

**CAMAR Fall 2008 Meeting Minutes**  
December 4, 2008  
Sheraton University City Hotel, Philadelphia, PA

The Fall 2008 meeting of the Casualty Actuaries of the Mid-Atlantic Region (CAMAR) was held on December 4, 2008, in Philadelphia, PA.

The business meeting commenced at 1:05 p.m. with President John Forney presiding. John noted that the Treasurer's Report, prepared by Steve Manilov, was distributed with the agenda and attendee list. A copy of the Treasurer's Report is attached.

In the absence of Kevin Downs, John provided the report from the Academic Relations Committee. He noted that CAMAR continues to award two scholarships to Temple students.

Marlene Soper gave the report of the Education Committee. She identified the exam seminars that CAMAR continues to offer. She also stressed the high-value of our seminars and encouraged our meeting attendees to strongly consider our seminars since we are a local provider.

John recognized Kathy Quinn's 9-years of service to CAMAR both on the Education Committee and through the presidential-progression.

John then conducted the election of officers. The board nominated the following slate of officers:

Vice President	Bill Carpenter
Academic Relations Chair	Kevin Downs
Education Chair	Marlene Soper

A motion was made to close each of the nominations in turn, and each motion passed unanimously. In accordance with the CAMAR constitution, Mike Blivess, who served the past year as Vice President, became President.

Mike briefly discussed the possibility and cost implications of increasing the length of our meetings. Mike estimated that we would likely need to increase our registration fee by 15-30% to offer lunch and discontinue the evening reception or by 40-60% to offer lunch and continue the evening reception. He noted that the Board was considering extending the meeting length to allow for opportunities to earn additional continuing education credits. By a show of hands, approximately 25 people favored this idea and 6 were opposed. One person inquired about the possibility of coming for one half of the day and two people indicated preference for lunch with no reception.

Mike also mentioned that the CAS's Committee on Theory of Risk prepared educational material on testing assumptions underlying estimates of loss reserves. He noted that the Board was

considering using this material for future educational purposes and asked any interested parties to talk with a Board member. By a show of hands, approximately 20-25 people expressed an interest in this subject.

Mike reminded attendees to consider the AAA's guidelines on continuing education. Attendees were reminded to determine whether their ability to practice has been enhanced by their attendance at today's meeting.

Marc Oberholtzer, FCAS, chair of the COPLFR, provided a summary of issues relating to Reinsurance – Risk Transfer. He provided a history of reinsurance accounting. He discussed the key findings from the AAA's recent (2008) survey on Risk Transfer and his perspectives on changes between the 2005 & 2008 surveys. He also mentioned a few areas for potential developments, such as an ASOP or International Accounting Standards. Marc closed with a few comments about Reserve Variability.

Tom Myers, FCAS, representing the CAS (as a past CAS president and recent Board member), provided information about current CAS Issues and Directions. The topics that he covered included the CAS Centennial Goal, new Basic Education Structure, Continuing Education Policy and Enterprise Risk Management Initiatives.

Bill Carpenter, FCAS, began the final panel with an overview of the evolution of Predictive Modeling. He discussed some of the steps involved in Predictive Modeling, model building, traditional applications and provided some evidence that we may have entered a new stage with this methodology.

Tom Bayley, FCAS, advanced the concept that Predictive Modeling has entered into a new stage called Price Optimization. He discussed top innovative ideas outside the US for homeowners and personal auto insurance. He also noted that this methodology involves a continuum of information from claim propensity to competitive market analysis to customer behavior models (or price elasticity). He presented a definition of price optimization and described an optimization process with its strategy and constraints.

Chuck Romberger, ACAS, provided a regulatory perspective both on the evolution of Predictive Modeling and Product Innovation and on Price Optimization. He provided an overview of some laws and regulations that apply to risk segmentation and ratemaking. He also discussed an applicable Actuarial Standard of Practice and Risk Classification Statement of Principles. He also shared observations of practical importance from his experiences in reviewing rate and rule filings.

The meeting adjourned at 5:40 p.m., and was followed by a reception.

