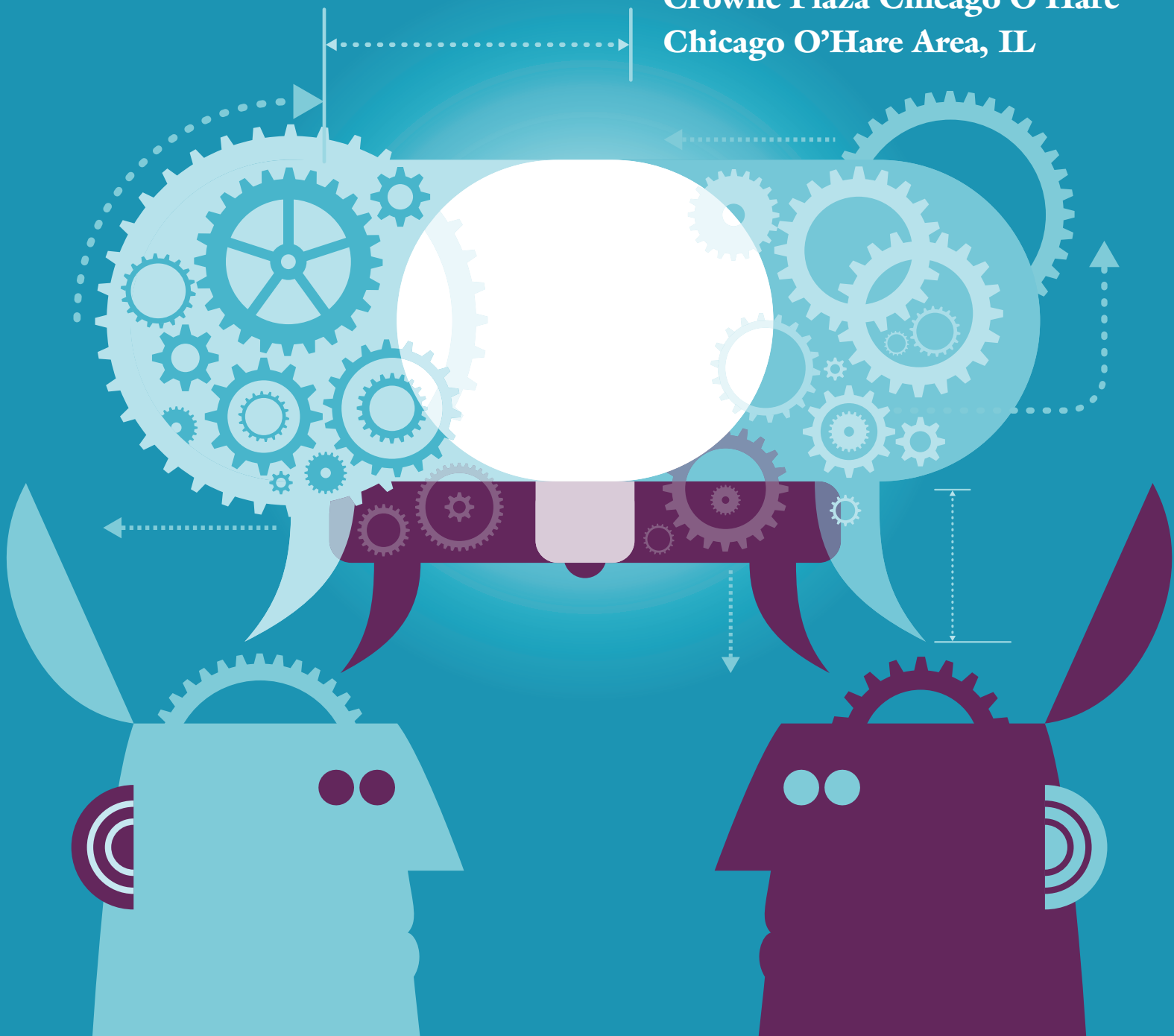


2017 Underwriting Collaboration Seminar

March 6-7, 2017

Crowne Plaza Chicago O'Hare
Chicago O'Hare Area, IL



Sponsored by:



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The Casualty Actuarial Society is committed to adhering strictly to the letter and spirit of the antitrust laws. Meetings conducted under the auspices of the CAS are designed solely to provide a forum for the expression of various points of view on topics described in the programs or agendas for such meetings. Under no circumstances shall CAS meetings be used as a means for competing companies or firms to reach an understanding – expressed or implied – that restricts competition or in any way impairs the ability of members to exercise independent business judgment regarding matters affecting competition. It is the responsibility of all meeting participants to be aware of antitrust regulations, to prevent any written or verbal discussions that appear to violate these laws, and to adhere in every respect to the CAS antitrust compliance policy. For more complete information regarding the CAS antitrust compliance policy, please refer to the CAS website at www.casact.org/about/policiesProc/index.cfm?fa=antitrust.

