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  
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  
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  
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  
David A. Vacca, CPA  
NAIC
B3 – Reinsurance - Why It Is Important To Know Who You Are Getting Involved With
Thomas J. Phelan, CPA, CFE
Maryland Injured Workers Insurance Fund

B5 – Anti-Forensics – What the Bad Guys Are Doing
John R. Mallery
BKD, LLP
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.

8:30 – 10:00 am
BREAKOUT SESSIONS

B6 – Control Identification and Testing
Donald Carbone, CFE, CIE, ARE, AIAF, ARC
INS Regulatory Insurance Services, Inc.

B7 – Traps to Avoid in the Risk-Focused Examination
Sherry Flippo, CPA and Jodi Bachelor, CPA
NAIC

B8 – Interviewing Techniques and Interacting with SEC Registrants
Edward L. Stolle, CPA, CGFM
Securities and Exchange Commission
OCC Bank Examiner Career Development Training

B9 – Risk Management and Investment Policy Statement
Marybeth Henry, Certified Investment Management Analyst
Bank of America/Merrill Lynch
Explore how articulating strategy in a policy statement can enhance investment performance while mitigating volatility and risk inherent in investing.

B10 – Promoting Collaborative and Contiguous Workforces with Citrix Secure Access Systems
Scott D. Burgner Sr., CCEA, CCSP, MCSE
ConexServ, LLC

B11 – The Charge: NAIC Reinsurance Modernization (Professional Series)
Robert D. Kasinow, CFE, ARE
New Jersey Department of Banking & Insurance
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.

10:30 am – 12:00 pm

B12 – Commissioner’s Panel
Commissioner Karen Weldin Stewart, CIR
Delaware Department of Insurance
Commissioner Thomas E. Hampton
Government of the District of Columbia
Dept. of Insurance, Securities, and Banking
Commissioner Scott J. Kipper
Nevada Division of Insurance
Superintendent Joseph Torti, III, CPA
Rhode Island Insurance Division
Commissioner D. Kent Michie
Utah Insurance Department
Commissioner Jane L. Cline
West Virginia Offices of the Insurance Commissioner
Commissioner Susan E. Voss, JD
Iowa Insurance Division
Commissioner Kim Holland  
*Oklahoma Insurance Department*

**Discussion of current issues in insurance regulation**

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

B14 – Risk-Focused Surveillance – Why Struggle With This Process  
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  
Bruce E. Jenson, CPA and Michael J. Sindel, CPA  
NAIC

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

1:30 – 3:00 pm

GENERAL SESSION

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

B19 – International Solvency and Statutory Accounting (EX) Working Group (Professional Series)  
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  
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  
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 actuaries 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  
Stephen Hryniewicz  
*Bingham McCutchen LLP*
B23 – SAP Accounting Update
Robin Marcotte, CPA, CFE, ARe
NAIC

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

B25 – Principal Based Reserving (Professional Series)
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
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
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.

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
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
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
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
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 Biggstone, 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

1:30 – 3:00 pm

C16 – Examination Oversight Update (Professional Series)  SK
William C. Harrington, Jr., CPA, CFE
Ohio Department of Insurance
Jim Hattaway, CFE, CIE
Alabama Insurance Department

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
D2 – So, You Need An Investment Specialist
Alex C. Hart, CPA
Maryland Insurance Administration
Discuss situations needing a specialist, specialist qualifications, and how to identify candidates

D3 – Risk-Focused Surveillance and the Forepart
Robert Crawford, CFE, CPA
Bostick/Crawford Consulting Group
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.

D5 – Gadgets and Tools to Mitigate Risk for the Examiner
Jenny L. Jeffers, CISA, AES
Jennan Enterprises, LLC and
Scott Greene
Great Scott Enterprises, Inc.

D7 – Lessons Learned in Risk-Focused Surveillance
James E. Stangroom, CPA,
James B. Morris, CPA,
A.Thomas Finnell Jr, CPA, FLMI and
Donald W. Sirois, CFE, CPA
Invotex Group
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.

D8 – IT Audit Cover-up: How IT Departments Prevent IT Auditors From Seeing the Big Picture
Daniel Lehman
eCompliantz, LLC

D10 – IT Exam Handbook Update with Randy Milquit
Bruce E. Jenson, CPA
NAIC

D12 – Auditing - The Lost Art of Finding Exceptions
David Palmer, CFE, Donald Crawley, CFE, CPA, and Susan Smith, CFE, CPA
Maryland Insurance Administration
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.

D11 – Sampling
Craig Moore, CFE,
Darin Benck, CFE and
Shawn Towchik, CFE
RSM McGladrey, Inc.

D12 – Analyst's Possible Roles in the Risk-Focused Examinations
Dave Vacca
NAIC

D14 – Solvency Modernization Initiatives
Commissioner Jane L. Cline
West Virginia Offices of the Insurance Commissioner
D16 – Monarch Report and Data Mining  
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  
Scott Greene  
*Great Scott Enterprises, Inc.*

Key:  
AU - Auditing  
BE – Behavior Ethics  
CS – Computer Science  
EC - Economics  
FI - Finance  
SK – Specialized Knowledge