

Society of Financial Examiners  
Career Development Seminar  
July 26 – 29, 2009  
Sacramento, CA

Agenda

(Note: The two-letter abbreviations to the right of each title are the NASBA approved Fields of Study. The key to these codes is at the end of the agenda.)

SUNDAY, JULY 26

- 8:00 am – 5:00 pm      *Registration Desk Open*
- 8:30 am – 12:00 pm      Board of Governors Meeting
- 1:00 – 1:30 pm      GENERAL SESSION  
**A1 - Welcome & Opening Comments**  
Donald A. Crawley, CPA, CFE  
Vice President – CDS  
*Maryland Insurance Administration*  
Richard Ford, JD, CFE, CIE  
President of SOFE  
*Alabama Department of Insurance*
- 1:30 – 3:00 pm      GENERAL SESSION  
**A2 – Valuing “Hard-To-Value” Assets and Liabilities**      **FI**  
Charles Smithson  
*Rutter Associates*  
**Overview of the "hard-to-value" assets and liabilities held by insurance companies, taxonomy of methodologies used to value "hard-to-value" assets, and case study - valuing a tranche of a CDO of ABS.**
- 3:30 – 5:00 pm      GENERAL SESSION  
**A3 – What Happens When You Get Caught – My Story**      **BE**  
John Borbi  
**The Dark Side of Success; an ex-con’s story about what went wrong and destroyed his ethical principles.**
- 6:00 – 11:00 pm      Sunday Social

MONDAY, JULY 27

- 7:00 am – 5:00 pm      *Registration Desk Open*
- 7:15 – 8:15 am      BREAKFAST ROUNDTABLES  
**B1 – Panel: Continued Surveillance**      **SK**  
Patrick Tracy, CPA, CFE  
*RSM McGladrey, Inc.,*  
Sherry Flippo, CPA, NAIC  
Robert D. Kasinow, CFE, ARE  
*New Jersey Department of Banking and Insurance*
- B2 – Financial Analysis – Already a Risk-Focused Approach**      **FI**  
David A. Vacca, CPA  
*NAIC*

	<p><b>B3 – Reinsurance - Why It Is Important To Know Who You Are Getting Involved With</b></p> <p>Thomas J. Phelan, CPA, CFE  <i>Maryland Injured Workers Insurance Fund</i></p>	SK
	<p><b>B5 – Anti-Forensics – What the Bad Guys Are Doing</b></p> <p>John R. Mallery  <i>BKD, LLP</i></p> <p><b>As the media focuses more and more attention on digital forensics issues and concepts, a larger number of computer users are starting to try to cover their digital tracks with a variety of tools and methodologies. Some of these methodologies include simple configuration changes all the way up to custom designed programs created to defeat (or at least confuse) commercially available computer forensics programs. This program is designed to examine the wide range of steps used to defeat a digital investigation. In addition to discussing the tools, a detailed look at what types of residual data are left behind is also provided.</b></p>	CS
8:30 – 10:00 am	<p>BREAKOUT SESSIONS</p> <p><b>B6 – Control Identification and Testing</b></p> <p>Donald Carbone, CFE, CIE, ARe, AIAF, ARC  <i>INS Regulatory Insurance Services, Inc.</i></p> <p><b>B7 – Traps to Avoid in the Risk-Focused Examination</b></p> <p>Sherry Flippo, CPA and Jodi Bachelor, CPA  <i>NAIC</i></p> <p><b>B8 – Interviewing Techniques and Interacting with SEC Registrants</b></p> <p>Edward L. Stolle, CPA, CGFM  <i>Securities and Exchange Commission</i>  <b>OCC Bank Examiner Career Development Training</b></p> <p><b>B9 – Risk Management and Investment Policy Statement</b></p> <p>Marybeth Henry, Certified Investment Management Analyst  <i>Bank of America/Merrill Lynch</i></p> <p><b>Explore how articulating strategy in a policy statement can enhance investment performance while mitigating volatility and risk inherent in investing.</b></p> <p><b>B10 – Promoting Collaborative and Contiguous Workforces with Citrix Secure Access Systems</b></p> <p>Scott D. Burgner Sr., CCEA, CCSP, MCSE  <i>ConexServ, LLC</i></p> <p><b>B11 – The Charge: NAIC Reinsurance Modernization (Professional Series)</b></p> <p>Robert D. Kasinow, CFE, ARe  <i>New Jersey Department of Banking &amp; Insurance</i></p> <p><b>Discuss and provide updates on Reinsurance Modernization Act of 2004. Included will be a summary of current reinsurance credit laws and regulations, how we arrived where we are today, and the most significant issues remaining.</b></p>	<p>AU</p> <p>AU</p> <p>SK</p> <p>SK</p> <p>CS</p> <p>SK</p>
10:30 am – 12:00 pm	<p><b>B12 – Commissioner’s Panel</b></p> <p>Commissioner Karen Weldin Stewart, CIR  <i>Delaware Department of Insurance</i>  Commissioner Thomas E. Hampton  <i>Government of the District of Columbia</i>  <i>Dept. of Insurance, Securities, and Banking</i>  Commissioner Scott J. Kipper  <i>Nevada Division of Insurance</i>  Superintendent Joseph Torti, III, CPA  <i>Rhode Island Insurance Division</i>  Commissioner D. Kent Michie  <i>Utah Insurance Department</i>  Commissioner Jane L. Cline  <i>West Virginia Offices of the Insurance Commissioner</i>  Commissioner Susan E. Voss, JD  <i>Iowa Insurance Division</i></p>	SK

