



SOFE

Society of Financial Examiners

*Striking a Win
for Examinations*

JULY 21-24

2013

**Summerlin, NV
Red Rock Resort**

Annual Career Development Seminar



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Learning Objectives

Through lectures, roundtable discussions and interactive formats, participants in the Society of Financial Examiners' 2013 Career Development Seminar (hereafter referred to as SOFE 2013 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 Website shortly before the beginning of the conference and will be retained there for a short period after the conference.

Potential Credits

Accounting	8.4
Auditing	25.2
Computer Science	21.0
Specialized Knowledge	26.4
Maximum number of CRE/CPE hours per attendee	25.2
Total number of CRE/CPE hours available	81

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.**

Registration Fees

	Received	
	By 6/21	After 6/21
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 3. A \$50 administration charge will be applied to all cancellations prior to July 3.

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, two drink tickets, 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 2013 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 20th 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 2013 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/CDS2013/scholarship.html. All applications are due by April 30.

Hotel Information: Red Rock Resort

11011 W. Charleston | Las Vegas, NV | 89135



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

Room reservations are subject to a 48 hour cancellation fee. Rooms cancelled within 48 hours of arrival will be charged a "no show" fee.

Rates:

\$130.00 – Single or double occupancy

Please be advised that all rates quoted are per room, per night, single or double occupancy. A charge of \$35 will be added for each guest room over double occupancy. A \$25 resort fee per night **is included** in the guest room rate, which includes daily in room internet, daily newspaper, admission to the exercise facility at the Resort (*normally @ \$30*) **limited** shuttle service to and from the McCarran International Airport and the Strip on a set schedule **BASED ON AVAILABILITY.**

Hotel Description

Conveniently located on 70 acres of land at the gateway to Red Rock Canyon and just 10 miles west of the Las Vegas Strip, Red Rock Resort is just a 20-minute drive from McCarran International Airport. Red Rock offers the perfect mix of proximity to the action and distance of Las Vegas, the Grand Canyon, Red Rock Canyon, Hoover Dam, Lake Mead and so much more.





Inspired by the natural beauty of the neighboring mountains, Red Rock Resort and Spa pays homage to the elegant mid-century modern resorts that made the area famous. A recipient of the AAA Four Diamond Award since opening and named one of the world's best new hotels by Conde Nast Traveler magazine, Red Rock redefines resort architecture by incorporating natural light, a convenient layout and the comforts of a modern lifestyle.

Red Rock offers 10 restaurants, a 16 screen movie theater, 72 lane bowling alley, 12 Lane VIP Bowling Suites, Rock's Lounge with nightly entertainment, a renowned SPA, and food court. Present your regal Cinemas movie stub at Red Rock Lanes and receive a free bowling game, with the purchase of one. Kids Quest Supervised Child care is specially designed, floor-to-ceiling climbing maze and play structure has it all: tunnels, slides, ramps, stairs, periscopes, air hops, talking tubes and a whole lot more. Red Rock offers one of the most amazing pools you will ever see—three-acre swimming pool with 19 irresistible private cabanas and a waterfall island. Red Rock truly offers something for everyone.

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.

