

SOFE

EXAMINATIONS
TAKING FLIGHT ✈️

Monday-Thursday
JULY 13-16, 2015

Town and Country
Resort Hotel
San Diego, CA

Career Development Seminar

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Information about CDS

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 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.
- Design and execute an IT applications testing program as part of the risk-focused examination process.

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	6
Auditing	21
Computer Science	18.5*
Regulatory Ethics	4
Specialized Knowledge and Applications	26
Maximum number of CRE/CPE hours per attendee	24.5*
Total number of CRE/CPE hours available.....	75.5*

* 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 18.

Registration Fees

	Received	
	By 6/18	After 6/18
Members of SOFE	\$530	\$630
Non-Member Examiners	\$680	\$780
Retired Members	\$300	\$400
Spouse/Guest/Youth	\$90	\$115
IT Special Session*	\$120	\$120

*Optional session for conference registrants
Thu. afternoon, July 16 - Fri. morning, July 17.

Cancellation Policy: A \$50 administration charge will be applied to all cancellations prior to June 26. For cancellations received after June 26, 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 Tuesday, Wednesday, and Thursday in the Hospitality Suite.
- Monday 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.

Information about CDS

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 Sunday, July 12 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 April 30 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 April 30. 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 12.

Hotel Information: Town and Country Resort and Convention Center

500 HOTEL CIRCLE NORTH, SAN DIEGO, CA

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 as well as a *\$5 resort fee in effect at the time of the function.

The "cut-off" date for room reservations at the special rate is June 19. 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 48 hours of arrival will be charged the deposit.

Rate:

\$155 – Single or double occupancy
Garden and Royal Palm Rooms, exclusive of the resort fee of *\$5, state and local taxes.

** Resort fee covers multiple amenities, including: guest room multiple-device-enabled Wi-Fi; unlimited access to the resort fitness center; 10% off spa services at the resort day spa & salon; hotel shuttle service to Riverwalk Golf Club, Fashion Valley Center, Old Town Mission Valley Center, and Hazard Center; guest room local immediate area and 1-800 calls; coffee in guest room and hotel lobby morning coffee; boarding pass access and printing in lobby.*

Hotel Description



Sites to See in San Diego

Nestled in acres of breathtaking gardens with award-winning roses, the Town and Country Resort in Mission Valley features its own 27 hole championship golf course, three swimming pools, four restaurants, and a world-class day spa, salon, and fitness center. The resort is centrally located to the San Diego area attractions. From the hotel's trolley stop, within a short ride are the Gaslamp Quarter, Old Town, Downtown San Diego, Seaport Village, Qualcomm Stadium, Petco Park, and Viejas Arena. SeaWorld, San Diego beaches, and the world-famous San Diego Zoo are approximately a 10-minute drive from the Town and Country.

The conference begins on Monday this year, allowing extra time on the weekend to arrive and enjoy the wonderful San Diego area. Whether you arrive early, or stay on after the event, bring the family and plan to enjoy all that sensational San Diego has to offer.

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.

Monday Night Social USS Midway



In keeping with the 2015 CDS theme, "Examinations Taking Flight", the July 13th Monday Night Social activities will be held aboard the world-famous

USS Midway—the longest-serving U.S. Navy aircraft carrier of the 20th century. The USS Midway Aircraft Carrier Museum offers a memorable opportunity to



explore this floating city at sea and its 50 years of world history. Participants will marvel at the sheer expanse of this 69,000 ton, 1001 ft. x 258 ft. vessel with its 4-acre flight deck. Tour the 60 exhibits throughout the aircraft carrier and view the impressive collection of restored aircraft onboard, dating from World War II to Operation Desert Storm.

Enjoy a catered buffet dinner on-board and family-oriented activities including flight simulators, short films, interactive exhibits, climb-aboard aircraft and cockpits, and more. Round trip transportation for this event will be provided by private motor coach.



AES Invitation

You are invited to a Special and Extended Session!

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

July 16-17, 2015
IT SPECIAL SESSION

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

Session: **E1 & E2 - Conducting A Cyber Security Assessment** 

This session will focus on the risk and control issues related to cyber security including key controls and how to audit them. Session will use specific IT technologies as examples of control mappings including network components, operating systems and TCP/IP Services.