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Schedule at a Glance

Unless otherwise noted, all program activities will take place on the Main Level.

Monday, March 6, 2017

7:30 a.m. – 6:00 p.m.	Registration	Concourse A
7:30 a.m. – 8:30 a.m.	Continental Breakfast	O'Hare III
8:30 a.m. – 10:00 a.m.	GS1: Actuaries and Underwriters – The Experts	O'Hare I Description on Page 6
10:00 a.m. – 10:15 a.m.	Refreshment Break	O'Hare III
10:15 a.m. – 11:30 a.m.	Concurrent Sessions and Learning Lounge 1	Descriptions on Page 9
<i>60 minutes</i>	LL1: Underwriting Catastrophe Risk Learning Lounge	O'Hare IV (page 8)
	CS1: The Evolving Dynamics of Cyber Risk: What Behavioral Economics Can Teach Us About Cyber Liability and Related Emerging Risks	O'Hare I
	CS2: Peer-to-Peer Insurance: What is the Hype About? — The Peer-to-Peer (P2P) Transformation of the Insurance Industry	Metro Place
	CS3: Optimizing an Efficient Underwriting Process with Data and Workflow	Balmoral Ballroom
	CS4: Unleashing the Power of Predictive Analytics: The Underwriter and the Data Scientist	O'Hare II
11:30 a.m. – 1:00 p.m.	Luncheon	O'Hare III
1:00 p.m. – 2:15 p.m.	Concurrent Sessions and Learning Lounge 2	Descriptions on Page 11
<i>60 minutes</i>	LL2: Personal Lines Learning Lounge	O'Hare IV (page 8)
	CS5: IoT for Insurance – Demystifying the Role of Telematics	O'Hare I
	CS6: Predictive Modeling and Regulatory Concerns	Metro Place
	CS7: Underwriting against a Backdrop of Enterprise Risk Management	Balmoral Ballroom
	CS8: Weather Trends and Impact to Insurance Industry	O'Hare II
2:15 p.m. – 2:30 p.m.	Refreshment Break	O'Hare III
2:30 p.m. – 3:45 p.m.	Concurrent Sessions and Learning Lounge 3	Descriptions on Page 12
<i>60 minutes</i>	LL3: Emerging Risks Learning Lounge	O'Hare IV (page 8)
	CS9: Creating Solutions through Location-based Analytics	O'Hare I
	CS10: Getting Rid of Email: Modern Underwriting Workflow Tools	Metro Place
	CS11: How to Identify and Capture Medical Provider Fraud in Workers Compensation	Balmoral Ballroom
	CS12: NICB Digital Intelligence Collection — An Innovative Approach to CAT Response	O'Hare II

4:00 p.m. – 5:30 p.m.	GS2: How to Help Underwriters Make Decisions — Workflow and Process	O’Hare I Description on Page 6
5:30 p.m. – 6:30 p.m.	Reception	O’Hare III
7:30 p.m.	Dinner Group — Meet at Seminar Registration Desk at 7:00	Registration Desk

Tuesday, March 7, 2017

7:00 a.m. – 12:30 p.m.	Registration	Concourse A
7:00 a.m. – 8:00 a.m.	Continental Breakfast	O’Hare III
8:00 a.m. – 9:15 a.m.	Concurrent Sessions and Learning Lounge 4	Descriptions on Page 14
<i>60 minutes</i>	LL4: Predictive Analytics Learning Lounge	O’Hare IV (page 8)
	CS13: Data Accuracy in Commercial Lines	O’Hare I
	CS14: Underwriting and Managing Cyber Risk	Metro Place
	CS15: Actuaries and Regulators 4Ever 2Gether	Balmoral Ballroom
	CS16: Demographics Data in the Insurance Industry – Know WHO and WHERE your Customers are	O’Hare II
9:15 a.m. – 9:30 a.m.	Refreshment Break	O’Hare III
9:30 a.m. – 10:45 a.m.	Concurrent Sessions and Learning Lounge 5	Descriptions on Page 16
<i>60 minutes</i>	LL5: Interaction between Underwriter and Actuary Learning Lounge	O’Hare IV (page 8)
	CS17: Geographic Data for Property Insurance: Location-based Analysis for Pricing and Underwriting	O’Hare I
	CS18: Lights! Camera! Professionalism!	Metro Place
	CS19: A Closer Look at Wildfire Risk Assessment	Balmoral Ballroom
	CS20: Workers Compensation Experience Rating	O’Hare II
11:00 a.m. – 12:30 p.m.	GS3: Predictive Modeling — Psychology of an Underwriter	O’Hare I Description on Page 6

