

# Financial & Investment Roundtable



March 15–18, 2015

WALDORF ASTORIA  
Orlando, FL

## FINAL PROGRAM

### SUNDAY, MARCH 15

4:00 PM–5:30 PM **REGISTRATION** — *Grand Ballroom I Foyer*

5:30–7:00 PM **RECEPTION** — *Promenade*

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### MONDAY, MARCH 16

7:00 AM–5:00 PM **REGISTRATION** — *Grand Ballroom I Foyer*

7:00–8:00 AM **BREAKFAST** — *Grand Ballroom II*

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8:00–9:00 AM **GENERAL SESSION** — *Grand Ballroom I*

#### OPENING REMARKS

**Mike Carter**, Chair, ACLI Financial Section, Executive Vice President & Chief Financial Officer, Northwestern Mutual

**John Mason**, Chair, ACLI Investment Section, Senior Vice President & Chief Investment Officer, OneAmerica

#### A CEO's Perspective

The first two decades of the new millennium have presented the life insurance industry with a set of challenges ranging from an explosion in regulations and regulators to the lowest interest rates in our lifetime (and in some cases in history). How do CEOs, CFOs and CIOs work together to further their company's and the industry's mission in these difficult times.

#### Speaker:

**Pete Schaefer**, President & Chief Executive Officer, Hannover Re U.S.

9:00–9:50 AM **GENERAL SESSION** — *Grand Ballroom I*

#### State of the Industry

#### Speaker:

**Dirk Kempthorne**, President & Chief Executive Officer, ACLI

9:50–10:00 AM **REFRESHMENT BREAK** — *Grand Ballroom I Foyer*

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10:00–11:00 AM **GENERAL SESSION** — *Grand Ballroom I*

**Capital Standards: How Will Current Proposals Impact our Business**

When we look at the international, federal and NAIC insurance group capital work being done, US life insurers are concerned that more volatile measures of financial strength will hurt our ability to continue to offer long term insurance products. Increased complexity and costs, regulatory intervention/reduced management discretion and implications of group-level standards for existing entity capital requirements are concerns both of the companies targeted and companies anticipating impacts on state regulation. Panelists share perspectives on the capital standards issues US insurers should be most focused on, and insights on how we can effectively address these issues with standard setters.

**Speakers:**

**Tom Leonardi**, Senior Advisor, Evercore  
**William Marcoux**, Partner, DLA Piper, LLP

11:00 AM-12:00 PM **GENERAL SESSION** — *Grand Ballroom I*

**In a Divergent World, Readiness Rules**

2015 is shaping up to be a *divergent* year for investors-especially insurance companies. It is causing insurers to take a hard look at their investment portfolios-both within and beyond core fixed income-in a search for answers amidst a rapidly changing landscape. And while there is no shortage of potential solutions, identifying and implementing them can be a serious challenge.

**Speaker:**

**Jeffrey Berman**, Director, Head of Insurance Alternative Strategy, BlackRock

12:00-1:30 PM **LUNCHEON SESSION** — *Grand Ballroom II*

**Investing in a Low Return World**

Today's markets call for caution not aggressiveness as investors continue their search for yield in the face of continuing low interest rates. This presentation addresses the current state of credit markets and the relative value of various asset classes.

**Speaker:**

**Scott Graves**, Managing Director & Head of Credit Strategies, Oaktree Capital Management, L.P.

1:30-2:30 PM **GENERAL SESSION**—*Grand Ballroom I*

**Risk Management, CyberSecurity and the Impact on your Company**

**Speaker:**

**Henry Burgess**, Chief Operating Officer, Ernst & Young, LLP

2:30-2:45 PM **REFRESHMENT BREAK** —*Grand Ballroom I Foyer*

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2:45-3:45 PM

**GENERAL SESSION** — Grand Ballroom I

**US Economic and Financial Market Review**

Divergent monetary policy between the Federal Reserve—eager to start raising rates, and the European Central Bank—desperate to ease policy further, reflects different economic prospects. Meanwhile, a brash new trend—the sharp drop in oil prices—is crashing the outlook, dramatically reshaping the relationship between commodity consumers and producers, and creating new winners and losers.

**Speaker:**

**Markus Schomer**, Economist & Managing Director, PineBridge Investments

3:45-4:45 PM

**GENERAL SESSION** — Grand Ballroom I

**Opportunities in Commercial Real Estate Across the Capital Structure & Securitized Markets**

The session will be focused on the different kinds of debt and similar products that are available, both for borrowers and investors, in the commercial real estate markets today, from various tranches of CMBS issuances, through whole loans, mezzanine debt, B notes and preferred equity. The discussion will encompass debt providers, including the life companies and banks that have traditionally serviced the needs of real estate borrowers as well as new entrants into the marketplace, along with relevant considerations around pricing, structural questions, and more.