Commissioner Kim Holland  
Oklahoma Insurance Department

**Discussion of current issues in insurance regulation**

**B13 – Implications of TARP Related to IT Compliance Measurement** CS  
Steve Cummings, CHSP, CISSP, CISA, BCIP, NSA-Infosec  
*eCompliantz, LLC*

**B14 – Risk-Focused Surveillance – Why Struggle With This Process** AU  
Elaine Nissley, MBA, PMP, CISA, CCSA and Samuel BowerCraft, MIS, CISA  
*McKonly & Asbury, LLP*

**The identification of key activities and associated risks is the basis for a valid risk assessment and key to the success of the risk focused financial examination. This session will provide information on the steps to follow in the preparation of the risk assessment matrix through Phase 2. This is an interactive session that will include breakout sessions and provide sample templates for risk assessment interviews.**

**B15 – Examiner Handbook Updates** SK  
Bruce E. Jenson, CPA and Michael J. Sindel, CPA  
*NAIC*

**B16 – Chain of Custody for Data in Troubled Companies** CS  
Scott Greene  
*Great Scott Enterprises, Inc.*

**B17 – Risk Surveillance Training (Professional Series)** AU  
William C. Harrington, Jr., CPA, CFE  
*Ohio Department of Insurance*

1:30 – 3:00 pm

GENERAL SESSION

**B18 – Danger in the Digital World: How Cybercrime and Insider Negligence Affect the Bottom Line** CS  
Tim Matthews  
*PGP Corporation*

**B19 – International Solvency and Statutory Accounting (EX) Working Group (Professional Series)** SK  
Ramon Calderon  
*California Department of Insurance*  
Jerry de St. Paer  
*Group of North American Insurance Enterprises*

3:30 – 5:00 pm

BREAKOUT SESSIONS

**B20 – Evolution of Risk-Focused Surveillance – A Personal Perspective** AU  
Michael B. Kogut, CPA,  
Robert Rodack, CPA, CFE, and  
Barry C. Armstrong, CFE  
*INS Regulatory Insurance Services, Inc.*

**A brief review of the changes and the reasons for the changes to the Risk-Focused Surveillance development process.**

**B21 – Role of the Actuary and Documenting the Controls In the Risk-Focused Surveillance** AU  
John Humphries, CFE, ASA, MAAA, AES, CISA, MCM and  
Jean Adams, CFE, CPA, CISA, AES  
*AGI Services*

**Inherent risks for actuarial items can be significant. Learn how to work with your actuary to identify actuarial items, develop a risk matrix, and plan effective procedures in a Risk-Focused Surveillance Examination.**

**B22 – Troubled Companies' Assets – A Real Life Look At The Issues** FI  
Stephen Hryniewicz  
*Bingham McCutchen LLP*

**B23 – SAP Accounting Update** AU  
Robin Marcotte, CPA, CFE, ARe  
NAIC

**C15 – Uptime Institute Tier Classification System for Computer Centers** CS  
W. Pitt Turner, IV, P.E.  
*Uptime Institute Professional Services*