2017 Underwriting Collaboration Seminar

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This inaugural event between the Casualty Actuarial Society (CAS) and The Institutes CPCU Society provides a conference that intends to foster cross-pollination and collaboration of risk management professionals without regard to industry sector or geographic location. This program addresses issues, applications and insight across a broad spectrum of professional practices, such as predictive analytics, behavioral economics and collaborative efforts between actuaries and underwriters.

Planning Committee

Carl Xavier Ashenbrenner, FCAS, *Chairperson*

Rob Galbraith, CPCU, *Vice Chairperson*

Dorothy L. Andrews

Lamont Boyd, CPCU, AIM

George E. Davis, FCAS

Fiona E. Ha, FCAS

Guo Harrison, FCAS

James R. Merz, FCAS

Sarah J. Shine, FCAS

Scott G. Sobel, FCAS

Arthur J. Zaremba, FCAS

Steven Zielke, FCAS

Speaker Opinions

The opinions expressed by the speakers at this event are their own and do not necessarily reflect the positions of the CAS or the CPCU Society.

Meeting Location

Crowne Plaza Chicago O'Hare Hotel & Conference Center

5440 North River Road

Rosemont, Illinois 60018

Front Desk: 847-671-6350

Check out time: 12:00 p.m.

Internet: Guests receive complimentary internet access in their guest rooms.

Conference Attire and Badges

Business casual attire is suggested for the conference sessions and reception. It's best to wear layered clothing as meetings rooms tend to fluctuate in temperature. In Chicago, the average high temperature during March is 50 degrees F and the average low is 32 degrees F. A badge is required for admittance to ALL Underwriting Collaboration functions.

Continuing Education (CAS/CPCU)

This activity may qualify for up to 12.9 CE Credits for CAS members. The amount of CAS CE Credit that can be earned for participating in this activity must be assessed by the individual attendee.

This event is approved for 10.75 hours of CE for CPCUs credits. Credits will be automatically reported for attending CPCUs once the event concludes.

Please consult your respective credentialing organizations for more information.

Networking Activity – Dinner Group

Monday, March 6, 7:30 p.m., Seminar Registration Desk

Not sure what to do once the reception is over? Sign up for a dinner group at the Seminar Registration Desk and explore O’Hare’s culinary scene with other attendees from the seminar. This is a great networking opportunity! Dinner groups will meet at the Registration Desk at least 30 minutes before the time of the dinner reservation and walk together to the restaurant. Participants are responsible for their own expenses.

Learning Lounges

Hinging on the idea that social interaction makes learning stick, the planning committee is arranging five facilitated meet-and-greet hours for actuaries and underwriters within specific insurance fields. These facilitated hour-long events will take place throughout the seminar and will provide a platform for insurance professionals to discuss issues, learn and network. See page 8 for more details.

Student Program

Monday, March 6, Haneda International (Conference Level)

The Casualty Actuarial Society (CAS) and the CPCU Society, an affiliate of The Institutes, are offering a free one-day student program at this year’s Underwriting Collaboration Seminar. Student attendees will be exposed to applications and insight across a broad spectrum of professional practices relating to areas of interest to both actuaries and underwriters, such as predictive analytics, behavioral economics and collaborative efforts between actuaries and underwriters. They will also network with practicing actuaries and underwriters, and participate in both regular seminar sessions and student-specific sessions. Students will be matched with mentors who will answer questions, provide guidance, and help navigate the seminar while networking and attending sessions together.

Waiting Lounge

Kennedy (Conference Level)

For those who would like a quiet place to work or wait, the seminar has a room available on the main level. Please note that this room is not monitored, so it is not secure for personal belongings. (Kennedy will be unavailable during 2:30 – 3:30 on Monday, March 6 for the seminar’s Student Program.)

Underwriting Collaboration Seminar Rating System



1-Basic: No prior knowledge of the subject matter is assumed.
Little or no technical content.



2-Intermediate: General knowledge of the subject matter is assumed.
Moderate technical content.



3-Advanced: Working knowledge of the subject matter is assumed.
Moderate to highly technical content.

