



# SOFE

Society of Financial Examiners

SOLVENCY  
IN THE  
STEEL CITY

CAREER  
DEVELOPMENT  
SEMINAR

JULY 24-27  
2022

Pittsburgh, PA  
Omni William Penn

2022 Registration Opens in April!

# TABLE OF CONTENTS

INFORMATION ABOUT CDS.....	3
AES INVITATION .....	5
CDS SPONSORS.....	6
CDS COMMITTEE MEMBERS .....	6
CDS AGENDA.....	7
FUTURE SITES .....	16
SOFE ANTITRUST COMPLIANCE GUIDELINES FOR MEETINGS AND FUNCTIONS & SOFE MEETING SITE SELECTION POLICY .....	17

# INFORMATION ABOUT CDS

## LEARNING OBJECTIVES

Through lectures, roundtable discussions and interactive formats, participants in the Society of Financial Examiner's 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, risk-focused analysis 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](http://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, critical risk categories, 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.
- Effectively incorporate the IT General Controls Review into the risk-focused examination process.
- Understand Cyber-security risks and their potential impact on regulatory examinations.
- Risk-focused Analysis

## 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/Auditing .....	6
Ethics.....	5
Specialized Knowledge.....	45.0
IT .....	17.5
IT with Special Session .....	25.5
Maximum number of CRE/CPE hours per attendee.....	24.0
Total hours with Special Session.....	32.0

## REGISTRATION INFORMATION

All registrations must be made online at [www.sofe.org](http://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 **July 1**.

## REGISTRATION FEES

	Registration	
	By June 27	After June 27
Members of SOFE	\$625	\$725
Non-Member Examiners	\$825	\$925
Retired Members	\$345	\$445
Spouse/Guest/Youth	\$100	\$120
IT Special Session*	\$150	\$150

\*Optional session for conference registrants  
Wed. afternoon, July 27 - Thu. morning, July 28.

**Cancellation Policy: A \$50 administration charge will be applied to all cancellations prior to June 24. For cancellations received after June 30, registration fees are subject to forfeiture.**

## 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](mailto:sofe@sofe.org).

## HOTEL INFORMATION: OMNI WILLIAM PENN

530 William Penn Place | Pittsburgh, PA



At Omni William Penn Hotel, our 597 guest room accommodations and suites will pamper you with modern conveniences and comfort during your trip to Pittsburgh, PA. Featuring lavish cherry wood furnishings and beautiful moldings, your spacious guest quarters will take you back to an era of Old-World charm and elegance at one of the best hotels in Pittsburgh.

For the ultimate in luxury, our 38 deluxe hotel suites are adorned with the finest touches for the most discriminating traveler. Discover Pittsburgh accommodations that blend the past and present perfectly at Omni William Penn Hotel. Enjoy your stay near countless Pittsburgh attractions, and stop by one of the hotel's restaurants for breakfast, lunch or dinner. Everything you need is within reach at Omni William Penn Hotel.

## RESERVATIONS



As our SOFE's first in-person CDS since the pandemic, we would ask that you register as early as possible to help the CDS Committee have the best estimation of attendance possible. This will allow SOFE to negotiate our room block as efficiently as possible.

**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 27.** 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 canceled in less than 24 hours of arrival will be charged the deposit.*

## RATE:

\$189 - Single occupancy, plus applicable hotel fees and taxes.  
\$199 - Double occupancy, plus applicable hotel fees and taxes.

## 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.

## SPOUSE/GUEST SUNDAY SOCIAL REGISTRATION

**SOFE is pleased to offer SOFE Spouse/Guest registration for our Sunday Night Social. Children under the age of 13 may attend the Social without paying a registration fee. SOFE asks that all attendees (spouse/guest/child) for the Sunday Night Social register in order to attend.**

*Please note that spouse/guest/youth registrations do not include breakfasts, lunches or coffee breaks with the conference participants.*

## SUNDAY NIGHT SOCIAL

The 2022 Sunday Social will take us back to the roaring 20's with a prohibition-themed evening. With dinner and activities taking place in Omni William Penn's very own speakeasy, it will surely be a night you will not want to miss!

## SIGHTS TO SEE IN PITTSBURGH

### Fort Pitt Block House - FREE

Built in 1764, it is the only surviving structure of the original Fort Pitt, and is the oldest building in Pittsburgh. It tells the story of western Pennsylvania's role during the French & Indian War and the American Revolution. Musket balls and rifle locks are two of the featured artifacts on display.

### The Frick Art & Historical Center - FREE

Take a step back in time to the gilded age in this beautifully preserved series of buildings and gardens right here in Pittsburgh. The best part? It is completely free to tour the grounds, The Frick Art Museum, Car and Carriage Museum, and Greenhouse.