Presenter: **John Tannahill • J. Tannahill & Associates**



John is a management consultant specializing in information security and audit services. His current focus is on information security management and control in large information systems environments and networks. His specific areas of technical expertise include UNIX and Windows operating system security, network security, and Oracle and Microsoft SQL Server security. John is a frequent speaker in Canada, Europe and the US on the subject of information security and audit. John is a member of the Toronto ISACA Chapter and has spoken at many ISACA Conferences and Chapter Events including ISACA Training Weeks. He is also the 2008 Recipient of the ISACA John Kuyer Best Speaker/Best Conference Contributor Award.

Cost: \$120 per person

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

CDS Scholarship Sponsor

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 2015 CDS.

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

CDS Committee Members

CDS Committee

Mark Murphy, CFE • Chairman

Kyle Billingsley, AFE

Phil Blustein, CFE

Joanne Campanelli, CFE

Natalie Davis, CFE

Joshua Johnson, CFE

Jim Kattman, CFE

Annette Knief, CFE

Jim Morris, CFE

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Rick Nelson, CFE

JJ Pan, CFE

Leane Rafalko, CFE

Robin Roberts, CFE

Phil Schmoyer, CFE

Eli Snowbarger, CFE

Kelly Wensing

CDS Programs Committee

Eli Snowbarger, CFE • Chairman

Lew Bivona, AFE

Joanne Campanelli, CFE

Craig Moore, CFE

Jenny Jeffers, AES

Fred Karlinksy

Jim Kattman, CFE

Annette Knief, CFE

Steve Killingsworth, CFE

Elaine Nissley

James Morris, CFE

Mark Murphy, CFE

Robin Roberts, CFE

Phil Schmoyer, CFE

Thank You!

COMPANY NAME

SPONSORSHIP LEVEL



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



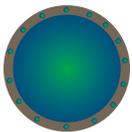
Merlinos & Associates.....Gold



AGI Services Silver
Carr, Riggs & Ingram, LLC Silver
Johnson Lambert LLP Silver
REDW LLC..... Silver



Global Insurance Enterprises, Inc..... Bronze
Taylor-Walker & Associates, Inc. Bronze



Booke General
JP Consulting General
McKonly & Asbury LLP General

AES Special Session Sponsors

Eide Bailly LLP

Examination Resources, LLC

Noble Consulting Services, Inc.

Hospitality Sponsor

Eide Bailly LLP

SOFE 2015 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.

Sunday, July 12

- 12:00pm–6:00pm Registration Desk Open
- 3:00pm–5:00pm Executive Committee Meeting
- 7:00pm–9:00pm State Chair/First-Time Attendee Reception

MONDAY, JULY 13

- 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 Eric Dercher, CFE • ProInsurance Consulting Group, LLC
CDS Chair Mark Murphy, CFE • Connecticut Insurance Department
CDS Program Chair Eli Snowbarger, CFE • Oklahoma Insurance Department
- A1 - Commissioner's Roundtable**
John Doak • Oklahoma Insurance Commissioner
David Mattax • Texas Department of Insurance
Joseph Torti, III, CFE • Superintendent of Insurance Rhode Island
Insurance commissioners will discuss a variety of current topics.
- 2:15pm – 2:30pm Break (Refreshments)
- 2:30pm – 3:45pm **A2 - 2015 Economic and Financial Market Update – Featuring Dr. David Kelly's Guide to the Markets from JP Morgan Research Team**
John Sklencar • FSC Securities Corporation
This session will focus on a high level overview of the economy using some specific tools by the Morgan Stanley Research team.
- 3:45pm – 4:00pm Break (Networking)
- 4:00pm – 5:15pm **A3 - Understanding the Mindset of the Fraudster**
John Gill • Association of Certified Fraud Examiners
Knowing why fraudsters commit their crimes can help you learn how to prevent fraud by addressing the circumstances that lead to it. This session takes an inside look at the fraudster's mind, exploring psychological information that is key to the successful development of a fraud prevention and detection program.
- 6:30pm – 10:30pm **Monday Night Social • USS Midway**
USS Midway Aircraft Carrier Museum • **CDS name badge is required.**

7:30am – 5:00pm

Registration Desk Open

7:55am – 8:45am

BREAKFAST ROUNDTABLES

B1 - Supplier Risk Management in the Cloud

Taiye Lambo • CloudeAssurance, Inc.

