

# Chicago Actuarial Association

<http://ChicagoActuarialAssociation.org>  
E-mail: [chicagoact@yahoo.com](mailto:chicagoact@yahoo.com)

## 2005-2006 Officers

President: Robert Stahnke (Trustmark Insurance)  
President-Elect: Tom Edwalds (Munich American Re Co)  
Vice President-Programs: open  
Vice President-Education: Pat Pruitt (U. S. Railroad Retirement Board)  
VP-Public Relations: Suzanne Wille (NACOLAH)  
Secretary: Achilles Natsis (BlueCross BlueShield of Illinois)  
Treasurer: A.J. Tyll (Trustmark Insurance)  
Webmaster: Bob Aronsohn (BlueCross BlueShield of Illinois)

## EVENT: March 2006 Workshops

DATE: Tuesday March 14, 2006  
12:50 Registration begins  
1:50 Workshop sessions begin (see attached schedule)  
5:10 Bar opens (drinks and hors d'oeuvres - all attendees welcome)  
5:45 Dinner

PLACE: BlueCross BlueShield of Illinois (see directions, below)  
300 East Randolph Street, CAL level  
Northeast corner of Randolph and Columbus Drive, Chicago, IL 60601

COST: \$60 with dinner, \$50 without dinner

Workshops cover a variety of hot topics in each of the time slots. Please identify the workshop sessions that you would like to attend on the registration form. Make your reservation by faxing your registration form to Pat Pruitt at 603-452-8018 by **Wednesday, March 8, 2006**. If you have questions, please call Pat at 312-751-3392 or Achilles Natsis at 312-653-6453. This information and subsequent updates are posted at our website: <http://meeting.ChicagoActuarialAssociation.org>.

Professional Development (PD) and Enrolled Actuary (EA) credit is being applied for at the Society of Actuaries for many of these sessions. Information about PD & EA credit will be posted on our website as approvals are received.

We welcome and encourage non-actuaries to attend our workshops because information covered is relevant to a wide range of work within the insurance and consulting businesses. Please share this with others who may be interested.

Please fax your registration form by March 8 (or E-mail the same information) to **Pat Pruitt at 603-452-8018** ([PatPruitt60302@yahoo.com](mailto:PatPruitt60302@yahoo.com)). If any sessions need to be canceled due to low attendance, we will contact you.

**Payment** can be made in advance by credit card by faxing the enclosed credit card information form to **AJ Tyll** at (847) 615-3826. You may also use this form to pay at registration. Payment at registration can also be made by cash or check.

\*\*\* Updates and corrections are indicated using **red text** in the following pages. \*\*\*

# Chicago Actuarial Association

<http://ChicagoActuarialAssociation.org>  
E-mail: [chicagoact@yahoo.com](mailto:chicagoact@yahoo.com)

## 2005-2006 Officers

President: Robert Stahnke (Trustmark Insurance)  
President-Elect: Tom Edwalds (Munich American Re Co)  
Vice President-Programs: open  
Vice President-Education: Pat Pruitt (U. S. Railroad Retirement Board)  
VP-Public Relations: Suzanne Wille (NACOLAH)  
Secretary: Achilles Natsis (BlueCross BlueShield of Illinois)  
Treasurer: A.J. Tyll (Trustmark Insurance)  
Webmaster: Bob Aronsohn (BlueCross BlueShield of Illinois)

## Credit Card Information Form

**Date: March 14, 2006**

**Event: March Workshops**

Please provide your credit card information, and fax this completed form to A.J. Tyll, CAA Treasurer, at (847) 615-4107 (this FAX number goes directly to A.J.'s PC, and is therefore private).

\_\_\_\_\_ (*\$60 with dinner / \$50 without dinner*)  
**Amount to process**

\_\_\_\_\_  
Name as it appears on credit card

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Billing Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State Zip

\_\_\_\_\_  
Card Number

\_\_\_\_\_  
Expiration MM/YYYY

\_\_\_\_\_  
Security Code (on back)

American Express    Discover

MasterCard

VISA

At your option, you may also mail this form, or pay by check, to the CAA mailing address:

Chicago Actuarial Association  
P.O. Box 81675  
Chicago, IL 60681-0675.

Thank you.

## Chicago Actuarial Association: March 14, 2006 Workshops

Canned soda, bottled water and snacks will be provided before each session.