### Downtown Walking Tours - FREE

See skyscrapers, soak up stories, scarf down a sandwich and more during this free activity! Download one or all six walking tours of downtown Pittsburgh to learn surprising tales from the past, see the best classic and modern skyscrapers, and sit down for coffee or Pittsburgh's legendary lunch. These tours, created by the Pittsburgh History & Landmarks Foundation, are one of the best ways to experience Pittsburgh's rich architectural history!

### Casinos & Gaming

Look no further than one of the Pittsburgh area's full-service casinos for entertainment and fun day and night!

Try your hand and your luck at table games or the slot machines, enjoy live music and fine dining or pull up a seat to watch a sporting event on one of the big screens. Get in on the action!

### Other Sites to See:

Frank Lloyd Wright's Falling Waters	Bradford House Museum
Walk the Burgh Tours	Duquesne Incline
Pennsylvania Trolley Museum	Gateway Clipper Fleet
'Burgh Bits and Bites Food Tour	Hartford Acres Mansion

## You are invited to a Special and Extended Session!

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

July 27 - 28 2022  
IT SPECIAL SESSION

**When:** Wednesday • 1:00pm – 5:00pm & Thursday • 8:00am – 12:00pm (*Separate Fee of \$150 Applies*)

**E1 & E2 - Technology Extended Session!** 📺

The extended sessions are designed to cover hot topics around IT examinations. It is an open forum where attendees are encouraged to participate, share experiences and new knowledge. Speakers will share their knowledge having been through or having performed security attestations like SOCs, CoBIT and NIST frameworks, and new areas of security, cyber-threats and disaster recovery will also be discussed.

**Topics will include:**

- Emerging Threats
- Emerging Tech
- Airgap backups
- Incident Response Plans
- VDS Compliance
- What should be in an incident Response Plan?
- Data available and portability
- Ransomware

**Workshop Panel:**

Jenny Jeffers, AES | Jennan Enterprises, LLC  
Omar Khawaja | Highmark Health Solutions Inc.  
Jerry Wynne | BCBSND

**Cost:** \$150 per person

**Sponsors:**

Eide Bailly LLP  
Johnson Lambert, LLP

## CDS SPONSORS

# Thank You

### PLATINUM

Baker Tilly Virchow Krause, LLP  
Eide Bailly LLP  
Examination Resources, LLC  
Johnson Lambert LLP  
Noble Consulting Services, Inc.  
Risk & Regulatory Consulting, LLC  
The INS Companies

### GOLD

Carr, Riggs & Ingram, LLC

### SILVER

Lewis & Ellis  
Merlinos & Associates, Inc.

## CDS COMMITTEE MEMBERS

Lindsay Crawford, CFE • Ryan Havick, CFE • Jenny Jeffers, AES • Co-chairs

Jessie Adamson

TJ Addison, CFE

Anjanette Briggs, CFE

Lori Brock, CFE

Vivien Fan, CFE

Shannon Hopkins, CFE

Glenn LeGault, CFE

Brian Menard

Bill Michael, CFE

Liz Nielson, CFE

Dan Petterson

Robin Roberts, CFE

Kristen Sharrow, CFE

Alea Talbert-Pence, CFE

# SOFE 2022 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 24

- 12:00 - 6:00pm Registration
- 1:15 - 1:30pm **A1 - Welcome and Opening Comments**  
President Tarik Subbagh, CFE | Office of Insurance Commissioner, Washington State
- 1:30 - 3:20pm **A2 -Commissioner and Chief Financial Regulator Panel**  
Bruce Jenson | NAIC  
This session will involve a group of insurance commissioners and senior financial regulators in discussing topics of importance in insurance regulation and financial surveillance. Panelists will provide an overview of key initiatives they are involved in and provide their perspectives on a number of emerging issues. Participants will be asked to submit questions for the panel, so please come prepared to submit questions for the panel, so please come prepared to submit topics of interest.
- 3:20 - 3:30pm *Short Break*
- 3:30 - 5:10pm **A3 - Every Choice Has a Consequence E**  
Chuck Gallagher | Ethics Resource Group  
In 1987, at the height of his career, Chuck Gallagher made some bad choices. He went from wearing a business suit to an orange jumpsuit. So, you might be asking yourself, why would I want a former convicted felon to speak to my organization about ethics and integrity? Why? Because Chuck has experienced firsthand how easy it is to move from ethical to unethical. Having rebuilt his life the lessons Chuck learned allow him to share a unique perspective, unlike any other business ethics keynote speaker. Rather than taking the usual theoretical approach that most business ethics speakers take, which, frankly, can put an audience to sleep. Chuck captures attention by talking about his own journey from a human perspective, then combining it with a practical application. His presentations are sometimes humorous, often thought-provoking and always impactful, but never “textbook”.
- 6:00pm – 9:00pm **Sunday Night Social**

## MONDAY, JULY 25

- 6:30am - 8:00am Breakfast
- 7:30am – 5:00pm Registration
- 7:55am – 8:45am **BREAKFAST ROUNDTABLES**
- B1 - Monitoring Non-Domestic Captives**  
Dave Crandall, CFE and Kristen Sharrow, CFE | Risk & Regulatory Consulting, LLC  
As the use of captive insurance increases and non-domestic captives provide insurance to insureds of other states, it is important for the non-licensing state to monitor the solvency of the non-domestic captive to understand the potential impacts to its state insureds and to identify necessary actions and communicate effectively and timely with the licensing state.
- B2 -Can You Spell RBC? “The Risk-Based Capital Report in Your Examination”**  
Scott Eady, CFE | The INS Companies  
Often overlooked for its value, the risk-based capital report can provide a significant contribution to the exam risk assessment and testing procedures.