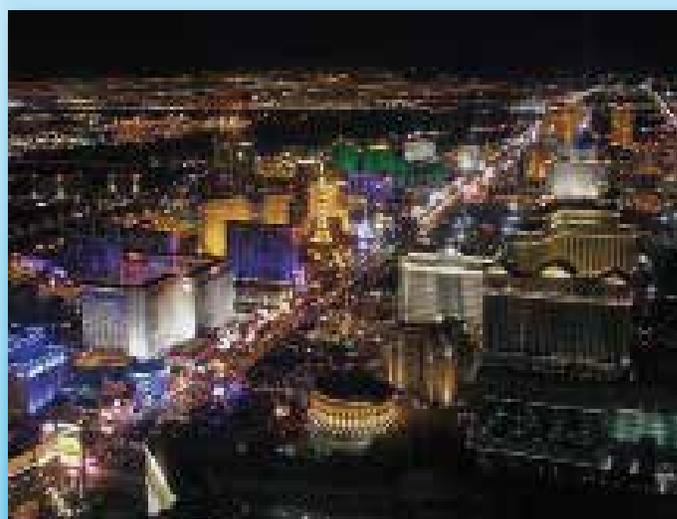
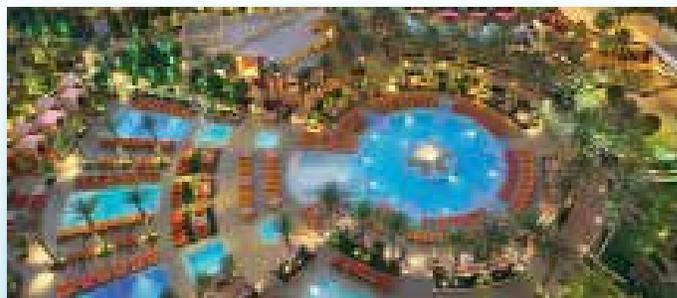
Sunday Social

Come *Strike A Win for Examination and Your Team!* Get your team together or just join in with one at the Sunday Social and sport your favorite bowling shirt. Cosmic Bowling guarantees to be a fun time for all. *Guests will enjoy a buffet dinner featuring many of the specialties developed by the world-renowned Red Rock chefs. Video highlights from last year's CDS will be projected during dinner on video screens across all 60 lanes!* There will be food, rocking videos, games, and friendly—or maybe serious competition. Whether you are a Perfect Score Bowler or One Who Needs the Bumper Guards—bring your game and join the fun. *This promises to be a night to remember!*

Two drink tickets will be provided per registrant and a cash bar will be available.

Transportation to the Strip

SOFE will offer complimentary transportation to and from the Strip on Monday and Tuesday evenings on a first-come first-serve basis. Transportation will begin at 6 pm and end at 10 pm. It is anticipated that the buses will depart Red Rock on the hour and return to Red Rock from a designated location on the Strip at the half hour. Please check on-site for updates to the schedule. Please note that this is offered as a complimentary service and we appreciate your understanding that not everyone may be transported at a time.





You are invited to a Special and Extended Session!

For AES designees, IS Specialists and other interested parties.

July 24–25, 2013
IT SPECIAL SESSION

Part I: Virtualization Security & Audit 

Part II: Database Security & Audit 

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

Topic: Part I: Virtualization Security & Audit

This session will focus on the audit and security issues related to the use of Virtual Machine environments. Highlights: Detailed discussion of VMware Virtual Machine architecture and security components (VMware vSphere), Detailed discussion of VMware ESXi and vCenter security and control features, and Audit objectives and checklists for the ESXi and vCenter environments.

Part II: Database Security & Audit

The focus of this session will be on the audit, control and security issues related to the use of database management systems in today's business environments. A specific focus of the session will be security and audit of Oracle 10g/11g; Microsoft SQL Server 2005/2008 and DB2/UDB 9.5 environments. Learn practical approaches and techniques for evaluating the implementation of database security and control.

Presenter: John Tannahill • J. Tannahill & Associates



John Tannahill, CA, CISM, CGEIT, CRISC 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; North America CACS; EuroCACS; Asia- Pacific CACS; International and Network and Information Security Conferences.

2008 Recipient of the ISACA John Kuyer Best Speaker/Best Conference Contributor Award

Cost: \$100 per person

Sponsors: Eide Bailly LLP
Examination Resources, LLC
Jennan Enterprises, LLC
Noble Consulting Services, 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 2013 CDS.

If you are interested and would like more scholarship information, please visit the SOFE Website at www.sofe.org/CDS2013/scholarship.html.



Thank You!