<b>1:50 p.m. Workshop Sessions</b>	<b>Presenters</b>
<p><b>A1: Regulatory Update and the New GRET 2006 -</b>            This session will have a review of some of the recent regulatory activity, including:</p> <ul style="list-style-type: none"> <li>• Draft Actuarial Guideline ABC</li> <li>• Standard Valuation Law Revision</li> <li>• State adoption of the New AOMR</li> <li>• Revision of AG 38 and AG 39</li> <li>• A high level update regarding Draft AG VACARVM</li> </ul> <p>It will also include a discussion of the GRET 2006: what it is, how it differs from previous tables, and hoped-for improvements.</p>	<p><b>Kory Olsen</b>, FSA, MAAA, CFA            Actuary            Allstate Financial</p> <p><b>James Thompson</b>, FSA, MAAA            Consultant            Central Actuarial Associates</p>
<p><b>A2: Highlights of the “Living to 100” Symposium</b> – Researchers from various continents and disciplines presented papers related to living and dying at advanced ages at this 2005 symposium. Key findings from these papers will be summarized in this session.</p>	<p><b>Tom Edwalds</b>, FSA, ACAS, MAAA            AVP – Mortality Research            Munich American Re</p> <p><b>Ken Faig</b>, FSA, MAAA            Manager, Actuarial Services            PolySystems, Inc.</p>
<p><b>A3: DAC Accounting under SOP 05-1</b> - FAS 97 and Practice Bulletin 8 specify rules for insurance enterprises to account for the outstanding DAC when a traditional life policy is exchanged for a universal life policy, but the restrictive guidance provided leads to a wide spectrum of practices. Statement of Position 05-1, “Accounting by Insurance Enterprise for Deferred Acquisition Costs in Conjunction with Modifications or Exchanges of Insurance Contracts,” intends to provide additional guidance and to promote uniformity. This session will cover the key points and practical implementation issues of SOP 05-1.</p>	<p><b>Vincent Tsang</b>, FSA, MAAA, CFA            Senior Manager            Ernst &amp; Young LLP</p>
<p><b>A4: Excel Tips and Tricks</b> - See a demonstration of time-saving and accuracy-enhancing tips and techniques used for Microsoft Excel. The demonstration will include a wide range of ideas, from simple tweaks to allow you to work faster and smarter, to obscure but easy-to-incorporate formulas and functions for Excel, that MS office bloatware that we both love and hate. Attendees will receive a workbook file with the tips and tricks covered in the presentation.</p>	<p><b>Bob Aronsohn</b>, ASA, MAAA            Lead Actuarial Associate            Blue Cross Blue Shield of Illinois</p>
<p><b>A5: Going beyond ROI in Assessment of Disease Management Outcomes</b> – A multiplicity of metrics can and should be examined to evaluate the financial results and determine the success of chronic care management programs. Topics covered in this session include:</p> <ul style="list-style-type: none"> <li>- What study design and methods make an evaluation robust and valid?</li> <li>- Did the intervention really bring about the results (i.e., causality)?</li> <li>- Can financial results tell us all that we need to know about the impact of a program or intervention?</li> <li>- How can actuarial science, health economics and other disciplines help to advance outcomes evaluation?</li> </ul>	<p><b>Karen Fitzner</b>, Ph.D.            Society of Actuaries</p>
<p><b>A6 – Financial Economics and Pension Practice Overview – Part A</b> - Session A of this two-part series will focus on theoretical foundations of financial economics that relate to pension finance. These principles have sparked an ongoing debate within the pension actuarial community for the last several years. Session A of this two-part series will be theory based, and Session B will build off that theory to provide a practical approach.</p>	<p><b>Matt Sloan</b>, ASA, EA, MAAA            Watson Wyatt</p> <p><b>Eric Friedman</b>, FSA, EA, MAAA,            CFA            Watson Wyatt</p>
<p><b>A7: Evolving Issues in Medicare Part D</b> – This session will focus on the history and nature of the Part D program and evolving issues relating to financial reporting and risk-based capital for Part D products.</p>	<p><b>Rowen B. Bell</b>, FSA, MAAA            Manager            Ernst &amp; Young LLP</p>

## Chicago Actuarial Association: March 14, 2006 Workshops

Canned soda, bottled water and snacks will be provided before each session.