**B25 – Principal Based Reserving (Professional Series)** FI  
Commissioner Thomas E. Hampton, CPA, CFE  
*District of Columbia Dept. of Insurance, Securities & Banking*  
Peter Weber, AMA, MAAA  
*Ohio Department of Insurance*

**D15 – The New Exhibit C** CS  
LeeAnne Creevy, CISA, CITP and  
Alan Gutierrez-Arana, CISA  
*RSM McGladrey, Inc.*

## TUESDAY, JULY 28

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

7:15 – 8:15 am BREAKFAST ROUNDTABLES  
**C1 – Accreditation Updates & Examiners Handbook Updates** AU  
Julie Glaszczak, CPA, FLMI, ARA  
NAIC  
**This session will provide updated information on the accreditation program and any changes or revisions adopted by the Financial Regulation Standards and Accreditation (F) Committee during the past year.**

**C2 – International Financial Reporting Standards – Practical Implementation** FI  
James E. Stangroom, CPA and  
Timothy J. Foley, FLMI  
*InvoTex Group*  
**IFRS is coming, faster than many financial professionals in the U.S. realize and the insurance industry will be affected by IFRS more than many other industries. This presentation will explain the implications of IFRS that are specific to insurance companies. The presentation will emphasize the practical and strategic aspects of implementation. It is not intended to be a theoretical accounting update.**

**C3 – Detecting Deception In Interviews** AU  
Annette Knief, CFE, FLMI, ARA, AIRC and  
Patrick White, CFE  
*RSM McGladrey, Inc.*

**C5 – Alignment and Integration of the IS Review with the Financial Examination** CS  
Jerry Ehlers, CPA, CISA, AFE, AES, CFE, CITP and  
James M. Kattman, CFE  
*Noble Consulting Services, Inc.*

8:30 – 10:00 am BREAKOUT SESSIONS  
**C6 – Rehabilitation of Insurance Companies** SK  
Randolph D. Lamberjack, CPA, CFE and Robert Panah, CPA, CISA  
*Noble Consulting Services, Inc.*  
Connie Ridinger, CFE, CPA  
*Indiana Department of Insurance*  
**Insurance companies are under more pressure than ever before, placing more need that ever on monitoring efforts by regulators and on sound business decisions to protect policyholders, runoff business and protect jobs.**

**C7 – Evaluation of Internal Controls on Small Companies** AU  
LeeAnne Creevy, CISA, CITP,

Jan Moenck, CFE, CRP, CIA, CBA, FLMI and  
Susan Carroll, CFE, CPA  
*RSM McGladrey, Inc.*

**This session will discuss the importance of internal control testing, including the evaluation of IT controls, in small companies. It will discuss ways to efficiently identify and test key controls, and ways to make value-added recommendations that are cost-effective for small companies.**

**C8 – The Next Shoes To Drop? SK**

Alex C. Hart, CPA  
*Maryland Insurance Administration*

**Discussion of asset-backed securities that could be the next class of distressed assets.**

**C9 – Using Encryption to Mitigate Data Breaches: A Financial and Technical Overview CS**

Tim Matthews  
*PGP Corporation*

**C10 – Monitoring of Insurance Company Investments in the Downturn With an Overview of Credit Default Swaps (Professional Series) SK**

Chris Evangel  
*NAIC*

10:30 am – 12:00 pm

**C11 – Emerging Issues and News on Risk Retention Groups SK**

Julie Glaszczak, CPA, FLMI, ARA, NAIC  
Sandra Bigglestone, CFE, CPA, *State of Vermont - Dept. of Banking, Insurance, Securities & Health Care Admin.*  
P. Sean O'Donnell, CPA, CFE, *D. C. Department of Insurance, Securities and Banking, Risk Finance Bureau*

**This session will provide updates on the “happenings” on Risk Retention Groups, for example: the Proposed Amendments to Liability Risk Retention Act, NAIC Accreditation, and RRG issues in the news. The speakers will also provide insights on the approach and methodology on the Risk Focused Examination specifically for RRGs.**