Cloud computing provides many benefits for the procurement function, but also comes with inherent risks that could potentially damage an organization's reputation and its supply chain. This learning session will raise your awareness about key information security risks and privacy concerns in migrating to the cloud.

B2 - Get Full Value from Your Actuary

Scott Eady, CFE, John Humphries, CFE and Alan Kaliski • AGI Services

In risk-focused exams, the actuary should address more than just reserves. In this session, we will explain best practices to address key risks including reinsurance, underwriting, pricing, claims, capital management, catastrophe exposure/modeling, and ERM with a heavy emphasis on actual case studies and examples.

B3 - Reinsurance Program Design: Examination Issues

Bryan Fuller • Examination Resources, LLC

Given the behavior of today's insurance and financial markets, many insurers are re-evaluating their reinsurance programs. Buy less reinsurance? Buy more reinsurance? Securitizations? CAT futures? Blended products that go beyond traditional hazard risk? Private Equity Solutions?

B4 - Business Ethics - Relating to the Regulatory Perspective

Ralph Ramono • Independent Contractor

Michael Kogut • The INS Companies

This session will focus on work ethics: A sharing of professional experiences as they relate to moral conduct. War stories of work encounters with ethical conduct. Some emphasis on the insurance industry, law enforcement State regulators and their agents, all who share in the action, all for the good. But, not without questions bearing on value, in a marketplace venue.

8:00am – 5:00pm

Spouse & Guest Hospitality Suite

8:45am – 8:55am

Break (Networking)

8:55am – 10:10am

BREAKOUT SESSIONS

B5 - The Flight Plan of IT Exams – Coordinators? Atten-hut?

Phil Schmoyer, CFE and Rich Sowalsky • Baker Tilly LLP

This session outlines efficiencies observed through IT coordination and how to utilize documentation from previously uncoordinated efforts to improve overall IT considerations. Best practices will be shared on how to ensure all systems and risks are considered while minimizing duplication of efforts. Session will provide elements to bridge IT and Finance.

B6 - Opportunities, Challenges and Communication in Coordinating Multi-State Examinations

Michael Dinius, CFE • Noble Consulting Services, Inc.

Jeffrey Ebert, CFE • Ohio Department of Insurance

Pat McNaughton • Washington State of Insurance Commissioner

Ignatius Wheeler, CFE • Texas Department of Insurance

The panel will provide insight and perspective of the lead state and participating states in coordinating large examinations. Discussions will be based on the challenges of communicating, supervising and involving 16 states and integrating various levels of involvement for the 29 companies under examination. The sharing of lessons learned will be a key benefit of the presentation.

B7 - Identification and Assessment of Critical Liquidity Risks

William Michael, CFE and Pat Tracy, CFE • Risk & Regulatory Consulting, LLC

Addresses liquidity risks by line of business and type of product, and contrasts liquidity and capital analysis to show the shortcomings of solely relying on RBC as a solvency monitoring tool. The session will cover current potential high liquidity risks, and what Companies are doing to address these risks.

B8 - Ethical Issues for Anti-Fraud Professionals

John Gill • Association of Certified Fraud Examiners

In your work to resolve allegations of fraud, you might encounter ethical issues that require you to look beyond the technical requirements of your job and toward the moral dimensions. But ethical issues can be perplexing. How should you think through them? What questions should you ask? What factors must be considered? Who can you turn to for guidance? And ultimately, what is the right thing to do? Ethical Issues for Fraud Examiners will help you understand what constitutes an ethical dilemma and help you develop an awareness of ethical issues faced by fraud examiners. This online course also presents six fictional scenarios that illustrate potential ethical situations that pertain to fraud examinations. The purpose of these scenarios is not to provide you with solutions, but rather to familiarize you with some types of ethical dilemmas that might arise in a fraud examination.

10:10am – 10:30am

Break

10:30am – 11:45am

BREAKOUT SESSIONS

B9 - Integrating Security in the Software Development Life Cycle

Jason Dunn and Anders Erickson • Eide Bailly LLP

This session examines the concept of software development life cycle; presents an overview of common software development methods, languages, and tools; and explores how to integrate security into all phases of the life cycle.