COMPANY NAME

SPONSORSHIP LEVEL

Eide Bailly LLP..... Platinum
Examination Resources, LLC..... Platinum
The INS Companies Platinum
Invotex, Inc..... Platinum
Noble Consulting Services, Inc. Platinum
Risk & Regulatory Consulting, LLC Platinum

Lewis & Ellis, Inc.Gold

Carr, Riggs & Ingram, LLC Silver
Eisner Amper LLP Silver
Johnson Lambert LLP Silver
ParenteBeard LLC..... Silver

AGI Services Bronze
The Huff Group, LLC Bronze
Merlinos & Associates, Inc..... Bronze
Stroock & Stroock & Lavan LLP..... Bronze
Taylor-Walker & Associates, Inc. Bronze

Westmont Associates, Inc. General

AES SPECIAL SESSION SPONSORS

Eide Bailly LLP
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SOFE 2013 Career Development Seminar Agenda



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

SATURDAY, JULY 20

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

SUNDAY, JULY 21

- 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 Ryan Havick, CFE, MCM • Eide Bailly LLP
CDS Chair Rick Nelson, CFE, CIE • Eide Bailly LLP
CDS Programs Chair James Kattman, CFE • Noble Consulting Services, Inc.
- 1:30pm – 2:30pm **A1 - Your Head is in the Cloud: The Risks of Having Data Accessible All the Time from Everywhere** 
John Mallery • Mallery Technical Training & Consulting, Inc.
This presentation will discuss the issues surrounding the popular trends of cloud computing, mobile devices and social networking. Security, legal and investigative issues will be addressed.
- 2:30pm – 2:45pm Break
- 2:45pm – 3:45pm **A2 - Commissioners Roundtable**
Commissioner Scott Kipper
Commissioner Joseph Torti, III, CPA • State of Rhode Island
Insurance commissioners from several states discuss a variety of current topics.
- 3:45pm – 4:00pm Break
- 4:00pm – 5:00pm **A3 - The 21st Century Director: Effective Corporate Governance**
John F. Levy, CPA • Board Advisory
Regulators and examiners have recently placed greater emphasis of the assessment of “Corporate Governance”. This session will help participants understand the importance of corporate governance and the critical role of an organization’s board of directors in establishing and maintaining a positive corporate culture.
- 6:00pm – 11:00pm Sunday Social
Red Rock Lanes Bowling Center

MONDAY, JULY 22

7:30am – 5:00pm

Registration Desk Open

7:45am – 8:45am

BREAKFAST ROUNDTABLES

B1 - Actuarial Participation in Risk-Focused Examinations of Property/Casualty Carriers

Robert P. Daniel, ACAS, MAAA • Merlinos & Associates, Inc.

This session will cover the role of the examination actuary in the examination of property/casualty insurers under the Risk-Focused examination structure. This will cover areas within the scope of actuarial involvement, including Phase 1 Planning, interviews, identification of retrospective and prospective risks, and evaluation of issues requiring ongoing regulatory oversight and/or examination recommendations.

B2 - Learning to Speak “Mac”

John Mallery • Mallery Technical Training & Consulting, Inc.

The popularity of the iPod, iPhone and iPad have also increased the popularity of Apple Computers and the Mac OS X operating system. Because of this, corporate IT professionals, computer forensics examiners and investigators have had to learn how to work with and understand Macs. This presentation will provide fundamental concepts regarding Macs and will explain some of the key differences between OS X and Windows systems. Items such as “cross platform compatibility,” “plist files versus the Registry,” and built in security options will be discussed. Items of evidentiary interest will also be addressed.

B3 - What’s in Store for the Future of Insurance Regulation?

James B. Morris, CPA CFE, CICA, CGMA • Invotex, Inc.

Dodd-Frank introduced the potential for a federal role in insurance regulation. This session will present: a summary of Dodd-Frank provisions related to the insurance industry; an overview of the agencies it created; a summary of the activities within those agencies; and potential implications on regulation of insurers by states.