GENERAL SESSIONS



GS1: Actuaries and Underwriters – The Experts

General Session I, March 6, 8:30 a.m. - 10:00 a.m., O'Hare I

Kick off the seminar with a lively, interactive town-hall discussion with leaders from both the CAS and the Institutes. The leaders will discuss the partnership between the CAS and the Institutes as well as the CAS Institute. Bring your thoughts and opinions on the direction of this partnership and how actuaries and underwriters can collaborate more effectively. Additional topics to be added through a survey sent to all registered attendees.

Moderators: Carl Ashenbrenner, Principal and Consulting Actuary, Milliman, Inc.
Rob Galbraith, Director of Property Underwriting, United Services Automobile Association

Speakers: Peter Miller, President and CEO, The Institutes
Brian Brown, Consulting Actuary, Milliman, Inc.



GS2: How to Help Underwriters Make Decisions — Workflow and Process

General Session II, March 6, 4:00 p.m. – 5:30 p.m., O'Hare I

With the evolving analytics and technology, the underwriter's job is constantly changing. Depending on the line of business, this can mean that the underwriter's work flow and processes have changed dramatically. Instead of individual underwriting, many have been asked to become portfolio underwriters relying heavily on predictive models and additional analytics to help with underwriting. Alternatively, some companies have continued to have underwriters subjectively add their perspective in addition to the predictive models. This session will discuss the challenges with making sure that the underwriter is adding value, not using variables which are already contemplated in the models. Additionally, models become less reliable at some point and the underwriter must then use the variables that they have expressly been prohibited from using to underwrite these pieces of business. This session involves individuals who have led this transformation and designed the processes necessary to be successful.

Speaker/Moderator: James Merz, Group Actuarial and Analytics Leader, Westfield Insurance

Speakers: Jana Ringwald, VP Commercial Underwriting, Central Mutual Insurance Company
Greg Massey, SVP - Head of Property and Casualty LOB, Zurich North America
Gary Ciardiello, Principal, EY



GS3: Predictive Modeling — Psychology of an Underwriter

General Session III, March 7, 11:00 a.m. – 12:30 p.m., O'Hare I

The emergence of data and predictive modeling has changed the way that insurance policies are priced and underwritten. There is a shift from seeing all policies and individually underwriting each to only seeing a smaller sample set and underwriting on a by-exception basis. This session will review some of the natural human biases that both underwriters and actuaries need to be aware of to ensure that decision making remains sound in light of the changing environment. It also touches on how to most appropriately introduce new models to underwriters to ensure greater acceptance and successful implementation.

Moderator: Sarah Shine, Regional Vice President, Underwriting, Erie Insurance Group

Speakers: Matt Walkowiak, Actuarial Analyst, Erie Insurance
Michael Neubauer, AVP, Casualty Underwriting, RLI Insurance Company
Keith Holler, 2VP R&D, Travelers

LEARNING LOUNGES

Hinging on the idea that social interaction makes learning stick, the planning committee is arranging five facilitated meet-and-greet hours for actuaries and underwriters within specific insurance fields. These facilitated hour-long events will take place throughout the seminar and will provide a platform for insurance professionals to discuss issues, learn, and network.

LL1: Underwriting Catastrophe Risk Learning Lounge

Concurrent Sessions I, March 6, 10:15 a.m. – 11:15 a.m., O'Hare IV

This Learning Lounge is for professionals with practice areas in Underwriting Catastrophe Risk

Facilitator: George Davis, Senior Vice President, AIR Worldwide

LL2: Personal Lines Learning Lounge

Concurrent Sessions II, March 6, 1:00 p.m. – 2:00 p.m., O'Hare IV

Facilitator: Rob Galbraith, Director of Property Underwriting, United Services Automobile Association

LL3: Emerging Risks Learning Lounge

Concurrent Sessions III, March 6, 2:30 p.m. – 3:30 p.m., O'Hare IV

Facilitator: Lamont Boyd, Insurance Industry Director, FICO

LL4: Predictive Analytics Learning Lounge

Concurrent Sessions IV, March 7, 8:00 a.m. – 9:00 a.m., O'Hare IV

Facilitator: Michael Solomon, Consulting Actuary, The Actuarial Advantage

LL5: Interaction between Underwriter and Actuary Learning Lounge

Concurrent Sessions V, March 7, 9:30 a.m. – 10:45 a.m., O'Hare IV

Facilitators: Scott Sobel, Principal, Oliver Wyman Actuarial Consulting
Steve Sumner, Oliver Wyman Actuarial Consulting