<b>3:00 p.m. Workshop Sessions</b>	<b>Presenters</b>
<p><b>B1: VA CARVM Update</b> – Actuarial Guideline VACARVM has recently been exposed (March 2005) and re-exposed (December 2005) and re-exposed (Feb 2006). What’s happening? Are we any closer to having a guideline for variable annuities? This session will explore the recently exposed documents, what is currently being debated, and when this guideline will likely be adopted.</p>	<p><b>Timothy P. Gaynor, FSA, MAAA</b> Vice President PolySystems, Inc.</p>
<p><b>B2: Predictors of Exceptional Human Longevity</b> - This presentation will discuss the results of a new study on the predictors of exceptional human longevity, supported by the Society of Actuaries. Topics include: the effects of early-life childhood conditions such as birth-order, season of birth, geography of a place spent at childhood, parental occupation and socioeconomic status, as well as scientific explanations of these effects. For more information see the authors' website: <a href="http://longevity-science.org">http://longevity-science.org</a></p>	<p><b>Leonid Gavrilov, PhD</b> <b>Natalia Gavrilova, PhD:</b> Center on Aging, National Opinion Research Center, University of Chicago</p>
<p><b>B3: Life Insurance Tax Update</b> - This workshop will focus mainly on life insurance company tax reserve issues with some limited discussion on policyholder tax issues. Company tax issues discussed will include recent cases and rulings, reserve issues arising in audits and appeals, IRS audit issues, tax reserve implications of recent NAIC activities including the movement towards principle based reserves, and other emerging developments (including activities of various SOA, AAA and ACLI groups). There will also be a brief discussion of the new book <u>U.S. Tax Reserves for Life Insurers</u>.</p>	<p><b>Charles D. Friedstat, FSA, MAAA</b> Director KPMG LLP</p> <p><b>Ed Robbins, FSA, MAAA</b> Senior Actuary Allstate Life Insurance Co.</p>
<p><b>B4: Learn the Secrets of Power Reading</b> - Power Reading will teach you how to read all your business material in half the time. This special free lesson will teach you:</p> <ul style="list-style-type: none"> <li>▪ What your present reading skill is;</li> <li>▪ Why you read the way you do;</li> <li>▪ A unique new technique that will improve your reading on the spot;</li> <li>▪ How to read as fast as you can think;</li> <li>▪ How to take tests more efficiently.</li> </ul>	<p><b>Allan Goldin</b> President, Learning Technologies</p>
<p><b>B5: Update on Drug Trend and Other Issues</b> – This session will discuss current trends in prescription drugs, focusing on over the counter alternatives and high cost specialty drugs.</p>	<p><b>Steve Berna, FSA, MAAA</b> Consulting Actuary Trivantage Pharmacy Strategies</p>
<p><b>B6: Financial Economics and Pension Practice Overview – Part B</b> – A continuation of Session A6, Session B6 will build on the financial economics theory and present a market-based approach that bridges the theoretical arguments with practical reality, and provides a useful way of approaching companies with these concepts. Session A is a recommended, but not required prerequisite for Session B.</p>	<p><b>Matt Sloan, ASA, EA, MAAA</b> Watson Wyatt</p> <p><b>Eric Friedman, FSA, EA, MAAA,</b> CFA Watson Wyatt</p>
<p><b>B7: Pricing and Valuation in Today’s Healthcare</b> – This session will focus on actuarial issues for HSAs and consumer directed health</p>	<p><b>Daniel Plante, ASA, MAAA</b> Director Price Waterhouse</p>

## Chicago Actuarial Association: March 14, 2006 Workshops

Canned soda, bottled water and snacks will be provided before each session.