B10 - Medical Loss Ratio: An In-depth Knowledge of How the Calculation Works

Craig Moore, CFE • Risk & Regulatory Consulting, LLC

Barbra Varnhagen • Department of Health & Human Services

Starting in 2013, the Medical Loss Ratio (MLR) included a 3 year accumulation of the numerator and denominator in the calculation. This presentation would demonstrate the specifics behind this and other complex parts of the calculation and suggest ideas for incorporating the MLR into a risk focused examination.

B11 - How to Interview C-Level Executives

John Hall • Hall Consulting, Inc.

Examiners utilize interviews of executives and managers as a key input during every examination. This session will show you what to do, how to do it, and what to avoid when leading interviews of executives. ‘How-to’ steps you can use on the job will be the theme of this session.

B12 - Climate Change Risk Assessment and Insurer Financial Examinations

Cynthia McHale • Ceres

In 2013, the NAIC revised the FCEH by adding three risk mitigation/control strategies directly tied to climate change. The first two considerations of climate change risks were included within underwriting - development of risk exposure and adequate pricing. The third was consideration of climate change risk in the development of a diversified investment portfolio. The revisions are now included in the repositories of the 2015 Examiners Handbook, thus cementing their importance to the “Risk-Focused Examination” (RFE) approach. In February and March 2015, Ceres in collaboration with Rector & Associates, Inc. developed and piloted (with the California and Washington insurance departments) training materials for department examiners related to these revisions. Based on participant feedback, this training is now being made available to a broader audience of regulators and examiners. The goals are and to:

- Build awareness of the climate change-related revisions made to the FCEH and rationale for these changes;
- Show how climate change may impact specific Critical Risk Categories, including Underwriting, Pricing and Investment Portfolio;
- Provide tools and techniques for Examiners to use in their evaluation of a company’s preparedness for prospective climate risks to its financial health.

11:45am – 1:15pm

Luncheon and Annual Business Meeting

1:15pm – 2:30pm

GENERAL SESSION

B13 - Chief Financial Regulator Panel on Regulatory Initiatives

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

Jim Armstrong, CFE • Iowa Insurance Division

Al Bottalico, CFE • California Department of Insurance

Pat McNaughton • Washington State of Insurance Commissioner

Justin Schrader, CFE • Nebraska Department of Insurance

Doug Slape, CFE • Texas Department of Insurance

This panel discussion will involve a group of Chief Financial Regulators from various states in describing, explaining and taking questions from the audience on various regulatory initiatives.

2:30pm – 2:50pm

Break

2:50pm – 4:05pm

BREAKOUT SESSIONS

B14 - HISPI Top 20 ISO/IEC 27001 Mitigating Controls

Taiye Lambo • CloudeAssurance, Inc.

The HISPI Top 20 Mitigating Controls are based on publicly disclosed real world security breaches due to control failures that occurred in 2014 derived from ISO/IEC 27001 Annex A controls. The controls are not merely technical controls but are based on People and Process with less emphasis on Technical Controls. Additionally, weaknesses in people and processes account for most of the publicly disclosed real world security breaches in 2014.

B15 - How Receiverships and Guaranty Associations Work in the US and How the Rest of the World Sees These

Bryan Fuller • Examination Resources, LLC

Douglas Hartz • International Association of Insurance Receivers

Jenny Jeffers, AES • Jennan Enterprises, LLC

Explain how receiverships and guaranty associations work in the US and how rest of the world sees these. The importance of having systems for these matters in relation to the goals of solvency surveillance and regulation.

B16 - Pathways to Success of ORSA and Other Regulatory Changes for the United States: Using the ORSA Report Effectively as a Regulatory Tool in Financial Exams, Supervisory College Meetings and Interim Targeted Examinations

LeeAnne Creevy and Pat Tracy, CFE • Risk & Regulatory Consulting, LLC

Elisabetta Russo • National Association of Insurance Commissioners (NAIC)

This session is focused on practical suggestions re: ORSA type documentation incorporated into the regulatory oversight process (i.e., understanding complex areas including cyber security risk, economic capital models, liquidity analysis and model risk, holding company issues, etc.) to highlight benefits of the U.S. Regulatory Framework and focus examination efforts accordingly.