B4 - Supervisory Colleges: How They Enhance the Risk-Focused Surveillance Process

Russell Jones • Deputy Insurance Commissioner, New Jersey

Annette Knief, AICPA, CFE, FLMI, ARA, AIRC • Knief Consulting

This session will focus upon how supervisory colleges will enhance the risk-focused surveillance process. Specifically, the purpose, origin, and the key elements of supervisory colleges will be discussed. The session will also provide a high level overview of IAIS, Holding Company, and Supervisory best practices.

8:00am – 5:00pm

Spouse & Guest Hospitality Suite

8:45am – 8:55am

Break

8:55am – 10:25am

BREAKOUT SESSIONS

B5 - Demystifying the P&C actuarial process (Common Actuarial Themes)

Jan Moenck, CFA, CRP, CIA, CBA, FLMI and Christopher T. Rushford, CFE • Risk & Regulatory Consulting, LLC

The session will discuss common issues actuaries discover as they review company reserving practices. Areas of discussion will include how the company records the actuary’s central estimate, obtaining supporting documentation for management’s best estimate, and documentation when deviations occur. Examples of what is found during a reserve review will be explored.

B6 - ERM Assessment Case Study: Tips, Tools and How to Apply an ERM Assessment on Your Next Examination

John Romano, CPA, CFE and Phil C. Schmoyer, CFE • ParenteBeard LLC

Are you prepared to conduct an ERM assessment? This session will walk through a case study of an assessment performed over an insurance company’s ERM program, including the effectiveness and maturity. Attendees will leave the session with insights and tools to incorporate structured ERM assessments into examinations and/or ERM reviews.

B7 - Auditing Standards Update? What is the Impact on the Exam?

Marlys Rulon, CPA, CVA and Scott Sisel, CPA • Eide Bailly LLP

The Auditing Standards Board has issued numerous pronouncements over the last year which included changes to the Auditor’s Report, the Group Auditing Standard, the Audit Clarity Standards, and revisions to reporting internal deficiencies. Understand how this impacts the examiner’s review of the CPA’s workpapers and reports.

B8 - Insurance-Related Cyber Security and Data Integrity: How Regulatory Compliance Can Help Companies to Improve Their Defense Against Breaches 

LeeAnne W. Creevy, CPA, CISA, CITP and Philip E. McMurray, CISSP, CISA, AES
Risk & Regulatory Consulting, LLC

This session will summarize the recent security breaches in the insurance industry and expose the major threats on which insurance personnel should be focused. Given the increase in high profile attacks, this is an area that may require more frequent reviews than the normal 3-5 years examination cycle.

10:25am – 10:45am

Break

10:45am – 12:15pm

BREAKOUT SESSIONS

B9 - Medical Loss Ratio: How is it calculated and Key Risks

Darin Benck, CPA, CFE, CFE (Fraud), CIA, RHU, CRMA, Craig Moore, CPA, CFE, AICPA, and Patrick Tracy, CFE
Risk & Regulatory Consulting, LLC

A summary of how the Medical Loss Ratio is calculated, the differences between the calculation reported to the NAIC and the Department of Health and Human Services and the largest risks associated with this new requirement of the Affordable Care Act.

B10 - Cyber Counterintelligence - Embracing an Engagement Strategy Against Cyber Attacks 

Jarrett Kolthoff • SpearTip, LLC

Discussing the paradigm shift in public opinions on cyberstrikes/hackback operations and explaining how to conduct cyber source operations to engage the enemy.

B11 - Reinsurance: Pooling and Risk Mitigation Practices

Bryan J. Fuller, CPCU, ARe • Examination Resources, LLC

This session will consider reinsurance as a risk management tool that can be utilized for a variety of purposes (e.g. intercompany affiliated transactions, residual risk pools, state facilities, catastrophe pools and alternative risk transfer mechanisms). The session will analyze specific examples where pooling is utilized and will identify potential risks that examiner's need to consider when evaluating such structures.