<b>4:10 p.m. Workshop Sessions</b>	<b>Presenters</b>
<p><b>C1: Principles-Based Reserves</b> - This session will review what principles-based reserving is and the work that has currently been done in this direction, including principles, life reserves, variable annuities, and governance. The efforts of the ACLI and the Joint (SOA and Academy) Preferred Mortality Project Oversight Group in putting together a set of preferred mortality tables will also be discussed</p>	<p><b>Kory Olsen</b>, FSA, MAAA, CFA Actuary Allstate Financial</p> <p><b>Al Klein</b>, FSA, MAAA Senior Consultant Towers Perrin</p>
<p><b>C2: Long Term Care Update -</b></p> <ul style="list-style-type: none"> <li>• Introduction to LTC insurance</li> <li>• Current trends in LTC insurance, including changes in federal regulation that will affect the marketplace, current industry experience, and marketing trends.</li> <li>• Changes in LTC Reporting Forms</li> <li>• Impact of principles based accounting.</li> </ul>	<p><b>John Heins</b>, FSA, MAAA Manager, Actuarial Services PolySystems, Inc.</p> <p><b>Doug Van Dam</b>, FSA, MAAA, CLU Manager, Actuarial Services PolySystems, Inc.</p>
<p><b>C3. Consumer Directed Healthcare Update</b> – This session will provide an update on the CDH market place and survey the kinds of tools available to consumers to direct their healthcare.</p>	<p><b>Gail Matejic</b> Vice President Subimo</p>
<p><b>C4: Actuarial Exams – What’s new for 2006?</b> – Significant changes are underway in the SOA's basic education program ("EQ2005"). This presentation will provide an overview of the overall changes. In addition, a demonstration of the newly developed modules on the Fundamentals of Actuarial Practice (FAP) will be provided. Specific conversion questions will not be addressed at this session</p>	<p><b>Cheryl Krueger</b>, FSA Acting Managing Director - Education and Exams Society of Actuaries</p>
<p><b>C5: Advising Grandma from D to R</b> – Retirees today face a complex array of choices, and actuaries can help them. Find out how you can talk to your grandma (or any other consumer) about Medicare Part D and managing retirement risk.</p>	<p><b>Jim Hinds</b>, ASA, MAAA Senior Marketing Strategy Consultant Blue Cross Blue Shield of Illinois</p> <p><b>Emily Kessler</b>, FSA, EA, MAAA Staff Fellow, Retirement Systems Society of Actuaries</p>
<p><b>C6: Current Issues for Pension Plans</b> – This session will be an open discussion of current developments in funding and administering defined benefit plans. Funding reform and proposed FASB rules will be discussed.</p>	<p><b>Kathy Manning</b>, EA, FSA, MAAA Managing Principal MWM Consulting Group</p>

**CHICAGO ACTUARIAL ASSOCIATION  
WORKSHOP REGISTRATION FORM  
MARCH 14, 2006**

Please mark the sessions you wish to attend on this registration form, and fax the completed form to Pat Pruitt at 603-452-8018 by March 8. Yes, that is the correct area code.

\*Name (print): \_\_\_\_\_  
 \*Company/Affiliation: \_\_\_\_\_  
 Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
 Email: \_\_\_\_\_  
 Are you attending the dinner? YES: \_\_\_\_\_ NO: \_\_\_\_\_  
 If yes, please circle your choice of:  
 Filet Mignon, Salmon, or Vegetarian Primavera Risotto,  
 or indicate any special dietary requirement here:  
 \_\_\_\_\_

Alternatively, you may E-mail the same information to **PatPruitt60302@yahoo.com** . Remember to list the workshop numbers, and your dinner preference.

If any sessions need to be canceled due to low attendance, we will contact you directly.

\*Please register as you want your name badge to read.

SESSION TIMES	WORKSHOP NUMBER AND TOPIC	
1:50 p.m. - 2:50 p.m.	A1: Regulatory Update and the New GRET 2006	
	A2: Highlights of the "Living to 100" Symposium	
	A3: DAC Accounting under SOP 05-1	
	A4: Excel Tips and Tricks	
	A5: Going beyond ROI in Assessment of Disease Management Outcomes	
	A6: Financial Economics <b>and Pension Practice</b> Overview – Part A	
	A7: Evolving Issues in Medicare Part D	
3:00 p.m. - 4:00 p.m.	B1: VA CARVM Update	
	B2: Predictors of Exceptional Human Longevity	
	B3: Life Insurance Tax Update	
	B4: Learn the Secrets of Power Reading	
	B5: Update on Drug Trend and Other Issues	
	B6: Financial Economics <b>and Pension Practice</b> Overview - Part B	
	B7: Pricing and Valuation in Today's Healthcare	
4:10 p.m. - 5:10 p.m.	C1: Principles-Based Reserves	
	C2: Long Term Care Update	
	C3. Consumer Directed Healthcare Update	
	C4: Actuarial Exams – What's new for 2006?	
	C5: Advising Grandma from D to R	
	C6: Current Issues for Pension Plans	

# Getting to BlueCross BlueShield of Illinois

The BlueCross BlueShield of Illinois building is located at **300 EAST RANDOLPH STREET**, in Chicago, just North of Grant Park, on the Northeast corner of Randolph Street and Columbus Drive, an easy walk from the Loop, and next to the AON/Standard Oil building. After checking in at the Security desk, proceed down to the CAL level.

