations change. A look at how risk focused exam, model audit rule and the developing ORSA requirements link to ERM will be discussed.

8:00am – 5:00pm

Spouse & Guest Hospitality Suite

8:55am – 10:25am

BREAKOUT SESSIONS

C5-Financial Condition Examiners Handbook Update

Bruce E. Jensen, CPA – NAIC

During this session, examiners will learn about the recent updates to the Financial Condition Examiners Handbook, as well as changes currently under consideration for adoption.

C6-Actuaries in Risk-focused Examinations

Randall Stevenson, ASA, MAAA, AIMR – Risk & Regulatory Consulting, LLC

(formerly RSM McGladrey, Inc.)

During this session, effective implementation of the actuarial function into the risk-focused process will be discussed, as well as increasing the coordination and communication between actuaries and financial examiners.

C7-Application Control Testing Through the Matrix

Francois Houde, CISA, AES – Carr, Riggs & Ingram, LLC

In this presentation we will explore how to integrate application control testing to streamline Phase 3 and reduce the financial examiners' workload. Most companies are now using information technology at all stages of the process. It's time to test the system and stop working around the box.

C8-Why Life Companies Use Captives

Sandra Bigglestone, CPA, CFE – State of Vermont - Dept. of BISHCA

Michael A. Mayberry, FSA, MAAA – Lewis & Ellis, Inc.

Neil A. Miller, CPA, CFE – Associate Commissioner, Maryland

Attendees will learn why life insurance companies use captive subsidiaries to reinsure excess reserves. An actuary will provide background and insight on reserving under AG38 and why it may be appropriate to finance excess reserves created by the AG38 calculation using a captive insurer. A lawyer will walk through structuring such a financing arrangement. A regulator will share a perspective on these types of arrangements.

10:25am – 10:45am Break

10:45am – 12:15pm BREAKOUT SESSIONS

C9-Prospective Risk Identification and Assessment

Bruce E. Jensen, CPA – NAIC

This session will focus on the importance of prospective risk assessment and evaluation in a risk-focused examination. Discussions will include identification of prospective risks, documentation of the prospective risk assessment using Exhibit V, and types of examination procedures that should be performed to address prospective risks identified. This session will also cover the testing of other than financial reporting risks on the risk assessment matrix.

C10-Solvency Modernization Update

Michael P. Kogut, CPA – INS Regulatory Insurance Services, Inc.

Steve Johnson – Pennsylvania Insurance Department

You will hear the background, history and current status on the solvency modernization initiative including a discussion on international and domestic (NAIC) activities as well potential impacts on future regulation.

C11-IT Governance – Dash(board)ing for Success

Samuel BowerCraft, MSIS, CISA – McKonly & Asbury LLP

Information Technology and its role in the business can appear murky, but IT's importance is more significant than ever. This session will discuss the role of IT governance, its importance, aspects of governance and why measuring IT can be vital to improving the business.

C12-International Regulatory Developments Affecting US Insurers

Robert D. Kasinow, CFE, ARe – Examination Resources, LLC

Several developments internationally such as ComFrame and the ORSA requirement, along with Solvency II will reach on to US shores in affecting US companies and affiliates. What companies and regulators need to know and follow.

12:15pm – 1:30pm Luncheon

12:15pm – 1:30pm State Chairs Luncheon

1:30pm – 3:00pm BREAKOUT SESSIONS

C13-U.S. Financial Solvency Framework and Own Risk and Solvency Assessment (ORSA)

Patrick Tracy, CFE – Risk & Regulatory Consulting, LLC (formerly RSM McGladrey, Inc.)

This is a hand-on practitioner's guide to incorporating ERM and ORSA into the Corporate Governance Assessment.

C14-Clear as Actuarial Mud - Contract Reserve Strengthening vs. Premium Deficiency Reserves vs. Asset Adequacy Analysis

David M. Dillon, FSA, MAAA, MS - Lewis & Ellis, Inc.

There will be discussion on how SSAP 54 defines reserves that must be established for an A&H contract including Premium Deficiency Reserves. The AOMR requires that reserves are adequate in light of company assets. Similarities between these actuarial requirements can cause much confusion. We will clarify the purpose and scope of these actuarial requirements.

C15-eCommerce WebApp Assurance

Jarrett Kolthoff, CISSP, Sans GIAC (GCFA), MS, BA – Spear Tip, LLC

This presentation will focus on the various techniques of auditing eCommerce web applications. In addition, Jarrett Kolthoff will discuss the need to do more than just adhere to regulatory compliance and rely solely upon those standards to ensure data integrity.

C16-The Impact of a Protracted Low Interest Rate Environment on Insurer Investment Management

Alex C. Hart, CPA – Maryland Insurance Administration

This session will examine the impact of a protracted period of low interest rates on insurer investment management, including changes in historical portfolio metrics, investment policies and practices, actuarial assumptions, cash flow matching/modeling, and product design.

3:00pm – 3:30pm Break

3:30pm – 5:00pm GENERAL SESSION

C17-Focus Pocus – 24 Tricks for Regaining Command of Your Day

Paul H. Burton, Speaker, Author, Coach Trainer

Pick from the 24 suggestions offered in this fast-paced and entertaining examination of our current working environments. Stop treading water and start experiencing greater productivity and work-life balance.

WEDNESDAY, AUGUST 1

7:45am – 8:45am BREAKFAST ROUNDTABLES

D1-Assessing Audit Committee Effectiveness

Jan Moenck, CFA, CRP, CIA, CBA, FLMI – Risk & Regulatory Consulting, LLC
(formerly RSM McGladrey, Inc.)