**B3 - Achieving Consensus on Climate Risk and Resilience: The Insurance Sector's Role**

Bryan Fuller | Examination Resources, LLC

The increasing societal and financial impact of natural disasters around the world due to climate risk is a constant concern of supervisors, industry, and governments. Finding a consensus on ways to improve resilience to these threats is key to mitigating losses for consumers and businesses but often proves to be a challenging hurdle to overcome.

**B4 - Ethical Dilemmas E**

Bill Michael, CFE, Taylor Phillips, CFE and Chris Rushford, CFE | Risk &amp; Regulatory Consulting, LLC

An interactive discussion of real-life ethical dilemmas. The presenters will walk through a few case studies, followed by an interactive discussion to better understand the ethical considerations involved in each situation.

8:45am – 8:55am

Break (*Networking*)

8:55am – 10:10am

**BREAKOUT SESSIONS****B5 - Falling into the PITTfalls of Phase 1? Actions to Take for Efficiency and Value to the Examination and Analysts**

John Romano, CFE| Baker Tilly Virchow Krause, LLP

April Spevak, CFE, | Pennsylvania Insurance Dept.

Phase 1 of the examination unfortunately continues (sometimes not all the time!) to be an endless pit of inefficiency. Data collection to procedure applicability, analyst leverage and project management are some of the many challenges. This presentation will take the challenges of Phase 1 and offer insights for improvement.

**B6 - Third-Party Oversight Risk**

Richard Foster, CFE, Annette Knief, CFE and Colette Hogan-Sawyer, CFE | The INS Companies

This session will help the analyst and examiner assess the insurer and set an oversight prioritization level. There is a popular program where blacksmiths compete to create hand-made tools using various grades of steel. To win, the blacksmith must select the correct steel type and forge it to a precise temperature to produce a durable tool to pass various tests. Learn about the four types of steel grades often categorized into four groups. How can you tell the quality of an insurer? Do the insurer's operations have elasticity and plasticity as a vital property of its foundational steel? Will the insurer be able to withstand tension and compression, or could the insurer be experiencing fatigue? Learn what types of insurers (steel) retain their shape under heavy usage. Be able to identify heat resistant insurers that have overall durability to assess the insurer's financial condition and corporate governance. Know what quality grade of steel the insurer used to build its foundation.

**B7 - Effective Communication**

Chuck Gallagher | Ethics Resource Group

Have you ever asked why is it that those folks in sales just don't seem to listen to reason when it comes to accountability and operational responsibility? Or have the folks in sales ever said, those folks in accounting just don't get it? What about Senior Management just being too demanding, expecting more than is humanly possible? The challenge with many diverse folks, that together create the fabric of a company, centers around the ability to understand each other and use information to create results.

**B8 - Emerging IT Risks, Risk Mitigation Strategies and the Impact to Exhibit C **

Dennis Schaefer and Russ Sommers | Baker Tilly Virchow Krause, LLP

This session will look at emerging IT risks that companies are facing today, the risk treatment strategies companies are implementing and the impact of these risks to the Exhibit C. Examples of emerging risks include data breaches, systems availability, deployment of emerging technology, legacy systems "technical debt", increased reliance on third-party service providers, incident response, ransomware and talent management.

10:10am – 10:30am

Break

10:30am – 11:45am

**BREAKOUT SESSIONS****B9 - Krafting the Prospective Risks of 2030, Trends and Skills Needed to be Successful Examiners**

John Romano, CFE and Phil Talerico, CFE | Baker Tilly Virchow Krause, LLP

The insurance industry is changing faster than it ever has before with the acceleration of digital, product, data and customer innovation. The skill-sets needed of examiners now and examiners in 2030 will drastically be different if trends continue. This session will explore trends in top risks and related skill-sets needed and explore what a successful examiner and what the top risks of an insurance company may look like in 2030.

**B10 - Interviewing Techniques for Detecting Deception**

Jeremy Bendewald, Doug Cash and Jason Olsen | Eide Bailly LLP

Interview techniques are a learned skill perfected over time. This is especially true when deception is involved. We will instruct on how to interview and detect when potential deception is involved and how to discern if it is just stress or actual deception. This session is designed to be informative and interactive by including mock interviews and role playing by trained professionals with many years of fraud interviewing experience. Attendees will have the opportunity to provide feedback on what they see and hear and to identify different cues that might indicate deception.