B17 - The Three Monkeys in the Room

Elaine Nissley • McKonly & Asbury LLP

With ethics, what we see, hear, and say impacts what we do. This presentation covers ethics, the social contract, and how these concepts influence and affect behavior in the workplace. The presentation will cover the theory of ethics, provide an ethical assessment, ethical examples, and discuss circumstances impacting behavior.

4:05pm – 4:15pm

Break

4:15pm – 5:05pm

BREAKOUT SESSIONS

B18 - The New Wave of Cyber Security: What are Its Risks, and How Should They Affect Your Examination?

Phil Schmoyer, CFE • Baker Tilly LLP

This session provides an overview of Cyber Security risks to Insurance Companies, policy holders and key data elements to consider in the examinations. This session includes a case study of a breach and the magnitude of various risks and costs associated with advice on how to incorporate these risk considerations into the examination process.

B19 - Corporate Governance – Breaking it Down

Laura Ervin • Examination Resources LLC

This session will explore corporate governance and break it down into components for analysis. These components are: 1) board/senior management oversight; 2) policies/procedures; 3) risk management and monitoring and 4) internal controls.

 – Qualifies as IT continuing education for the AES Designation.

B20 - Investment Risks in the Spotlight

Jean Adams-Harris, AES, CFE and Joanne Smith, CFE • Johnson Lambert LLP

Matt Kozak • Maryland Insurance Administration

Greg Lieber, CFE • California Department of Insurance

Ed Toy • National Association of Insurance Commissioners (NAIC)

Investments are returning to the spotlight and are playing a leading role during financial examinations. A panel of investment experts will discuss how to approach investment risks in the modern financial examination, the investment-related critical risks in Exhibit DD, and current market trends that may impact insurance company investment strategies.

B21 - Exam Coordination: A Guide to Working Well With Others

Bruce Jenson and Becky Meyer • National Association of Insurance Commissioners (NAIC)

The Coordination Framework has been significantly revised, with changes effective January 1, 2015. This session will provide a detailed discussion of these changes, including new responsibilities of states participating in coordinated exams and new requirements for documenting coordination efforts. A discussion of exam coordination best practices will also be included.

WEDNESDAY, JULY 15

8:00am – 5:00pm

Registration Desk Open

7:55am – 8:45am

BREAKFAST ROUNDTABLES

C1 - 2015 IT State of the Art

James Gowins, AES, Michael Morrissey, AES and Steven Sigler, AES, CFE • Examination Resources, LLC

This session highlights what an IT examiner should expect from companies as technology evolves, the latest innovations for security and compliance, finding a balance between risk and costs, and how this all fits in with Exhibit C & COBIT.

C2 - Reliance on External Auditor Work in Risk-Focused Examinations

James Morris, CFE • Baker Tilly LLP | Vichow Krause LLP

This session will summarize and review the content of an external auditor's statutory audit workpapers and discuss how examiners may utilize them to achieve efficiencies in the performance of risk-focused examinations. Special attention will be paid to providing tips for examiners to critically evaluate the reliability of the auditor's work.

C3 - 2015 Handbook Update

Miguel Romero • National Association of Insurance Commissioners (NAIC) - Moderator

Becky Meyer • National Association of Insurance Commissioners (NAIC)

During this session, examiners will learn about the recent updates to the Financial Condition Examiners Handbook, as well as changes under consideration. Specific changes that will be discussed include the updated examination repositories and changes to the IPS, SRM, and Exam Report.

C4 - How Examiners Can Make the Most of New PCAOB Requirements for Related Party Transactions (Auditing Standard No. 18)

Annette Knief, CFE • The INS Companies

This session will discuss the new PCAOB requirements for related party transactions in auditing transaction. The new standard will be reviewed and examiners will understand what new items may be available in CPA workpapers. This session will also make examiners aware of how this may be beneficial to them in an examination and increase efficiencies.

8:00am – 5:00pm

Spouse & Guest Hospitality Suite

8:45am – 8:55am

Break (Networking)

8:55am – 10:10am

BREAKOUT SESSIONS

C5 - End User Computing: Applicable to Both FE and IT

LeeAnne Creevy and Phil McMurray, AES • Risk & Regulatory Consulting, LLC

This session focuses on what to look for when evaluating End User Computing and User Developed Applications in key activities. Also, with ORSA, it's going to become more important to review what's behind models (some which are grounded in EUCs and spreadsheets) when considering risks associated with ORSA Section 2.