B12 - Adding Efficiency to Second Generation Risk-focused Surveillance Examinations

David G. DelBiondo, CPA • The INS Companies

Lessons learned and helpful hints based on two generations of risk-focused examinations.

12:15pm – 1:30pm

Luncheon and Annual Business Meeting

1:30pm – 3:00pm

BREAKOUT SESSIONS

B13 - Examinations of Enterprise Risk Management and ORSA Capabilities

Michael E. Angelina • Saint Joseph's University

As examinations are becoming more risk-focused, examiners are required to evaluate the organizations ERM and ORSA capabilities. The presentation will focus on ERM best practices. The ORSA process will also be discussed as will the importance of strong corporate governance.

B14 - Statutory Accounting Update

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

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

B15 - What the Bad Guys Are Doing 

John Mallery • Mallery Technical Training & Consulting, Inc.

Those intent on defrauding an organization will often try to cover their tracks using a variety of tools and methodologies. This presentation will explain those techniques and the methods used to identify them. From disk wiping technologies to data hiding techniques, this presentation will show you how to “think like a bad guy,” a very important investigative skill. The presenter will be drawing on his involvement in several Federal cases. In a recent decision, the 8th Circuit Court of Appeals’ described his proof of data destruction as “overwhelming” evidence of bad faith and prejudice.”

B16 - Multistate Examinations, An Insurer's Perspective

John Bauer • Prudential Financial, Inc.

Kevin Ericson • United Healthcare

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

Kash Saraiya • ACE

Multistate examinations require coordination and communication among regulators and the insurers. This panel will look into the insurer's view of the benefits of multistate coordination and where there may be room for improvement.

3:00pm – 3:30pm

Break

3:30pm – 5:00pm

GENERAL SESSION**B17 - How Financial Examiners Can Counter Fraud Risks: A Three Step Approach**

John J. Hall, CPA • Hall Consulting, Inc.

There are fraud risks on every financial examination. Professional examiners must effectively counter these risks in planning and execution of examination steps. This session will provide a field-tested 'how-to' plan of attack laid out in three critical steps for use on every examination.

TUESDAY, JULY 23

7:45am – 8:45am

BREAKFAST ROUNDTABLES**C1 - Prospective Risks: How to Identify, How to Address**

Scott Eady, CPA, CFE and John B. Humphries, CFE, ASA, MAAA, AES, CISA, MCM • AGI Services

This session will discuss the thought process needed to identify prospective risks and develop an appropriate regulatory response. This session will take a common sense approach to risks facing insurers today based upon products, target market, investment approach, and management style with a heavy emphasis on current economic events.

C2 - US Approach to Group Wide Supervision

Dan Daveline • National Association of Insurance Commissioners (NAIC)

The session will focus on proposed changes to the NAIC Financial Analysis Handbook in the form of a new section on group supervision. The session will also include background on issues leading to the development of the session, including the US/EU Dialogue.

C3 - Disaster Recovery: How to Identify and Provide Value Added Recommendations to Insurers During Your Next Examination 

Leon Pressman, CISA, CGEIT • ParenteBeard LLC

The session will identify the main components of business continuity planning (BIA) and disaster recovery (DR). You will be able to better interpret and identify recommendations to improve an insurers BIA and DR Plan, and what "not so best practices" to be aware of when assessing the BIA and DR plan.

C4 - Investment Highlights for 2013 - Integrating Investment Portfolio Analysis into Specific Exam Phases

Joseph Prakash, CFA • JP Consulting

Hot topics such as integrating investment portfolio analysis into the examination process, and locating "soft spots" in insurer investment portfolios will be discussed. Other recent topical events in the capital markets will be covered. Also, lessons learned from recent examinations will be discussed with some audience participation encouraged.