You will receive some tips, suggestions and learn of the best practices in understanding the Audit Committee's role in Corporate Governance.

D2-Efficient Use of SOC 1 (fka SAS 70) and External CPA Testing When Conducting a Review of IT General Controls

Zachary Wanzek, CPA, CISA – Eide Bailly LLP
Jason Dunn, CPA – Eide Bailly LLP

During this session, you will learn how to efficiently incorporate external work (SOC 1 and External CPA testing) into the IT examination review of general controls. It will also include personal experiences and best practices established by industry standards in the discussion.

D3-Corporate Governance Requirements for U.S. Insurers

Bruce E. Jenson, CPA – NAIC

This session will summarize existing corporate governance requirements for insurers, update attendees on the progress of corporate governance work performed as part of the NAIC's Solvency Modernization Initiative and discuss the impact this work will have on financial examination activities.

D4-Social Media: Risk Management and Control

Elaine R. Nissley, MBA, CISA, PMP, CCSA, CICA – McKonly & Asbury LLP

This presentation will identify the risks posed by Social Media and the types of internal control considerations which examiners should include in their governance review of insurance companies.

8:55am – 10:25am BREAKOUT SESSIONS

D5-Second Generation Risk-focused Examinations

Annette M. Knief, AICPA, CFE, FLMI, ARA, AIRC – Risk & Regulatory Consulting, LLC
(formerly RSM McGladrey, Inc.)

You will learn about establishing expectations for increased leverage and efficiencies during a risk-focused examination the second time around.

D6-Fraud Considerations in a Financial or Market Conduct Examination

Marlys Rulon, CPA, CVA – Eide Bailly LLP

Douglas Cash, CFE, CFI, CFCI, MBA – Eide Bailly LLP

The presentation will include an overview of Exhibit G and discuss effective interview techniques. The session will include real life fraud cases and how the breakdown in internal controls facilitated each case.

D7-The IT Specialist is Gone – Now What?

Francois Houde, CISA, AES – Carr, Riggs & Ingram, LLC

There often seems to be a disconnect between the IT Specialist and the financial examiners. Once the IT Specialist is gone, he's gone, although it shouldn't be that way. The objective of this presentation is to help financial examiners integrate and benefit from the IT Specialist's work beyond Phase 1.

D8-Examiners and Internal Audit – Understanding Each Other and Working Together

Robert D. Kasinow, CFE, ARE – Examination Resources, LLC

Tracy Stevenson – Examination Resources, LLC

A valuable step in an efficient risk-focused examination is considering the structure of an entities internal audit process and determining if the examiner can leverage off the work performed by the internal auditors. Also as the NAIC progresses towards Own Risk Solvency Assessments (ORSA) what should internal audits relationship be with the company risk management function and how that can assist the examiners.

10:25am – 10:45am Break

10:45am – 12:15pm BREAKOUT SESSIONS

D9-Examination Supervisory/Self Review Best Practices

Becky Meyer, CPA – NAIC

This session will cover some common 'rules of thumb' that have been recommended by financial examiners nationwide as a result of the NAIC Exam Peer Review Project. Ideas will be presented that can be helpful on a daily basis as examiners review the work of others and ensure the quality of their own work.

D10-Significant and Emerging Technology Risks

LeeAnne W. Creevy, CPA, CISA, CITP – Risk & Regulatory Consulting, LLC

(formerly RSM McGladrey, Inc.)

Here, you will hear about updates on the ever-changing IT environment, related risks and what keeps a CIO up at night, including mobile computing, social networking and other dangers lurking in cyberspace.

D11-Investments - Lessons Learned from the Financial Crisis and Recent Exams

Joseph Prakash, CFA – Noble Consulting Services, Inc.

During this session, you will hear a discussion of key lessons learned from the financial crisis and other key findings from examinations.

D12-The Accountants Workpapers- Can They Really be Used for the Exam?

Lewis D. Bivona, Jr., CPA, AFE – WithumSmith+Brown

This session will focus on what accountants should be documenting in control walkthroughs and the testing for examination staff to truly leverage work in matrices.

12:30pm – 3:30pm Board of Governors Luncheon/Meeting

3:30pm – 5:00pm Executive Committee Meeting

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.



FUTURE SITES

Society of Financial Examiners
12100 Sunset Hills Rd.
Suite 130
Reston, VA 20190

JULY 21-24, 2013
Henderson Lake, NV
Red Rock Resort

JULY 17-30, 2014
Philadelphia, PA
Loews Philadelphia Hotel





CDS Committee

Rick Nelson, CFE, CIE, Chair
Lewis D. Bivona, Jr., AFE, CPA
Philip Blustein, CFE
Donald Crawley, CFE, CPA
Michael P. Dinius, CFE, CPA
Kathleen Drake, CFE, CIE
Roshanak "Roshi" Fekrat, CFE, CPA, CIA
James M. Kattman, CFE
Brian Sewell, CFE
Tarik Subbagh, CPA, CFE, MSBA
Kara Thome, CFE

CDS Programs Committee

James M. Kattman, CFE, Chair
Eric Dercher, CFE
Thomas Gauthier, CFE
Michael P. Dinius, CFE, CPA
Patrick Hyde, CFE
Jenny Jeffers, AES, CISA
Josh Johnson, CFE
Marlin Kroenke, CPA, CISA, CFE, AES
Craig Moore, CPA, CFE, AICPA
Rick Nelson, CFE, CIE
Elaine R. Nissley, MBA, CISA, PMP, CCSA, CICA
Nancy Stepanski
Rebecca Belanger-Walkins, CFE, MCM