 – Qualifies as IT continuing education for the AES Designation.

C6 - Risk-Focused Examinations Round 2 – Best Practices on Coordinated Exams

Susan Bernard, AES, CFE • California Department of Insurance
George Hutschenreuter, CFE • Maryland Insurance Administration
Justin Schrader, CFE • Nebraska Department of Insurance
Les Schott, CFE • Baker Tilly LLP

Most states are now conducting the second round of risk focused exams. This panel discussion will focus on how the exam process has evolved, as best as what has emerged as best practices, with particular emphasis on coordinated exams. Observations from regulators, as well as industry exam liaisons will be solicited.

C7 - Lessons Learned from ORSA Reviews

Joseph Fritsch, CFE and Jackie Lewis • The INS Companies

This session will discuss real life examples of lessons learned during the ORSA review process. This perspective will be provided from the regulator side and contractor side and will include panelists with a combination of actuarial, financial and international backgrounds. The session will end with a perspective of where we go from here with ORSA reviews and how we incorporate ORSA into the risk focused process from the financial analyst, actuary and financial examiners point of view.

C8 - Accreditation Updates and Hot Topics

Julie Garber • National Association of Insurance Commissioners (NAIC) - Moderator

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.

10:10am – 10:30am

Break

10:30am – 11:45am

BREAKOUT SESSIONS

C9 - Cyber Security Risks – Are We Doing Enough?

Donald Carbone, CFE and Jerry Link • The INS Companies
Pat McNaughton • Washington State of Insurance Commissioner

This session addresses: 1. What is a cyber security risks and how to identify them; 2. Current Exam Procedures that address cyber security risks within a company; 3. New exam procedures under development for assessing cyber security risks; 4. Insurance Company best practices for mitigating cyber security risks; 5. Corporate governance and cyber security responsibilities; 6. Quantifying potential cyber security risks for insurance companies; 7. Summary of ISACA and COBIT guidance; 8. Detailed examples of actual cyber security breaches and why they occurred and how they were handled; 9. Next regulatory steps.

C10 - ORSA: Implementation and Integration

Jeffrey Ebert, CFE and Bill Harrington, CFE • Ohio Department of Insurance
Jim Hattaway, CFE • Noble Consulting Services, Inc.
Justin Schrader, CFE • Nebraska Department of Insurance
Doug Slape, CFE • Texas Department of Insurance

A panel discussion providing up-to-date information on the (1) ORSA Pilot project; (2) Relevant updates to the NAIC Analysts and Examiners Handbooks; (3) State plans on implementing reviews and utilization of ORSA information, and (4) how ORSA should integrate into the overall regulatory framework.

C11 - Analysts: What Can They Do For You?

Francois Houde, AES, CFE, Larry Knight, CFE and Joseph May, CFE • Carr, Riggs & Ingram, LLC

This session will be led by a former assistant insurance commissioner with more than 20 years of experience on the analytical side of the examination process. We will review the key areas of Phase 1 for which Analysts can provide value to the financial examination team.

C12 - Maximize the Value of ERM

Scott Eady, CFE, John Humphries, CFE and Alan Kaliski • AGI Services

Understanding Enterprise Risk Management (ERM) is key to efficient, effective risk focused examinations. This session will explain ERM in simple, everyday language so examiners can relate ERM to the Risk Focused Examination process to gain a better understanding of risks, mitigation, and the level of risk.

11:45am – 1:15pm

Luncheon

11:45am – 1:15pm

State Chairs Luncheon

1:15pm – 2:30pm

GENERAL SESSION

C13 - Emerging Technologies and Their Potential to Impact the Insurance Industry

Mike Fitzgerald • Celent

This will be a ‘look around the corner’ to explore how recent technology advances could impact the insurance industry. For example, what is ‘digital insurance’ all about? What is SOLOMO (Social/Local/Mobile) and is it a threat or an opportunity? How could wearable technology and pervasive location sensing technology affect customer interactions? Does telematics signal new models for risk evaluation? How is the science of advanced analytics being used to change traditional insurance processes? Case studies of innovative initiatives currently introduced in Europe and Asia will be presented that will demonstrate how these technologies are being applied in other regulatory regimes.