8:00am – 5:00pm

Spouse & Guest Hospitality Suite

8:45am – 8:55am

Break

8:55am – 10:25am

BREAKOUT SESSIONS

C5 - ORSA an Industry Perspective

H. Michael Byrne • Drinker Biddle & Reath LLP

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

David S. Sherwood • KPMG

Vicki I. Yamasaki, CPA • OneAmerica Financial Partners

The Risk Management and Own Risk Solvency Assessment Model Act (RMORSA) provides a new method to evaluate solvency, beyond risk based capital measures. This panel will explore industry insights in creating an ORSA policy and developing the report.

C6 - Corporate Governance Assessment Update

Bruce E. Jenson, CPA • National Association of Insurance Commissioners (NAIC)

This session will provide an update on the progress of the 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.

C7 - The Synergy of Cloud Technology and Insurance Regulation

Jerry Link, MCSE, CCA • The INS Companies

This session will identify the latest that is available in technology and how insurance regulation has or can benefit from the use of these technologies. In addition, the session will identify issues and concerns of emerging technologies for the Insurance Examiner, as well as different approaches to the use of technology in Insurance Examinations.

C8 - A Practical Approach to Testing Prospective Risks

William Michael, CFE, CIA and Jan Moenck, CFA, CRP, CIA, CBA, FLMI • Risk & Regulatory Consulting, LLC

As Prospective/Other Than Financial Reporting Risks are gaining higher recognition in financial examinations, the examiner is spending more time documenting and testing internal controls related to these "killer risks". This session will provide suggested practitioners guidance and best practices in testing these risks which are increasingly being accepted as the most critical risks in insurance regulation.

10:25am – 10:45am

Break

10:45am – 12:15pm

BREAKOUT SESSIONS

C9 - Peer Review Takeaways - Panel Discussion

Becky Meyer, CPA • National Association of Insurance Commissioners (NAIC)

In this panel discussion, you will hear from regulators that have participated in the Exam Peer Review project. Topics will be related to the risk-focused exam approach and will include improvement suggestions for ongoing examinations, changes examiners have made in their daily processes, and supervisory review tips learned.

C10 - Trust the Data Not the Software: An Exploration of Data Falsification

Scott Greene • Evidence Solutions, Inc.

Frequently we are presented with data that appears perfectly normal and supports a particular side to a case. Unfortunately software, by its very nature, displays data not in its natural form but rather in a sorted and organized form. Data that has been manipulated will not be evident when looking at reports generated by the reporting system. We will examine data presented by software and data in the background and discuss the differences.

C11 - Streamlining the Risk-focused Examination Process

Peter C. Bliss, CFE and Patricia Casey Davis, CPA, CFE, CMA, CIA • The INS Companies

Time Saving and efficiency suggestions from both a practical and technical perspective. The presentation will specifically detail items frequently included within examination files that are not required by the NAIC Financial Condition Examiners Handbook or accreditation. The presentation will also detail technical steps that may be utilized to speed up the examination process without reducing quality.

C12 - Solvency Modernization Update - Pathways to Success of ORSA and Other Regulatory Changes for the United States

Stephen J. Johnson, CPA • Pennsylvania Insurance Department

Patrick Tracy, CFE • Risk & Regulatory Consulting, LLC

This is both an effective overview of the new changes and what's driving them, as well as "how to" guidance that fits into the examiners handbook and effective execution of risk-focused examinations. We will specifically address corporate governance assessment, Form F in the holding company act and ORSA.

12:15pm – 1:30pm

Luncheon

12:15pm – 1:30pm

State Chairs Luncheon

1:30pm – 3:00pm

BREAKOUT SESSIONS

C13 - Accreditation Update

Julie Garber, CPA, FLMI, ARe • National Association of Insurance Commissioners (NAIC)

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

C14 - Understanding the Risks Associated with Income Taxes

Patrick Kautzman, CPA • Eide Bailly LLP

Accounting and valuation of income tax assets and liabilities is complex. This course provides a basic understanding of Federal income taxation of insurance companies; highlight the differences in taxation of P&C, health, life and Blue Cross entities; and, identify key risks and risk mitigation strategies in examining income taxes.