## **FROM THE NORTH, ALONG I-94 SOUTH/I-94 EAST & I-90 EAST**

Exit at Ohio Street (east). Then past Michigan Avenue, at Fairbanks turn right (south), and the street becomes Columbus. After the bridge, past three streets, you will see an entrance on the right for East Monroe Garage (see bottom of page).

## **FROM THE NORTH, ALONG I-294**

Either branch off to I-94 East, or branch off to I-90 and choose I-90 South/East. Continue past where I-90 & I-94 join together. Exit at Ohio Street (east). Then past Michigan Avenue, at Fairbanks turn right (south), and the street becomes Columbus. After the bridge, past three streets, you will see an entrance on the right for East Monroe Garage (see bottom of page).

## **FROM LAKE SHORE DRIVE**

Exit at Monroe Street. Turn right (north) at Columbus Drive, and you will see an entrance on the right for East Monroe Garage (see bottom of page).

## **FROM THE SOUTH, ALONG I-94 OR I-90**

Follow I-94 heading north, then take I-55 North to Lake Shore Drive (north). Exit at Monroe Street. Turn right (north) at Columbus Drive, and you will see an entrance on the right for East Monroe Garage (see bottom of page).

## **CTA TRAINS** ([www.transitchicago.com](http://www.transitchicago.com))

Exit from the following stations and walk east, 2 blocks past Michigan Avenue on Randolph Street.  
Orange, Green, and Brown line trains: Randolph Street Station.  
Red line train: Lake or Washington Station.  
Blue line train: Washington Station.

## **METRA TRAINS** ([www.metrarail.com](http://www.metrarail.com))

From the South Shore Line, exit at the Randolph Street Station, walk east 2 blocks.  
From both Union Station and Northwestern Station (Ogilvie Transportation Center), the walk is one mile east.

## **PARKING**

**Enter the East Monroe Garage (\$13) from Columbus Drive, between Randolph and Monroe. This is a large parking area, so once inside, go toward the “East Monroe Garage”, get your parking ticket, and then go toward the “Randolph Street” side. Park toward the north end (near rows 1A or 2A), walk the Pedway to BlueCross, and ride the escalator up to the main level. You may also enter the Pedway from the north end of Grant Park.**

## Other CAA Business:

1. The Actuarial Foundation and Junior Achievement of Chicago are looking for 50 actuaries to mentor high school students in Chicago! Share your business experience, career decisions and facilitate JA's economic education curriculum to inspire young people to get excited about their lives beyond the classroom. For more information about this program and to learn how to volunteer, please contact Debbie Scanlon at the Actuarial Foundation at [debbie.scanlon@actfnd.org](mailto:debbie.scanlon@actfnd.org) or 847-706-3600.
2. The CAA will be offering review classes for the SoA spring exams P, FM, and C (CAS exams 1, 2, and 4). For details, contact Pat Pruitt at (312) 751-3392 or e-mail at [PatPruitt60302@yahoo.com](mailto:PatPruitt60302@yahoo.com)
3. Prudential is sponsoring a full-day program that will help women focus on their financial independence and overall well-being. It's called Stepping Out: A Day of Finance, Fitness and Fashion and is taking place on April 29th in the Chicago/Rosemont Area. For a more comprehensive description of the events, you can visit [www.steppingoutconference.com](http://www.steppingoutconference.com).
4. The CAA encourages all actuaries to donate as generously as possible to the Actuarial Foundation initiative to Rebuild Math Classrooms. The Foundation has been working with math teachers who are requesting assistance to help rebuild their math resources in areas devastated by hurricanes Katrina and Rita. Their needs are overwhelming. For more information, please go to <http://www.actuarialfoundation.org/donor/mathclassrooms.htm> or contact Rita Lietz, Development Program Manager at The Actuarial Foundation, by phone at 847-706-3659 or by e-mail at [Rita.Lietz@ActFnd.org](mailto:Rita.Lietz@ActFnd.org). Thank you for your generosity!
5. The CAA is looking for volunteers to help out with the program committee. Please e-mail the CAA if you are interested in helping out. Program committee tasks include brainstorming on future meeting topics and recruiting speakers.
6. The **mailing address** for the Chicago Actuarial Association is P.O. Box 81675, Chicago, IL 60681-0675.
7. If you know anyone who wants to be added to our free E-mail distribution list, ask him or her to send an E-mail to [Chicagoact@yahoo.com](mailto:Chicagoact@yahoo.com)
8. The latest information, and more detail, about our events, activities, programs, and volunteer staff, can be found at our **website** <http://ChicagoActuarialAssociation.org>