CONCURRENT SESSIONS**Concurrent Sessions I, March 6, 10:15 a.m. – 11:30 a.m.****CS1: The Evolving Dynamics of Cyber Risk: What Behavioral Economics Can Teach Us About Cyber Liability and Related Emerging Risks*****Room: O'Hare I***

Cyber security risk is arguably the most visible emerging risk facing the property and casualty insurance industry. Further, because it is constantly evolving, data captured just yesterday may quickly become irrelevant. Behavioral economics can teach us what 'blind spots' we may have towards this emerging risk. We can only alleviate what we can perceive! Join Ben Goodman, CRISC, adjunct faculty member at Drexel University, LeBow College of Business, and CEO of 4A Security & Compliance, and Michael Solomon, FCAS, MAAA, CERA for a lively, multidisciplinary discussion on what you need to know in this rapidly changing area.

Moderator: Steve Zielke, Managing Director, Markel Corporation

Speakers: Michael Solomon, Consulting Actuary, The Actuarial Advantage
Ben Goodman, CEO, 4A Security & Compliance

**CS2: Peer to Peer Insurance: What is the Hype About? — The Peer-to-Peer (P2P) Transformation of the Insurance Industry*****Room: Metro Place***

Recently, interest and activity in the peer-to-peer (P2P) insurance space by InsureTech start-ups and VC firms has increased dramatically. A major reason for this interest is the worldwide movement towards a shared economy. P2P insurance embraces this movement by borrowing the well-known concept of mutual insurance and adopting the P2P terminology.

Is P2P insurance simply old wine in a new bottle or is something revolutionary happening? How will the role of underwriters and actuaries be impacted by P2P insurance?

This session will explain the current market trends in P2P insurance, including major players and key features offered through various platforms. Several case studies will be used to illustrate the pros and cons with P2P insurance. We will offer our views on the future of P2P insurance.

The days of thinking the World Wide Web is a fad are long gone. We depend on the internet for just about everything, including how we shop for insurance. We are constantly shopping for the best rates from companies with the best ratings, ensuring claims will be paid with the least amount of bureaucratic pain. The bureaucracy most of us encounter in dealing with the insurance claims process is a key reason peer-to-peer insurance companies are gaining momentum and prominence in the insurance industry. All it takes is a group of people with a common risk they need to insure and, presto, a peer-to-peer insurance company is given life. Realistically, it is a little more complicated than that, but this new insurance company formation is very attractive to consumers because it is a cheaper and more bureaucracy-free alternative to traditional insurance companies. This session will discuss the process involved in setting up a P2P, the benefits of a P2P over traditional insurance formations, the concerns for consumers, and the regulatory hurdles.

Speaker/Moderator: Dorothy Andrews, Consulting Actuary, Merlinos & Associates, Inc.

Speakers: Kevin Huang, Founder & CEO, Huang & Associates Analytics
April Yu, Predictive Analytics Senior Analyst, Global Indemnity Group, Inc.



CS3: Optimizing an Efficient Underwriting Process with Data and Workflow

Room: Balmoral Ballroom

Underwriters need a combination of speed, scale, and efficiency to make their business profitable; but don't want to compromise their underwriting guidelines. Fortunately, none of these needs are mutually exclusive. Companies demand simplicity and immediate responses from their business vendors — this is no different from what they expect from their insurance providers. We must evolve to meet this need by leveraging capabilities that are available to us.

This session will outline market trends as being driven by insureds, the insurance market, and emerging capabilities. It will identify today's challenges with commercial business underwriting and describe how underwriting guidelines can be supported and enhanced with reliable data and new analytics, information that can objectively describe a risk with quantifiable and actionable measures and can be indicative of specific concerns or objective proxies for a business's management competency.

Implementing a process with good data and the latest best practices evolves the underwriting paradigm from one that is manual and lengthy to one that is fast and accurate, ensuring proper business selection and the right price for the right risk. Doing so efficiently reduces premium leakage, addresses adverse selection, and helps control costs.

Moderator: Fiona Ha, FSO Advisory, EY

Speakers: Rick Stoll, Assistant Vice President, Product Management, Verisk Analytics
Sanford Brown, Assistant Vice President, Product Development, Verisk Analytics



CS4: Unleashing the Power of Predictive Analytics: The Underwriter and the Data Scientist

Room: O'Hare II

Predictive modeling projects can be quite a bit different from traditional actuarial pricing work from a project management perspective, and not just from a mathematical perspective. Two experienced presenters will discuss the activities that make for a successful collaboration between underwriting and predictive modeling. What should each team look to the other for? What questions should they ask? What are key pieces of information they can provide each other to facilitate the best decision-making? What are the blind spots each party is likely to have that the other can help with?