C15 - Data Mining for Financial and Market Conduct Examinations 

Michael Morrissey, AES, CISA, CISSP, MCM • Examination Resources, LLC

Exploring the data mining process: defining objectives, requesting files, data assessment and reporting. We'll discuss the pitfalls of bad data, the challenges of working with various data formats, and offer tips for using ACL and Excel. Finally we'll suggest best practices for documenting the process for forensic purposes.

C16 - Coordinated Examinations - Experiences and Best Practices

Bill Arfanis • Connecticut Insurance Department

Barry C. Armstrong, CPA, CFE • The INS Companies

Peter Foley, II, CPCU • Minnesota Department of Commerce

Jeffrey Martin • United Healthcare

Annette B. Szady, CPA • Pennsylvania Insurance Department

Bill Tatelman • Connecticut Insurance Department

Presentation and Panel Discussion on recent experiences and best practices in conducting coordinated examinations.

3:00pm – 3:30pm

Break

3:30pm – 5:00pm

GENERAL SESSION

C17 - Chief Examiners Panel: NAIC Working Groups Initiatives

Al Bottalico, CFE, CPA • California Insurance Department

William C. Harrington, Jr., CFE, CPA (Inactive) • Ohio Department of Insurance

Frederick G. Heese, CPA, CFE, MBA • Missouri Department of Insurance

Bruce E. Jenson, CPA • National Association of Insurance Commissioners (NAIC)

Douglas Slape, CFE • Texas Department of Insurance

Panel discussion with Chief Examiners to provide an update on NAIC working group initiatives.

WEDNESDAY, July 24

7:45am – 8:45am

BREAKFAST ROUNDTABLES

D1 - Financial Condition Examiners Handbook Update

Bailey Henning, CFE (Fraud) • National Association of Insurance Commissioners (NAIC)

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

D2 - Additional Actuarial Reserves - When Do You Need Them and How Much?

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

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.

D3 - Valuation/Impairment of Difficult to Value Invested Assets

Lela Lawless, CPA, ABV, CFF, CVA and James Menck, CPA, CFE, CFE (Fraud), MCM • Eide Bailly LLP

Difficult to value invested assets present unique risks to the exam process. How should these risks be addressed through examination techniques? What resources are available to the examiner to identify the risks associated with the asset? What valuation methodologies are appropriate for various types of difficult to value assets? What valuation methodologies are not appropriate? What should an examiner look for in a valuation expert?

D4 - Applications Control Review-Risk-focused Examination

Floyd Meeks, CPA, CFE, CISA, AES • Noble Consulting Services, Inc.

After completion of the ITGC (IT General Controls) review using Exhibit C of the NAIC FCEH some phase 3 controls review may be needed for specific systems applications to evaluate the effectiveness of these controls. This is an approach, tested and workable, for this program.

8:00am – 5:00pm

Spouse & Guest Hospitality Suite

8:45am – 8:55am

Break

8:55am – 10:25am

BREAKOUT SESSIONS

D5 - Demystifying the P&C actuarial process (Common Actuarial Themes)

Lisa G. Chunzit, FCAS, MAAA, ARM and Craig Moore, CPA, CFE, AICPA • Risk & Regulatory Consulting, LLC
The session will cover the common risks and controls related to insurance companies growing use of third party administrators in processing its normal business functions. In addition to financial reporting relating issues, the data security, data recovery and transaction websites relating to IT exam function will also be explored.

D6- Risk-focused Examinations for Captives/Small Companies

Stacey E. Alden, CPA, CFE • State of Vermont

Robert F. Crawford, CPA, CFE • Bostick/Crawford Consulting Group

David Lee, CFE • Arizona Dept. of Insurance

Becky Meyer, CPA • National Association of Insurance Commissioners (NAIC)

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.