**B11 - ORSA: How to Examine Section 3 of the ORSA and Incorporate into the Examination Process**

Sherry Flippo and Elisabetta (Eli) Russo | NAIC

LeeAnne Creevy, CFE and Bill Michael, CFE | Risk &amp; Regulatory Consulting, LLC

This session will provide guidance on how to examine Section 3 of the ORSA and incorporate into the examination process. We will highlight the importance of inquiring with management concerning their capital metric, stress scenarios, capital positions, prospective solvency assessments, and if warranted, performing a walk-through of the capital model. We will walk-through specific examples of how to validate the information provided by management. We will also provide examples of how Section 3 of the ORSA can be utilized to: 1) address significant risks related to Capital Management, which is included on the Exhibit DD - Critical Risk Categories; 2) populate the Capital and Surplus Risk Matrix; 3) incorporate capital stress/scenario testing as controls and/or substantive testing in other matrices such as Pricing/Underwriting (CAT), Market, etc.

**B12 - Log4j - Overview and Risk Assessment**

Jerry Wynne | BCBSND

This session will provide an overview of the associated risks with Log4j and compare those potential risks with other Cyber Security risks.

11:45am – 1:15pm

Luncheon and Annual Business Meeting

1:15pm – 2:30pm

**BREAKOUT SESSIONS****B13 - The Real Reasons Why Controls Breakdown**

John Hall | John Hall Consulting, Inc.

Business best practices, regulations and standards all require organizations to build and document sound internal controls. But despite best efforts, controls still have a tendency to fail over time. Not every control every day, but too many controls on too many days. In this session we'll address the real reasons why controls fail and provide specific examples and suggestions examiners, managers and key control employees can use to reduce exposures from control failures.

**B14 - What's Hiding Behind the Walls: An Overview of Schedule F**

Don Carbone, CFE and Scott Eady, CFE | The INS Companies

Walk-through the preparation of Schedule F Part 3.

**B15 - Using Resources Wisely: The Role of an Investment Specialist in a Financial Examination and Analysis**

Robert Selvaggio, Ph.D | Rutter Associates

Investments are a significant part of the risk profile of every insurer. This session will walk through a typical 7 phase examination with specific focus on investment governance, risk assessment, internal controls, portfolio analysis and communication to the analyst.

**B16 - Cybersecurity Controls: Prevention is the Cure **

Greg Daniel, Matt Flynn and Uso Sayers, CFE | Johnson Lambert LLP

This session will discuss key cybersecurity controls and showcase the relationship between recent cybersecurity and ransomware attacks plus the breakdown in cybersecurity controls.

2:30pm – 2:50pm

Break

2:50pm – 3:40pm

**BREAKOUT SESSIONS****B17 - Are Your Relatives Giving you a Hard Time? Find Out if Related Party Transactions are the New Hidden Enemy. (Evaluating related party transactions)**

Scott Eady, CFE and Annette Knief, CFE | The INS Companies

Transactions between related or affiliated parties have always been of interest to regulators. This session will explore how these transactions should be evaluated in accordance with relevant accounting standards and its implications on a financial examination/analysis.

**B18 - The Great Resignation and Migration Age**

Jan Moenck, CFE and Sara Schumacher, CFE • Risk &amp; Regulatory Consulting, LLC

With retirements on the rise, uptick in personnel turnover, and migration of personnel & IT systems on the rise, it is important for examiners and analysts to be aware of current and prospective personnel and IT resignation and migrations risks being faced in the insurance industry and how these risks may impact the risk assessment for companies.

**B19 - Understanding Third Party Provider Risk - Emerging Risks and Examination Implications**

Jim Morris, CFE and Russ Sommers and Russ Sommers| Baker Tilly Virchow Krause, LLP

This session will share insights on how to be proactive in identifying risk related to third party service providers on your examination and assessing management's monitoring of the on-going relationship. We will share industry and consulting perspectives on the vendor management life-cycle and provide practical guidance on incorporating vendor risk management considerations into your next examination.

**B20 - Spending Carnegie's Money: an In-depth Look at Current and Fore-casted IT Investment Trends**

Phil Schmoyer, CFE, AES |and Dennis Schaefer, CFE Baker Tilly Virchow Krause, LLP

Session will explore the current technology landscape for insurance companies to provide attendees with a frame of reference for how and where successful insurance companies are making strategic technology investments to propel their business forward. Session will cover technology investment trends and drivers for spending in areas of artificial intelligence, data solutions, cloud, and automation. Throughout the session, benchmarks will be shared as well as a framework for how many insurance companies define their digital strategy, to enable examiners to set a baseline for evaluating a company's digital strategy on examinations.

3:40pm – 3:50pm

Break

3:50pm – 5:05pm

**GENERAL SESSION****B21 - Business Ethics: Why Fewer Business Leaders Care Anymore and What We Can Still Do About it**

John Hall | Hall Consulting, Inc.