Moderator: Lamont Boyd, Insurance Industry Director, FICO

Speakers: Christopher Monsour, VP & Actuary, Predictive Business Applications, CNA Insurance Companies
Susan Kearney, Senior Director of Knowledge Resources, The Institutes

CONCURRENT SESSIONS

Concurrent Sessions II, March 6, 1:00 p.m. – 2:15 p.m.



CS5: IoT for Insurance – Demystifying the Role of Telematics

Room: O'Hare I

The increased integration of 'smart' devices through internet of things (IoT) technologies are quickly changing the way we travel, the way we work, and the way we live. Almost every day we hear of the next innovation in connected vehicles, smart home devices, and health-focused wearables making their way to the B2B and B2C market. As product designers and manufacturers identify secure, innovative ways to capture and use the data from connected devices and infrastructure, there exists a mature marketplace ripe for innovation eager to put that same data to use in insurance products.

The insurance industry is a fertile ground for early and innovative adoption of IoT technology. Personal and commercial property/casualty (P&C) insurance carriers are looking to propagate this business model into other products areas through data collection on connected homes, commercial buildings, machinery, vehicles, and even their human workforce. More importantly, they see these data sources as a channel to provide value-added services to win new customers and retain existing ones. And they're doing so for all lines of business including (but not limited to) auto, property, commercial, and life insurance. These data streams can be incorporated into risk models to price products more accurately — meaning better rates for those homeowners, drivers, and operators who exercise risk-averse behaviors regularly.

Now is the time for 'smart' devices to drive 'smart' insurance products. Learn more about this innovative space, challenges presented in bringing the data and products to market, and best practices for defining a path to 'smarter' insurance.

Moderator: Lamont Boyd, Insurance Industry Director, FICO

Speakers: Geoffrey Werner, Director, Willis Towers Watson
Zack Schmiesing, Director - Commercial Lines Underwriting, Verisk Analytics



CS6: Predictive Modeling and Regulatory Concerns

Room: Metro Place

It's been over 10 years since predictive modeling was first utilized in actuarial pricing work. How do we view predictive modeling today? Have regulators fully accepted predictive modeling? What are the new and current challenges in implementing predictive modeling findings? Are there implementation differences between personal insurance and small commercial risks?

This session aims to provide attendees an update of regulatory views on predictive modeling.

Moderator: Wanchin Chou, Chief Actuary, State of Connecticut Insurance Department

Speakers: Chester Szczepanski, Senior Vice President & Chief Actuary, Donegal Insurance Group
George Bradner, P&C Director, State of Connecticut Insurance Department



CS7: Underwriting against a Backdrop of Enterprise Risk Management

Room: Balmoral Ballroom

Underwriters decide the risks to put on an insurer's books and the terms of the coverage. Some actuaries evaluate enterprise risk, of which underwriting risk is a major component. How is enterprise risk management translated to an influence on the individual account decisions an underwriter makes?

Moderator: Miles Allkins, VP, Enterprise Solutions, AIR Worldwide

Speakers: Catherine Duffy, SVP - Underwriting Manager, XL Catlin
Kevin Madigan, Director, Willis Towers Watson
Chris Dougherty, CUO - Reinsurance Segment, XL Catlin



CS8: Weather Trends and Impact to Insurance Industry

Room: O'Hare II

There is no escaping the wild weather that shows up across various media in our technology-driven society. From recent events like Hurricane Matthew and deadly tornadoes in the Midwest to extreme droughts, fires and floods, it may appear we are having more extreme weather events, and many in the insurance industry question if this is the "new normal." This talk will dive into the weather data to discuss the trends and its impacts on insurance industry across the U.S.

Speaker: Andrew Siffert, Assistant Vice President / Senior Meteorologist, BMS Re US

CONCURRENT SESSIONS

Concurrent Sessions III, March 6, 2:30 p.m. – 3:45 p.m.



CS9: Creating Solutions through Location-based Analytics

Room: O'Hare I

Given accurate, complete and relevant data, any statistician, predictive modeler or data scientist can create a solid predictive model. This is very true for location-based data that can be used primarily within Property Insurance products. Once you've proven the model is beneficial mathematically, the real challenge becomes establishing buy-in at all levels, and ultimately implementing within the appropriate workflows. To have a successful predictive model solution, one must address the business problem holistically rather than strictly as an exercise in numbers. This session will explore how modeling, analytics and actuarial can come together to create a complete solution rather than just a model.