**C13 – Reporting to the Board – An Insider’s View SK**

Thomas J. Phelan, CPA, CFE  
*Maryland Injured Workers Insurance Fund*

**C14 – Reinsurance Contracts SK**

Kevin B. Oates, Jr., FLMI, ARe, AIAF  
*Highline Data and Judy Diamond Associates*

**B24 – Risks of IT Audits Without the Underlying Facilities Due Diligence CS**

W. Pitt Turner, IV, P.E.  
*Uptime Institute Professional Services*

**C16 – Examination Oversight Update (Professional Series) SK**

William C. Harrington, Jr., CPA, CFE  
*Ohio Department of Insurance*  
Jim Hattaway, CFE, CIE  
*Alabama Insurance Department*

1:30 – 3:00 pm

GENERAL SESSION

**C17 – Liars, Cheaters & Thieves: Fraud and the 2009 US Economy EC**

John J. Hall, CPA  
*INS Regulatory Insurance Consultants*

**There’s no doubt about it: when the economy goes down, fraud goes up. Each day schemes – both old and new – are surfaced. And as a result, fraud risks and exposures grow in importance for any risk assessment, compliance or assurance professional. As a result, examiners should consider the impact on both their mindset and their work approach.**

**This session will provide insight into what is really going on in the economy regarding fraud pressures and schemes. Participants will learn the impact on organization governance infrastructure, internal controls, and employee actions.**

**Planned topics include:**

- **Relevant fraud schemes: what, why and how**
- **Organization efforts to manage fraud risks**
- **How a shrinking economy has an impact on Macro fraud**
- **Linking fraud risks to examination procedures**

3:30 – 5:00 pm

**BREAKOUT SESSIONS**

**C18 - Understanding Health Insurers for Analysts (and Examiners)**

**SK**

Neil A. Miller, CPA, CFE

*Maryland Insurance Administration*

**This session will explore the operations of managed care organizations. The goal of the session will be to provide financial analysts and examiners with an understanding of how health insurers provide care, the related operational risks, and why they fail. The session will also address current problems facing health insurers, and best practices for improving operating results.**

**C19 – Testimony of the Risk-Focused Process**

**AU**

Jan Moenck, CFE, CRP, CIA, CBA

*RSM McGladrey, Inc.*

Kelly Bengtson, CPA

*Blue Cross Blue Shield of Minnesota*

Kevin Ericson, CPA and

Jeffrey Martin

*United Health Group*

**C20 – Sampling Changes in the Examiner’s Handbook**

**AU**

Lawrence R. Lentini, CPA

*INS Regulatory Insurance Services, Inc.*

**Overview of the new Sampling guidance contained in the 2009 Financial Condition Examiners Handbook**

**C21 – Exam Repositories and TeamStores**

**SK**

Michael J. Sindel, CPA and Jodi Bachelor, CPA

*NAIC*

**C22 – Handling Disgruntled Employees: Protecting Systems and Data**

**CS**

John R. Mallery

*BKD, LLP*

**Employees have access to a wide range of corporate data. It is distributed via email to personal accounts so employees can work at home, it is sent to business partners and it is copied to numerous portable devices. When an employee is terminated or otherwise leaves an organization does his employer have the ability to regain control of this widely disseminated data? Do termination policies and procedures prevent access to corporate systems and facilities immediately upon termination? This program addresses these issues and provides suggestions on how to protect data when an employee leaves an organization – voluntarily or involuntarily. Both proactive and reactive mechanisms are presented. Program highlights include “war stories” – examples of poor termination policies and procedures that caused organizations significant problems.**