The real-world situation in business seems to just get worse. What's missing? A firm unbroken linkage between the organization's stated ethical principles, the integrity in action by every employee and manager, and the certainty of responsibility, accountability, and consequences. Join us to "take a stand" on what can still be done about business leaders and employees who stare right into ethical principles and do the opposite anyway.

**TUESDAY, JULY 26**

6:30am - 8:00am

Breakfast

8:00am – 5:00pm

Registration

7:55am – 8:45am

**BREAKFAST ROUNDTABLES****C1 - Long Term Care: Past, Present and Future**

Felix Peysakhovich • Baker Tilly Virchow Krause, LLP

This session is a Long Term Care 101 presentation. We will discuss the past, present, and future of LTC. Additionally, we will cover actuarial risks with long term care and why financial examiners should care.

**C2 - Unique and Prospective Risks Facing the Insurance Industry**

Steve Hazelbaker | Noble Consulting Services, Inc.

This session will address a number of current unique and prospective risks facing the insurance industry. Such risks will be relevant to the life, health, and/or property and casualty industries.

### **C3 - Entering Mr. Rogers Neighborhood: The Psychology of the Interview - Tips for a Successful Interview**

Scott Eady, CFE and Annette Knief, CFE | The INS Companies

Interviews, like all other human interactions, are influenced by psychological factors. By understanding the psychology behind the dialogue and applying some useful techniques, you can force the interviewer to focus on your strengths, and exert some amount of influence over the outcome of its effectiveness.

### **C4 - IT Risks and Threats - What's Real and What's Not So Real?**

Dave Gordon | The INS Companies

In a world where the use of technology use grows larger every day, the threats of fraud, identity theft and corruption is growing exponentially. Therefore, it's more important than ever to know which threats are real and which ones are more "monsters under your bed". We will discuss which technology risks affect the insurance industry and financial examinations. We'll also touch on how it may affect you personally, too.

8:45am – 8:55am

Break (*Networking*)

8:55am – 10:10am

### **BREAKOUT SESSIONS**

#### **C5 - Building Coordinated Financial Examinations that are Strong as Steel**

Rick Nelson, CFE, Uso Sayers, CFE and Joanne Smith, CFE | Johnson Lambert LLP

Scott Garduno | Taylor Walker Consulting, LLC • Matthew Milford, CFE | Pennsylvania Insurance Dept.

Join us for an exhilarating panel discussion with experienced Lead State and Facilitating State Exam Team Leaders on best practices for constructing "strong as steel" coordinated financial examinations in the exciting new world of virtual/remote exams. Panel topics discussed will provide architectural guidelines in order to build steel bridges across common coordination hurdles, including: communication between Lead/Facilitating/Participating States; coordination of C-Level interviews; coordination of external and internal audit work paper review; coordination of KFA risk matrices; coordinated IT review considerations; coordinated actuarial review considerations; coordinated information request log tracking; coordinated exam findings; and coordinated Company Kickoff and Exit meetings.

#### **C6 - Financial Analysis Update and Best Practices**

Bruce Jenson • NAIC

This session will update attendees on recent changes in NAIC Financial Analysis tools and guidance, as well as highlight best practices emerging as more experience is gained in risk-focused analysis.

#### **C7 - Investments and Capital Markets Update**

Laura Clark, CFE, Kristen Sharrow, CFE and Edward Toy | Risk & Regulatory Consulting, LLC

Investments are a significant part of the risk profile of every insurer. This session will provide a timely update on the current state of the capital and financial markets and investment-related risks that must be considered during every examination.

#### **C8 - Risk-Based Cyber Security**

Jerry Wynne | BCBSND

The traditional model of Cyber Security does not work long term as organizations cannot fund Cyber Security at extremely high levels indefinitely. This session will examine redefining Cyber Security based on a risk-based approach.

10:10am – 10:30am

Break

10:30am – 11:45am

### **BREAKOUT SESSIONS**

#### **C9 - Effective Communication Among Examiners, Analyst and Specialists**

Francois Houde, CFE, AES and Joseph May, CFE | Carr, Riggs & Ingram, LLC

The Handbook requires the examination team to be in contact throughout the examination process with state department analysts and specialists. This session will explore best practices to better integrate the entire team and improve communication throughout the examination process.

**C10 - Ethical Issues in the Regulatory Workplace E**

Bryan Fuller, Mark Ossi, CFE and Sean Walsh, AFE | Examination Resources, LLC

This panel discussion will address how regulators and consultants can experience potential ethical dilemmas in uncovering fraud while performing their duties analyzing company information. Ethics can be viewed as the principles and values used to interpret whether any particular action is considered appropriate. Understanding the inter-relationship of expectations, opportunity and rationalization is an important part of our work and can expose analysts, examiners and examinees to increased reputational risk. As stewards of public funds, there is a duty to merit public confidence in the agency of government which we represent. How should regulators complete their duties and investigations in order to set forth a full, clear, fair and equitable representation of material facts disclosed by industry representatives?