Speaker/Moderator: Howard Kunst, Chief Actuary, CoreLogic

Speaker: Amy Gromowski, Director, Analytics, CoreLogic



CS10: Getting Rid of Email: Modern Underwriting Workflow Tools

Room: Metro Place

Effective communication between underwriters and actuaries is critical for the successful implementation of an insurance company's business plans. Emails have traditionally served as an important communication tool/channel between these two groups. Even though emails are useful for external communication, they have been proven less effective for internal communication, particularly when very complicated topics such as pricing, risk selection, and underwriting decisions are involved. Leading industry practices suggest there has been a trend away from using emails for internal communication. In this session, we will demonstrate several modern and efficient underwriting workflow tools that don't rely on email for internal communication. By using these new tools many companies have reported positive changes in the effectiveness of internal communication and the speed with which decisions can be made, particularly between underwriters and actuaries.

Moderator: Fiona Ha, FSO Advisory, EY

Speaker: Kevin Huang, Founder & CEO, Huang & Associates Analytics



CS11: How to Identify and Capture Medical Provider Fraud in Workers' Compensation

Room: Balmoral Ballroom

During this session, Kate, Ridhima and Chris will talk about how to identify suspicious patterns in medical bill and prescription data from workers' compensation claims. The team will also discuss their interactions and collaboration with their business partners in claims, medical bill review, SIU and IT.

Speaker/Moderator: Ridhima Handa, Data Scientist, Zurich North America

Speakers: Kate Jordan, Data Science Senior Manager, AVP, Zurich North America

Christopher Zittnan, Data Scientist, Zurich North America

Michael Griswold, Operations Consultant, Zurich North America



CS12: NICB Digital Intelligence Collection — An Innovative Approach to CAT Response

Room: O'Hare II

The National Insurance Crime Bureau (NICB) is conducting extensive testing in the area of Digital Catastrophic Event response. The presentation will provide the audience with an overview of our capabilities focused on imagery collection, data collection and social media collection prior to, during and post CAT. We will discuss the current state of testing, the preliminary results and our future intentions. We will also discuss NICB efforts, in partnership with Northwestern University, to utilize new technologies and predictive algorithms to build a Disaster Resiliency Index.

Moderator: Rob Galbraith, Director of Property Underwriting, United Services Automobile Association

Speakers: James Schweitzer, Senior VP/COO, National Insurance Crime Bureau

Ryan Bank, Consultant, National Insurance Crime Bureau

CONCURRENT SESSIONS

Concurrent Sessions IV, March 7, 8:00 a.m. – 9:15 a.m.



CS13: Data Accuracy in Commercial Lines

Room: O'Hare I

The current downward pressure in pricing of Commercial Insurance presents challenges for insurers to achieve their internal Return on Equity goals. Key to maximizing returns is to ensure accurate pricing at an individual account level which is achievable through accurate classification. This session will demonstrate how high quality data assists companies in meeting their ROE targets on a sustained basis. Topics include the impacts of misclassification in the following areas: exposure measures, ratemaking and modeling, workflows, reinsurance, regulation, and effective business processes.

We will present empirical evidence of the widespread and significant degree of misclassification in the Commercial Insurance marketplace and demonstrate how this leads to Adverse Selection and/or Lost Market Share. A discussion of the solutions which have been successfully implemented and our views of emerging trends will ensue.

Speaker/Moderator: Kristen Turner, Product Development Manager, Verisk Analytics

Speaker: Peter de Freitas, Vice President, Verisk Analytics



CS14: Underwriting and Managing Cyber Risk

Room: Metro Place

Everyone is talking about cyber risk. Often the discussion is about the lack of historical data and lack of exposure information. In this environment, how does an underwriter evaluate cyber risk, shape coverage terms, price the cover, and manage aggregations of risk to protect the enterprise risk?