2:30pm – 2:50pm

Break

2:50pm – 4:05pm

BREAKOUT SESSIONS

C14 - Information Technology Forensics in Financial Examinations

Jerry Link • The INS Companies

This session will discuss examination forensics and provide useful tips in how this can be incorporated into an examination. The benefits of using forensics in an examination will also be discussed.

C15 - IAIS Activities: Impacts on You and the Companies you Regulate

Robert Kasinow, CFE • KPMG

This session explains the key IAIS initiatives and how they will ultimately affect financial regulation and insurer operations.

C16 - Peer Review Lessons Learned

Becky Meyer and Miguel Romero • National Association of Insurance Commissioners (NAIC)

Recent examination changes related to critical risk categories, reliance on CPA workpapers, and other areas have created challenges for examiners in implementing the guidance. This session will provide insight about lessons learned and best practices developed directly as a result of discussions at recent peer review sessions.

C17 - Enhancing Coordination Between Analysis and Examination Functions

Bruce Jenson • National Association of Insurance Commissioners (NAIC)

Justin Schrader, CFE • Nebraska Department of Insurance

This session will discuss methods to enhance coordination between the financial analysis and financial examination functions of state insurance departments. Topics to be addressed include ‘Common Language’ revisions to the IPS and SRM as well as ways to leverage the work of each function.

4:05pm – 4:15pm

Break

4:15pm – 5:05pm

BREAKOUT SESSIONS

C18 - Cyber Security and Emerging Risks (Part 1)

John Tannahill • J. Tannahill & Associates

This seminar will focus on the risk and control issues related to cyber security and emerging information security and technology. Session will include questions auditors should ask in relation to how the organization should protect IT infrastructure and corporate information from cyber attacks.

C19 - The Era of ORSA: Year One Implementation Status

LeeAnne Creevy and Pat Tracy, CFE • Risk & Regulatory Consulting, LLC

Elisabetta Russo • National Association of Insurance Commissioners (NAIC)

The latest news on the status of 2015 ORSA implementations, including third ORSA pilot results, input from ‘the field’ on use of ORSA, status of the NAIC’s efforts to support ERM and ORSA training, and key considerations for regulators in determining the quality of ERM programs using case studies.

C20 - Property/Casualty Loss Reserves and Reinsurance – A Financial Analysis Perspective

Barry Armstrong, CFE, Annette Knief, CFE, and Donald Sirois, CFE • The INS Companies

This session is designed to assist the financial analyst with an understanding of (1) property/casualty loss reserves and reinsurance, (2) the impact of reinsurance on loss reserves, (3) why an in-depth comprehension of each is vital, and (4) the tools available to a financial analyst in identifying whether significant prospective risks exist for each of these critical areas.

C21 - Solvency Regulation: Future Hurdles Ahead

David Vacca • Vacca Regulatory Consulting, LLC

This session will focus on various challenges and issues facing solvency regulation within the U.S.

THURSDAY, JULY 16

7:55am – 8:45am

BREAKFAST ROUNDTABLES

D1 - Weathering the IT Sea Change from Best Practice to Best Practice

Samuel BowerCraft • McKonly & Asbury LLP

Current experience is showing how customized security frameworks for organizations are the future. This presentation will discuss the genesis of security framework best practice, reasons for it, and why moving toward a new Customized Best Practice model and assessing such approaches is better for everyone.

D2 - Critical Risk Categories – A Common Sense Approach

Scott Eady, CFE, John Humphries, CFE and Alan Kaliski • AGI Services

Not since the rollout of the risk focused method has new guidance altered financial examinations until the introduction of Critical Risk Categories. In this session, we will take a common sense approach and discuss the thought process needed to address these risks while developing an appropriate regulatory response.

D3 - Accounting Shenanigans – A Primer for Analysts and Examiners

Bonnie Cottle-Casella, CFE and John Romano, CFE • Baker Tilly LLP

The session will walk through the tricks and ?accounting shenanigans? that can be implemented by a company to increase earnings or paint a distorted picture of financial results. Attendees will understand why these tricks are utilized, what types of trends to look for, and discuss real world examples.

D4 - The Impact of Generation Differences in the Workplace

Jason Dunn and Anders Erickson • Eide Bailly LLP

This session will focus on generational differences in the workforce, with a focus on how we can use the knowledge to develop an understanding and appreciation of what each generation brings to the workplace. We will detail the key events that shaped the generations and how these influence our behavior and attitude.