**C23 – Schedule F Review**

**SK**

Kevin B. Oates, Jr., FLMI, ARe, AIAF

*Highline Data and Judy Diamond Associates*

**WEDNESDAY, JULY 29**

7:00 am – 1:00 pm

*Registration Desk Open*

7:15 – 8:15 am

**BREAKFAST ROUNDTABLES**

**D1 – Using Supervisions With Targeted Exams to Avoid Receivership For Liquidation**

**SK**

Douglas A. Hartz, JD, CIR-ML, MBA

*Insurance Regulatory Consulting Group*

	<p><b>D2 – So, You Need An Investment Specialist</b> <span style="float: right;"><b>FI</b></span>  Alex C. Hart, CPA  <i>Maryland Insurance Administration</i>  <b>Discuss situations needing a specialist, specialist qualifications, and how to identify candidates</b></p>
	<p><b>D3 – Risk-Focused Surveillance and the Forepart</b> <span style="float: right;"><b>AU</b></span>  Robert Crawford, CFE, CPA  <i>Bostick/Crawford Consulting Group</i>  <b>We’ve all heard the theory and seen the templates. But, what happens when you sit down to start a risk-focused exam? We found out the hard way. Keep control of your risk focused exam. Focus on the risk.</b></p>
	<p><b>D5 – Gadgets and Tools to Mitigate Risk for the Examiner</b> <span style="float: right;"><b>CS</b></span>  Jenny L. Jeffers, CISA, AES  <i>Jennan Enterprises, LLC and</i>  Scott Greene  <i>Great Scott Enterprises, Inc.</i></p>
8:30 – 10:00 am	<p><b>D7 – Lessons Learned in Risk-Focused Surveillance</b> <span style="float: right;"><b>AU</b></span>  James E. Stangroom, CPA,  James B. Morris, CPA,  A.Thomas Finnell Jr, CPA, FLMI and  Donald W. Sirois, CFE, CPA  <i>InvoTex Group</i>  <b>In today’s environment, risks to insurers are ubiquitous, significant, and complex. They present unprecedented challenges to company management and regulators alike at a time when company and examination expense levels are being challenged. The presenters will share lessons learned as to how the approach can overcome such challenges from an examination perspective by focusing on enterprise risk management, corporate governance and the tone-at-the-top, strategically reviewing key functional activities in a SOX environment, and more – while yet achieving exam efficiencies.</b></p>
	<p><b>D8 – IT Audit Cover-up: How IT Departments Prevent IT Auditors From Seeing the Big Picture</b> <span style="float: right;"><b>CS</b></span>  Daniel Lehman  <i>eCompliantz, LLC</i></p>
	<p><b>D10 – IT Exam Handbook Update with Randy Milquit</b> <span style="float: right;"><b>CS</b></span>  Bruce E. Jenson, CPA  <i>NAIC</i></p>
	<p><b>C12 – Auditing - The Lost Art of Finding Exceptions</b> <span style="float: right;"><b>AU</b></span>  David Palmer, CFE, Donald Crawley, CFE, CPA, and Susan Smith, CFE, CPA  <i>Maryland Insurance Administration</i>  <b>This session will be a discussion on how to perform and document exceptions in the new risk focus surveillance process. Discussion will include how examiners need to get back to basics on finding exception areas and not to lose focus in the process.</b></p>
10:30 am – 12:00 pm	<p><b>D11 – Sampling</b> <span style="float: right;"><b>AU</b></span>  Craig Moore, CFE,  Darin Benck, CFE and  Shawn Towchik, CFE  <i>RSM McGladrey, Inc.</i></p>
	<p><b>D12 – Analyst’s Possible Roles in the Risk-Focused Examinations</b> <span style="float: right;"><b>AU</b></span>  Dave Vacca  <i>NAIC</i></p>
	<p><b>D14 – Solvency Modernization Initiatives</b> <span style="float: right;"><b>SK</b></span>  Commissioner Jane L. Cline  <i>West Virginia Offices of the Insurance Commissioner</i></p>

**D16 – Monarch Report and Data Mining**

**CS**

Phil Storey

*Datawatch*

Transforming existing reports into live data is the most direct, examiner-friendly method to get rock solid reliable audit data, without programming and without seeking help from IT personnel. This session will demonstrate how financial analysts and examiners no longer have to scan through printed reports, rekey information into spreadsheets, or agonize over databases to get needed data for the examination of insurance companies. You'll learn how easy it is to get the information you are seeking, even from multiple systems, in a matter of minutes, allowing you to concentrate on the examination not the technology.

**D17 – Topic to be advised**

**CS**

Scott Greene

*Great Scott Enterprises, Inc.*

Key:

AU - Auditing

BE – Behavior Ethics

CS – Computer Science

EC - Economics

FI - Finance

SK – Specialized Knowledge