**Speakers:**

**Jim Hime**, Chief Financial Officer, USAA Real Estate Co

**Doug Bouquard**, Co-Head of the CMBS, CDO, and Commercial Real Estate Loan Trading Businesses, Goldman Sachs

4:45-5:45 PM

**ROUNDTABLE DISCUSSION GROUPS (MEMBERS ONLY — CIOs AND CFOs)**

**CIO Rooms:** Fulton; Empire; Conrad

**CFO Rooms:** Broadway; Carnegie; Church

6:30-10:00 PM

**RECEPTION/DINNER EVENT** — B.B. King's Blues Club & Grill

Reception Sponsored by:



Dinner Sponsored by:



7:00 AM–12:00 PM

**REGISTRATION** — Grand Ballroom I Foyer

7:00–8:00 AM

**BREAKFAST SESSION** — Grand Ballroom I

**CEO Survey Results**

Our panelist will share their second company annual survey with U.S. life insurance company CEOs, priorities and concerns going in 2015. Complete results, including life insurance CEOs' primary growth concerns, distribution strategy and emerging trends, will be shared and discussed.

**Speaker:**

**Terence Martin**, Director, Conning

Breakfast sponsored by:



8:00–9:00 AM

**GENERAL SESSION**— *Grand Ballroom I***Fed Policy – What’s Next?**

The U.S. recovery appears to be strengthening but much of the rest of the world is weakening with Europe facing the threat of deflation and emerging market including China slowing significantly. The Fed is poised to raise rates but many central banks around the world are cutting rates and embarking on QE. Our speaker will look into his crystal ball to describe the likely timing and speed of Fed actions and the implications for the U.S. and world economies. He will assess implications of the contrasting actions of global centrals for growth, financial stability, interest rates, inflation, and deflation, and consider the key risks to the U.S. and world economic and financial systems going forward.

**Speaker:**

**Randall Kroszner**, *Norman R. Bobins Professor of Economics, Graduate School of Business, University of Chicago; former member, Board of Governors, U.S. Federal Reserve*

9:00–9:50 AM

**GENERAL SESSION** — *Grand Ballroom I***Coping with Currency Crises and Asset Bubbles**

Our speaker will present a framework for thinking about currency crises and asset bubbles that have influenced the international financial system over the past four decades. A key finding is predictability among currency crises, which is not the case for asset bubbles. Guidelines will be offered for investors to protect themselves against future bubbles.

**Speaker:**

**Nick Sargen**, *Senior Vice President, Chief Economist, and Senior Investment Advisor, Fort Washington Investment Advisors, Inc.*

9:50-10:00 AM

**REFRESHMENT BREAK** — *Grand Ballroom I Foyer*

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10:00 –11:15 AM

**GENERAL SESSION** — *Grand Ballroom I***Navigating Successfully as a CFO & CIO in Challenging Times**

Favorable demographics of an aging population and increasing self-reliance on creating financial well-being represent tangible growth drivers for life products. At the same time, life insurers find themselves facing low interest rates, changing capital and reserving requirements, and uncertain state and federal regulatory provisions. CIO's face the task of finding suitable investments to preserve portfolio yields and support long-term pricing guarantees and policy dividend levels despite tight credit spreads and lastly, threat of rising rates. At the same time, the pressures on CFO's to deliver stable earnings growth while preserving strong ratings and balance sheets and developing comprehensive risk management systems has never been greater. Our panel shares expertise on survival and how to position the life industry as America's choice for retirement security.

**Moderator:**

**Colin Devine**, *Managing Director & Equity Analyst, Jefferies*

**Speakers:**

**Chris Carlson**, *Executive Vice President & Chief Investment Officer, Ohio National Financial Services*

**Tim Corbett**, *Executive Vice President & Chief Investment Officer, MassMutual*

**Eric Johnson**, *Chief Investment Officer, CNO*

**Martin Klein**, *Executive Vice President & Chief Financial Officer, Genworth*

**Margaret Meister**, *Chief Financial Officer, Symetra Financial*

11:15 AM–12:15 PM **GENERAL SESSION** — *Grand Ballroom I***“Humpty Dumpty”**

Our speaker will discuss markets at the crossroads of investor faith in central banking's' ability to solve economic and financial problems.