8:00am – 5:00pm

Spouse & Guest Hospitality Suite

8:45am – 8:55am

Break (Networking)

8:55am – 10:10am

BREAKOUT SESSIONS

D5 - Cyber Security & Emerging Risks (Part 2)

John Tannahill • J. Tannahill & Associates

This seminar will focus on the risk and control issues related to cyber security and emerging information security and technology. Session will include questions auditors should ask in relation to how the organization should protect IT infrastructure and corporate information from cyber attacks.

D6 - Statutory Accounting Update

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

This session will provide an update on the most recent changes to Statutory Accounting and the current ongoing projects.

D7 - Financial Analysts on the Front Lines: A Guide for the Conduct of ORSA Reviews

Jim Stangroom • Baker Tilly LLP

Financial Analysts will have front-line responsibility to review, analyze and provide feedback on ORSA filings in 2015. This session will cover: Recent NAIC Financial Analysis Handbook guidance; What Financial Analysts should expect from company ORSA filings; How to analyze ERM framework, risk and capital adequacy.

D8 - Using Critical Thinking Skills and Workflow Tools to Enable a More Efficient and Effective Phase 2 and 3

Jan Moenck, CFE and Shawn Towchik, CFE • Risk & Regulatory Consulting, LLC

Doug Slape, CFE Texas Department of Insurance

We will present tools which have helped us document the movement of risks from the Risk Accumulator to Exhibit V and the KFA risk matrices, considering the Critical Risk Categories. We will also discuss how critical thinking skills can be applied to more effectively assess risks and risk mitigation strategies.

10:10am – 10:30am

Break

10:30am – 11:45am

BREAKOUT SESSIONS

D9 - 2015 Information Security Trends: What to Know and What to Do. 

Samuel BowerCraft • McKonly & Asbury LLP

A new year brings new and evolved threats to information security; this presentation will cover trending risks for information systems, technology and security, and discuss practices to assess for these risks as well as actions to be taken to mitigate risk for these areas.

D10 - If I Only Knew Then – Perspectives for Newer Regulators

Jeff Martin • United Healthcare and Neil Miller, CFE • Alvarez & Marsal Insurance and Risk Advisory Services

What exactly is one to do as a financial regulator? Former and current senior regulators and industry representatives discuss what they have learned about their roles in financial regulation, and what they would have done differently if given a do-over.

D11 - Special Purposes Financial Insurers – Where are We Now?

Stacey Alden, CFE and Sandra Bigglestone, CFE • State of Vermont

Superintendent Joseph Torti, III, CFE • State of Rhode Island

This session will provide a brief overview of what an SPFI is and why an SPFI is formed then, move into where we are and where we are heading in regards to formation and regulatory oversight of SPFIs.

D12 - Early Warning Signs of Insolvency

James Black and Jeffrey Miceli • Black and Gerngross

Mike Johnson • The INS Companies

This session will discuss early warning signs of insurance company insolvencies and provide a practical approach to application and tips in dealing with insolvencies of this nature.

11:45am – 3:00pm

Board of Governors Luncheon/Meeting

3:00pm – 4:30pm

Executive Committee Meeting

1:00pm – 5:00pm

AES IT SPECIAL SESSION PART 1 (Optional Session | Separate Fee Applies)

John Tannahill • J. Tannahill & Associates

E1 - Conducting A Cyber Security Assessment 

This session will focus on the risk and control issues related to cyber security including key controls and how to audit them. Session will use specific IT technologies as examples of control mappings including network components, operating systems and TCP/IP Services.

FRIDAY, JULY 17

8:00am – 12:00pm

AES IT SPECIAL SESSION PART 2 (Optional Session | Separate Fee Applies)

John Tannahill • J. Tannahill & Associates

E2 - Conducting A Cyber Security Assessment 

This session will focus on the risk and control issues related to cyber security including key controls and how to audit them. Session will use specific IT technologies as examples of control mappings including network components, operating systems and TCP/IP Services

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FUTURE SITES

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2016
JULY 31 - AUGUST 3
Indianapolis, IN
Indianapolis Downtown Marriott



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



2018
JULY 15 - 18
Indian Wells, CA
*Hyatt Regency Indian Wells
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