**C11 - Medical Loss Ratio Examinations: A Federal Regulator's Perspective**

Craig Moore, CFE | Examination Resources, LLC

Health insurers paid approximately \$2 billion in MLR rebates to 9.8 million enrollees during 2021, another massive return of a portion of premium payments made by American consumers. This session will cover new and unique challenges encountered during recent Federal examinations of MLR filings, as well as changes to the MLR regulations, filing instructions and other guidance implemented in response. Significant enforcement enhancement included topics covering claims liabilities, medical incentive payments to providers, quality improvement activities, approximately \$12 billion in Risk Corridors payments recovered by insurers, and various data validation efforts. In addition, the presentation will cover several changes made to the MLR reporting and filing requirements as a result of the impact of COVID 19 and the shift in consumer utilization of healthcare benefits.

**C12 - R2D2 Pulling Back the Steel Curtain: Deep(er) Look at the Inner Workings of Artificial Intelligence and Machine Learning (AI/ML) **

Phil Schmoyer, CFE, AES and Dennis Schaefer | Baker Tilly Virchow Krause, LLP

Session will be a focused discussion on how artificial intelligence and machine learning (AI/ML) works, what are the foundational principles, how are models developed, trained, deployed, evolved, reviewed for bias, etc., as well as what operational and compliance risk and control considerations examiners should be considering when they run into AI/ML in an examination.

11:45am – 1:15pm

Luncheon

11:45am – 1:15pm

State Chairs Luncheon

1:15pm – 2:30pm

**BREAKOUT SESSIONS****C13 - Effective Communication Among Examiners, Analyst and Specialists**

Christine Browning, CFE, Derrick Lopez, CFE, Bill Michael, CFE, Alex Quasnitschka, CFE and Chris Rushford, CFE | Risk & Regulatory Consulting, LLC • Matt Milford, CFE | Pennsylvania Insurance Dept. A lively discussion with the presenters showcasing their acting skills and conducting a number of role plays of real-life situations that arise throughout the examination process where coordination between examiners and analysts are critical. These role plays will highlight the “do’s” and “don’ts” of effective coordination between examiners and analysts. An interactive discussion of each role play will be conducted with the audience and best practices for coordination between examiners and analysts will be clearly defined.

**C14 - Two Years of COVID and the Life and Health Insurer**

Kelly Willison, CFE | The INS Companies

This session will review the effects that the COVID-19 pandemic has had (and may have) on Life and Health Insurance Companies both operationally and financially and explore the impact the pandemic has had on the risk-focused examination process.

**C15 - Motivating Your Examination and Analyst Team in a Hybrid Environment**

John Romano, CFE and Rachel Schmoyer | Baker Tilly Virchow Krause, LLP

We will explore new ways to look at being a leader based on best practices and studies outlined in recent published leadership books, seminars and real life examples. We will share how to continue to motivate your team, and drive a successful, happier team leading to better performance and results.

**C16 - Tips, Tricks and Best Practices for IT Exams** 

Jacob Steilen | NAIC

Panel discussion on some recent tools and guidance developed by the IT Examination Working Group. Discussion will also include general tips and best practices to utilize when conducting IT Examinations.

2:30pm – 2:50pm

Break

2:50pm – 3:40pm

**BREAKOUT SESSIONS****C17 - 2022 NAIC Financial Condition Examiners Handbook Update**

Bailey Henning and Jacob Steilen | NAIC

During this session, examiners will learn about the recent updates to the Financial Condition Examiners Handbook.

**C18 - Figuring Ahead: Analytics in a Financial Examination**

Scott Eady, CFE and Richard Foster, CFE | The INS Companies

Effective analytics can be used in all phases of the exam. This session will cover different types of analytics used across all types of insurers with focus on critical risk areas, and how analytics can carry them forward from an exam.

**C19- Examination Management: Maximizing Efficiency of Document Review**

Jamesia Burford, CFE | Eide Bailly LLP

This session will provide examiners with tips and tools to organize and efficiently review the vast amount of information provided during planning and throughout the examination.

**C20- The Inherent Risks Associated with the Adoption of Artificial Intelligence** 

Steven Siglar, CFE, AES | Examination Resources, LLC

This session will discuss the inherent risks associated with the increasing use of artificial intelligence, which is driving the transition of traditional decision-making processes from the human to the computer. Areas where changes are occurring include customer interactions, policy pricing, underwriting rules, fraud detection, and claims adjudication to name a few.

3:40pm – 3:50pm

Break

3:50pm – 5:05pm

**GENERAL SESSION****C21 - Ransomware the Continued Threat**

Jerry Wynne | BCBSND

This session will explore various types of Ransomware, major events that have occurred, and how organizations should be protecting themselves.