Moderator: John Elbl, Vice President, AIR Worldwide Corporation

Speakers: Fred Karlinsky, Shareholder, Greenberg Traurig

TBD

Mark Synnott, EVP, Willis Re



CS15: Actuaries and Regulators 4Ever 2Gether

Room: Balmoral Ballroom

The hallmark of every lasting relationship is communication. This is true of the relationship between those who file insurance products for approval and those who review what has been filed and must give an approval. Actuaries and product managers are hard pressed to ensure the products they develop can get to market. Regulators, in most states, have to approve products and underlying complex actuarial models, often relying on external actuaries to scrutinize the latter. Regulators are not opposed to actuarial models, but when models are shrouded in complex modeling mystique, it becomes increasingly difficult for regulators to blindly approve them. Regulators are becoming increasingly dependent upon consulting actuaries to make sure insurance companies are designing products that serve a public need, while protecting the public from potentially discriminatory practices. Participants in this session will gain a broader understanding of how the regulatory function evaluates actuarial filings with predictive modeling content. The regulatory scrutiny of predictive models will be discussed with a strong focus on the variables regulators view as unfairly discriminatory. Participants will also gain an in-depth understanding of how to structure regulatory filings to increase the likelihood of getting them approved when they contain complex actuarial modeling components. The ultimate goal of this session is to help those who submit filings to regulators do a better job of explaining their models to regulators. With an enhanced understanding of predictive modeling, we can ensure the interests of the public is equitably served by the insurance industry.

Speaker/Moderator: Dorothy Andrews, Consulting Actuary, Merlinos & Associates, Inc.

Speaker: J. Allen Fricks, Actuarial Consultant, Merlinos & Associates, Inc.



CS16: Demographics Data in the Insurance Industry – Know WHO and WHERE your Customers are

Room: O'Hare II

Insurance companies may think they know their customers, but do they really? In this session the audience will learn how demographic data, coupled with GIS tools, allows for deeper understanding of the potential policyholders. The session will use examples to show how demographics can influence decisions about marketing, growth and portfolio management.

Speaker: Andrew Siffert, Assistant Vice President / Senior Meteorologist, BMS Re US

CONCURRENT SESSIONS

Concurrent Sessions V, March 7, 9:30 a.m. – 10:45 a.m.



CS17: Geographic Data for Property Insurance: Location-based Analysis for Pricing and Underwriting

Room: O'Hare I

The use of Geographic Information Systems (GIS) has become increasingly prevalent in the pricing and underwriting of personal and commercial property insurance. Analysis of an insurer's portfolio with accurate location information can reveal areas of risk or opportunity that are hidden when data is summarized at the territory or ZIP code level. GIS presents an opportunity for collaboration between actuaries and underwriters because of its benefits to either discipline. This session will explore the benefits of GIS analysis for pricing and underwriting, and will discuss specific techniques that insurers can use to achieve more accurate rating or better portfolio management. These techniques include implementation creation of by-peril rating territories, portfolio strategies based on spatial layers, and geocoding processes to improve data quality.

Speaker/Moderator: Cody Webb, Actuary, Milliman, Inc.

Speaker: Garrett Bradford, Cartography and GIS Analyst, Milliman, Inc.



CS18: Lights! Camera! Professionalism!

Room: Metro Place

Come enjoy the acting of some fine fellow professionals who will "perform" several skits involving professional dilemmas. The skits always lead to some lively and educational audience discussions. You will walk away from this session with a better understanding of the ASOPs, codes of conduct and how to apply them when you face your own professional ethical dilemmas. Also included will be commentary pertinent to the CPCU Code of Professional Conduct. This session may provide attendees with Professionalism Continuing Education credits.

Speaker/Moderator: Kimberley Ward, Director, Actuarial Services, Hastings Mutual Insurance Company

Speakers: Michael Solomon, Consulting Actuary, The Actuarial Advantage
J. Allen Fricks, Actuarial Consultant, Merlinos & Associates, Inc.



CS19: A Closer Look at Wildfire Risk Assessment

Room: *Balmoral Ballroom*

In this session, learn about the most important attributes to consider in underwriting wildfire risk and how to most effectively evaluate those attributes. Rob Galbraith, Director of Property Underwriting at USAA, and George Davis, Senior Vice President at AIR Worldwide, will discuss the factors that underwriters need to consider for strengthening underwriting and the important role of models in the overall risk management process.

Speaker/Moderator: Rob Galbraith, Director of Property Underwriting, United Services Automobile Association

Speaker: George Davis, Senior Vice President, AIR Worldwide



CS20: Workers Compensation Experience Rating

Room: *O'Hare II*

Experience Rating (ER) has been in use for over a century, since the earliest days of Workers Compensation, and is heavily relied upon by both underwriters and actuaries. While the general principles remain the same, the specific features and formulas used in ER have changed over time and can vary from one state to another.

This session will initially provide a brief overview and history of the NCCI ER Plan with a focus on recent changes. Performance results will also be discussed. Next, the ER changes implemented this year by the WCIRB of California will be presented.

Speaker/Moderator: Anthony DiDonato, Director and Senior Actuary, NCCI

Speaker: David Bellusci, Executive Vice President & Chief Actuary, WCIRB of California

MAIN LEVEL



CONFERENCE LEVEL