**Speaker:**

**Jeffrey Gundlach**, Chief Executive Officer & Chief Investment Officer, DoubleLine Capital

12:45—5:30 PM

**LEISURE ACTIVITIES**

- **GOLF (Shotgun at 1:00 PM)**
- **DISNEY ANIMAL KINGDOM BEHIND THE SCENES TOUR**

6:30–7:30 PM

**RECEPTION** — *Golf Clubhouse*

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7:30 PM

**DINNER ON YOUR OWN**

8:00–11:15 AM

**REGISTRATION** — *Grand Ballroom I Foyer*

8:00–9:00 AM

**BREAKFAST SESSION** — *Grand Ballroom I***Enterprise Risk Management in the US Life Insurance Industry**

Enterprise Risk Management – “ERM” - for life insurance companies has progressed tremendously over the past 20 years, driven by insurers' recognition that effective ERM not only keeps an insurer on solid ground but is a source of competitive advantage and increases profitability, growth and firm value. However, life companies generally are still not where they would like to be. The key challenges are in combining aspects of market, demographic and operational risks into a coherent, integrated and effective ERM framework. We will discuss the current state of ERM, the deficiencies, and what life insurers can do to get themselves to where they would ideally like to be.

**Speaker:**

**Tony Dardis**, Consulting Actuary, Milliman

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9:00–10:00 AM

**GENERAL SESSION** — *Grand Ballroom I***Credit Cycle & Implications**

The current recovery has been in progress for six years and extraordinary monetary policy is likely to extend it even further. Following an extended period of below average default rates, this presentation will examine whether there are signs that the current credit cycle has peaked and by extension its prospects. We will discuss these signs, what may or may not be different about this credit cycle, how long we might expect it to last with an emphasis on market trends. The discussion will conclude with relative value thoughts across the credit spectrum and for both the public bond and private placement markets.

**Speakers:**

**Gary Pelletier**, Senior Managing Director, John Hancock Financial Services

**Bradley Rogoff**, Managing Director & Head, Credit Strategy, Barclays Capital

10:00-10:15 AM **REFRESHMENT BREAK** —Grand Ballroom I Foyer

Sponsored By:



10:15–11:15 AM **GENERAL SESSION** — Grand Ballroom I

**Views on a Changing Domestic and International Insurance Landscape**

Life insurers find themselves facing a protracted low interest rate environment, changing capital and reserving requirements, and an uncertain regulatory environment at the state, federal, and international levels. Balancing these factors while building an investment portfolio that supports stable earnings growth, maintains pricing spreads and policy dividend levels, and preserves strong ratings and balance sheets has never been more challenging. Representatives will offer factors are impacting their ratings outlook as we head into 2015.

**Speakers:**

**Matt Carroll**, Senior Director, Financial Services Ratings, Standard and Poor's Rating Services

**Kenneth Frino**, Group Vice President, Life-Health, A.M. Best

**Robert Riegel**, Managing Director, Americas Insurance, Moody's

11:15 AM **ADJOURNMENT**

**Strategic Partners:**

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Program Level: Intermediate – this program will build on basic skills in order to relate fundamental principles and skills to practical situations and extend them to a broader range of applications. This level is for participants with exposure to the subjects.

Learning Objectives: After attending this program, participants should be able to better analyze financial markets, identify various investment strategies and their impact on profitability; compare innovative market approaches; assess macro-economic outlook and how it will impact the domestic and global economy; contrast and understand the impact of current regulatory changes for the insurance industry; differentiate the rationale behind investment & financial trends; Learn about the capital requirements and standards and how to address issues; learn alternative investment strategies in low interest rate environment and opportunities in commercial real estate, learn about the Fed's policy; cope with currency crises and asset bubbles, learn about the current state of ERM and deficiencies, and the issues around the credit cycle and implications.

Program Prerequisites/Advance Preparation: No advanced prerequisites or preparation is required.

Instructional Method: All presentations are group-live with instructor in room with participants.

Recommended CPE Credits:

- CIO: 14.0 credits of Management & Advisory Services
- CFO: 14.0 credits of Management & Advisory Services; 1.0 credit of Accounting

Field of Study Sponsored learning activities are measured by program length, with one 50-minute period equal to one CPE credit. One-half CPE credit increments (equal to 25 minutes) are permitted after the first credit has been earned in a given learning activity. Please note that not all state boards have adopted this rule. Some participants may not be able to use one-half credit increments. Registration Requirements: Pre-register with ACLI. A copy of the registration form is available at [www.acli.com\ACLIEvents](http://www.acli.com\ACLIEvents). For further information or to register, you may contact ACLI at 800-589-2254.