**WEDNESDAY, JULY 27**

6:30am - 8:00am

Breakfast

7:55am – 8:45am

**BREAKFAST ROUNDTABLES****D1 - Channeling Your Inner Analyst**

Richard Foster, CFE | The INS Companies

As the role of the analyst becomes more incorporated and critical to an examination and regulation of an insurer, how best to think like an analyst, even when they are not around.

**D2 - Effectively Addressing Model Risk on Financial Examinations**

Amy Alves, AFE, Christine Browning, CFE and Ben Leiser | Risk &amp; Regulatory Consulting, LLC

Model risk has evolved as a significant risk for most insurance companies and will need to be carefully evaluated during many examinations. This session will provide guidance to examiners to effectively understand the risks associated with models being used by insurers and how to effectively test the controls that should be in place. Case studies will be used to provide examples of model risk across various key functional activities and approaches that can be used to evaluate company controls and potential exposure.

### **D3 - The Whats, Whens, Whys and Hows of Environmental, Social and Governance (ESG) Risks and Reporting**

Anabel Crawford, Lauren Darr and Uso Sayers, CFE | Johnson Lambert LLP

Examiners will discuss the Do's and Don'ts of Environmental, Social and Governance (ESG) reporting. ESG is on the mind of most organizations and an increasing number are integrating performance data into financial reports. Customers, stakeholders and investors are increasingly seeking and relying on ESG data for decision making. This session will cover how ESG reporting is currently expanding, current frameworks for reporting and what insurance companies are doing to establish effective governance over ESG reporting. Additionally, we will discuss questions examiners should be asking insurance company executives during interviews about their ESG reporting program.

### **D4 - TeamMate Plus & AM Updates**

Jerry Link and Puru Shrestha, AFE | The INS Companies

Latest updates on TeamMate Plus and AM versions and the impact on the current exam process.

8:45am – 8:55am

Break (*Networking*)

8:55am – 10:10am

### **BREAKOUT SESSIONS**

#### **D5 - GAAP / SSAP Update**

Francois Houde, CFE, AES and Joseph May, CFE | Carr, Riggs & Ingram, LLC

This session will discuss and present the latest changes in GAAP and their impact on SSAPs, along with how these changes affect the insurance Industry.

#### **D6 - Two Years of COVID and the Property and Casualty Insurer**

Kelly Willison, CFE | The INS Companies

This session will review the effects that the COVID-19 pandemic has had (and may have) on Property and Casualty Insurance Companies both operationally and financially and explore the impact the pandemic has had on the risk focused examination process.

#### **D7 - Liquidity and Capital Management Risk: Identification, Review and Assessment**

Neal Foster, CFE | South Carolina Insurance Dept.

Bill Michael, CFE and Alex Quasnitschka, CFE | Risk & Regulatory Consulting, LLC

Liquidity and Capital Management risks are two (2) components of the Critical Risk Categories (CRCs) that may impact an insurer, and from time to time, these two (2) CRCs could overlap with and impact other CRCs. Given current market uncertainties and volatilities, examiners need to consider the changing risk landscape for insurers and incorporate effective and efficient examination testing procedures to ensure that Liquidity and Capital Management risks, for companies of all sizes, are appropriately and adequately addressed and tested. Case studies will be reviewed to help participants think through the identification, review, analysis, and evaluation of Liquidity and Capital Management risks including related testing approaches.

#### **D8 - How to Audit Artificial Intelligence and Machine Learning**

Russ Sommers | Baker Tilly Virchow Krause, LLP

This session will look at the common applications for robotic process automation (RPA), artificial intelligence (AI) and machine learning in the insurance industry and the risks posed by the implementation of this emerging technology. This session will also cover how insurance companies should be addressing these risks inside their organizations, what auditors and examiners can expect to receive from those companies and how the deployment and control of this technology will impact the approach of the Exam.

10:10am – 10:30am

Break

10:30am – 11:45am

**BREAKOUT SESSIONS****D9 - A Welcoming Trend to Many - A Summary of Recent State and Federal Healthcare Regulatory Actions**

Susan Carroll, CFE and Craig Moore, CFE | Examination Resources, LLC

Recent regulatory actions on the state and Federal level continue to expand and clarify compliance and enforcement requirements over the operations of healthcare insurers across a broad spectrum of topics and lines of business. This presentation will cover new/enhanced regulations, guidance and/or reporting requirements related to topics such as no-surprise billing, hospital price transparency, reinstatement of Medicare MLR reporting requirements, pharmacy benefit managers and network adequacy. In addition, the presentation will cover significant recent updates to state and Federal efforts to lower prescription drug costs and improve consumer protections, as well as the recently enacted Federal drug annual reporting requirements for health insurers.

**D10 - Using Resources Wisely: The Role of an Investment Specialist in a Financial Examination and Analysis**

Laurence Voiculescu, CFE | The INS Companies

Investments are a significant part of the risk profile of every insurer. This session will walk through a typical 7-phase examination with specific focus on investment governance, risk assessment, internal controls, portfolio analysis and communication to the analyst.