D7 - Early Identification of Significant Risks from the Annual Statement and Other Key Filings

Jean Adams-Harris, CPA, CFE, CISA, AES • Johnson Lambert LLP

Bill Arfanis • Connecticut Insurance Department

Sean O'Donnell, CPA, CFE • DC Dept. of Insurance

Mark R. Ossi, CPA, CFE, PIR, MCM • Georgia Dept. of Insurance

Ignatius Wheeler, CFE • Texas Dept. of Insurance

Panelists will discuss techniques for performing a targeted yet thorough review of available documents to better understand the company and improve examiner and analyst skills. Topics also include how to ensure that C-level interviews are centered on in-depth discussion of an insurer's most significant risks, including the effective use of the Annual Statement and other materials to identify such risks in advance of C-level interviews. Discussion will focus on identifying common disclosures within the General Interrogatories, Notes, U&I Exhibit, Schedules such as F, P and S, as well as the CPA F/S Notes and Actuarial Report, that may be red flags requiring further inquiry.

D8 - IT Audit Fundamentals

John Tannahill, CA, CISM, CGEIT, CRISC • J. Tannahill & Associates

This seminar will provide a detailed introduction to key Information Technology audit areas and concepts, including but not limited to: IT audit universe, IT governance controls, risk assessment, testing control design and effectiveness, and the audit process.

10:25am – 10:45am Break

10:45am – 12:15pm

BREAKOUT SESSIONS

D9 - Principle Based Reserves and Impact on Financial Examinations

Joseph Higgins • The INS Companies

The implementation of PBR will have a significant impact on life insurers reserving procedures. This session will provide a brief history of PBR in the U.S., discuss the timeframe for implementation and how this may change the examination process in examining reserves for life insurers.

D10 - Rating Process and Analysis of Property/Casualty Insurers

Douglas A. Powell • Demotech, Inc.

This is a presentation of the qualitative and quantitative aspects of analyzing P/C insurers, including data and historical perspective of key rating indicators.

D11 - Coordination Between Examiners and Analysts on Prospective Risks

Dan Daveline, CPA and Bruce E. Jenson, CPA • National Association of Insurance Commissioners (NAIC)

This session will discuss requirements and best practices for coordination between examiners and analysts in identifying and addressing the prospective risks faced by insurers.

D12 - Web Application Security for Auditors

John Tannahill, CA, CISM, CGEIT, CRISC • J. Tannahill & Associates

This seminar will focus on the audit and security issues related to Web application systems and related technology components and infrastructure.

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

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

12:15pm – 1:00pm Break for Lunch

1:00pm – 5:00pm

AES IT SPECIAL SESSION – Part 1: Virtualization Security & Audit

John Tannahill • J. Tannahill & Associates

This session will focus on the audit and security issues related to the use of Virtual Machine environments. Highlights: Detailed discussion of VMware Virtual Machine architecture and security components (VMware vSphere), Detailed discussion of VMware ESXi and vCenter security and control features, and Audit objectives and checklists for the ESXi and vCenter environments.

THURSDAY, JULY 25

8:00am – 12:00pm

AES IT SPECIAL SESSION – Part 2: Database Security & Audit

John Tannahill, CA, CISM, CGEIT, CRISC • J. Tannahill & Associates

The focus of this session will be on the audit, control and security issues related to the use of database management systems in today's business environments. A specific focus of the session will be security and audit of Oracle 10g/11g; Microsoft SQL Server 2005/2008 and DB2/UDB 9.5 environments. Learn practical approaches and techniques for evaluating the implementation of database security and control.

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FUTURE SITES

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Suite 130
Reston, VA 20190

2014
JULY 27-30
Philadelphia, PA
Loews Philadelphia Hotel



2015
JULY 19-22
San Diego, CA
Town and Country Resort Hotel



2016
JULY 24-27
Marco Island, FL
Marco Island Marriott Beach Resort, Golf Resort & Spa





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