**D11 - Prospective Risks - How to Identify, Review and Conclude - Best Practices**

Charles Kreske, CFE, Rick Nelson, CFE and Joanne Smith, CFE | Johnson Lambert LLP

During this session, we will discuss ways to identify prospective risks during a variety of exam scenarios: planning documents, interviews and other assessments. Examiners will discuss how to address these risks using the guidance in Exhibit V. Documentation tips will also be discussed as well as best practice suggestions in how to discuss and direct the financial analyst for future follow-ups. Real exam examples and case studies will be used during the presentation to provide context to participants.

**D12 - The Continued Cyber Hazards of Working from Home**

Jerry Wynne | BCBSND

This session is a follow up to the 2021 presentation on the cyber hazards of working from home. It will review materials covered in the 2021 presentation and continue with new hazards that Hackers are using to exploit the flexible work arrangement being used by many companies now.

11:45am – 3:00pm

Board of Governors Luncheon/Meeting

3:00pm – 4:30pm

Executive Committee Meeting

*The Society of Financial Examiners disclaims liability for any inaccuracies, errors or omissions in the program content. The material presented is provided as a general guide and should not be construed as providing professional advice. Opinions expressed by the presenters do not necessarily reflect those of the Society.*



**Society of Financial Examiners**  
3505 Vernon Woods Drive  
Summerfield, NC 27358

# Mark Your Calendar

**2023 | JULY 16-19**  
Louisville, KY  
*Omni Louisville*



**2024 | JULY 28-AUG 1**  
Oklahoma City, OK  
*Omni Oklahoma City Hotel*



**2025 | JULY 19-22**  
San Diego, CA  
*Omni San Diego Hotel*



*Details as they are available at [sofe.org](http://sofe.org)*

## SOFE ANTITRUST COMPLIANCE GUIDELINES FOR MEETINGS AND FUNCTIONS

SOFE is a not-for-profit educational and credentialing organization. As a professional association, SOFE's members are competitors, suppliers and customers of one another. SOFE meetings and functions shall not be used as a forum to obtain unlawful individual company advantages or to achieve anti-competitive objectives for any segment of SOFE's membership. It is the policy of SOFE to comply strictly with all laws applicable to SOFE's activities, and SOFE may be held responsible for unlawful conduct by its members and agents. Accordingly, SOFE requires members and agents to avoid any conduct that might violate, or would create the appearance of a violation of, the antitrust laws. The antitrust laws seek to preserve a free competitive economy. Generally, the antitrust laws prohibit unreasonable restraints of trade, such as conspiracies and agreements between competitors to engage in price-fixing, bid-rigging and customer or market allocation, and group boycotts or concerted refusals to deal with competitors, suppliers or customers. In particular, the discussion of competitively-sensitive subjects at SOFE meetings and functions, such as comments about current or future pricing for one's services, standardization of service contract terms, allocation of markets, and joint refusals to deal, might be interpreted as evidence of an unlawful objective, even though the intent of the parties was entirely legitimate. Participants should take care to avoid inadvertent discussion and recording in meeting notes, e-mails and related correspondence of competitively-sensitive topics and potentially ambiguous statements. The First Amendment constitutional right of free speech, along with the Noerr-Pennington Doctrine protection to petition the government, allows SOFE members and others to discuss general economic and regulatory developments in insurance, individual and joint plans to support or oppose legislation, regulatory actions or judicial proceedings through direct lobbying, campaign contributions, media campaigns, grass-roots activities and litigation. However, providing or gathering specific non-legislative information to or from members must adhere to antitrust compliance guidelines.

## SOFE MEETING SITE SELECTION POLICY

The SOFE Career Development Seminar (CDS) location selection is made each year by the Future Sites Committee. Committee membership is open to any SOFE member in good standing and consists of both state insurance department employees and contract examiners. Several factors impact the selection of the location of the annual CDS. Site selection is limited to properties that can accommodate 450-500 attendees in one property to maximize the opportunities of members to meet and network. In addition, SOFE focuses on different geographic areas of the country each year to maximize the opportunity of members to attend the seminar. Seminar sites are selected 4-5 years in advance to enable SOFE to negotiate substantially reduced hotel room rates and maximize benefits to SOFE. Also, the seminar dates are scheduled for July which is off-peak in many areas and also help to reduce costs.

Other factors considered during the site selection process include the following:

- Amount of meeting space needed (CDS minimum requirements)
- Number of hotel rooms needed on property (CDS minimum requirements)
- Available overflow hotel options
- Hotel room rate (currently try to keep under \$200/night with consideration for per diem members)
- Internet costs and AV
- Food and beverage costs (Contract minimums typically capped at \$100k)
- Proximity to airport or other transportation considerations
- Convenience of surrounding areas for evening activities
- Sunday social options
- Value of hotel concessions