Chuck Romberger, Secretary

**Fall 2008 CAMAR Meeting  
Treasurer's Report**

**Ending Balances @ 10/31/08:**

Wachovia Combined Accounts\*: **\$201,929.38**

**Estimated Accrued Billings and Uncashed Checks**

Spring 2008 Exam Seminars \$44,471.62

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Total **\$44,471.62**

**Estimated CAMAR Net Worth @ 10/31/08: **\$157,457.76****

**Estimated CAMAR Net Worth @ 4/30/08: **\$155,467.07****

**Change in Net Worth from 4/30/08 to 10/31/08: **\$1,990.69****

**Major CAMAR Events Affecting Bank Balances**

	<u>Income</u>	<u>Expense</u>	<u>Net</u>
Interest Earned on Accounts	\$840.73	\$0.00	\$840.73
Spring 2008 Meeting	\$11,520.00	\$ 5,950.33	\$5,569.67
Fall 2008 Seminars	\$46,986.00	\$46,238.50	\$747.50
2008 CAMAR Scholarships	\$0.00	\$5,000.00	(\$5,000.00)
Other Miscellaneous	\$0.00	\$167.20	(\$167.20)
<b>Total</b>	<b>\$59,346.73</b>	<b>\$57,356.03</b>	<b>\$1,990.70</b>

\* Includes Wachovia Checking and Wachovia Money Market accounts.

*List of Attendees  
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<u>Name</u>	<u>Company</u>
Nancy Arico	KPMG LLP
William Atkinson	ACE
Michael Barlow	Harleysville Insurance Companies
Betty Barrow	Reliance Insurance Company (In Liquidation)
Don Bealer	Bealer Consulting
Holly Bell	Pennsylvania Insurance Department
Brian Bennett	GEICO
Cynthia Bentley	ACE
Steven Berman	Deloitte Consulting
Mike Blivess	Milliman
Lishu Bucs	Penn National Insurance
Linda Burrill	GMAC Re Corporation
Bill Carpenter	Milliman
Michael Cascio	Maragold Enterprises LLC
Christie Cavaliere	SMART
Bernard Chan	Oliver Wyman Actuarial Consulting
Kevin Cleary	AAA Mid-Atlantic Insurance Group
Arthur Cohen	Ernst & Young
Frank Corr	Legion Insurance Company
Ken Creighton	Pennsylvania Insurance Department
Todd Dashoff	Huggins Actuarial Services Inc.
Mari Davidson	Towers Perrin
Larry Davis	-----
Christopher Diamantoukos	Ernst & Young
Ryan Diehl	New Jersey Manufacturers Insurance Company
Jim DiSanto	Pennsylvania Insurance Department
Donna Emmerling	GMAC Re Corporation
Carol Evitts	XL Insurance
Brian Fernandes	Guy Carpenter
Brian Fischer	Guy Carpenter
John Forney	Penn National Insurance
Robert Gardner	INS Consultants, Inc.
Thomas Gibbons	Harleysville Insurance Companies
Owen Gleeson	MBA Actuaries, Inc.
Melissa Greiner	Pennsylvania Insurance Department

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<u>Name</u>	<u>Company</u>
Allison Harris	Legion Insurance Company
Rhonda Hellman	Huggins Actuarial Services Inc.
Melissa Houck	Huggins Actuarial Services Inc.
Jessica Howie	ACE
Anthony Iuliano	AmeriHealth Casualty Insurance Company
William Jarman	GMAC Re Corporation
Mary Jo Kannon	ACE
Brandy Klenner	Allstate Insurance Company
Jon Kloc	New Jersey Manufacturers Insurance Company
Gary Koupf	Retired
Kay Kufera	Kufera Consulting, Inc
Chas Kullmann	Aon
Khahn Le	Reliance Insurance Company (In Liquidation)
Steven Lesser	Huggins Actuarial Services Inc.
Richard Lo	Alliance Actuarial Services, Inc.
Nate Loughin	KPMG LLP
Eric Lownes	GEICO
Lauren MacMillan	ACE
Maria Mahon	GMAC Re Corporation
Ronald Make	Oliver Wyman Actuarial Consulting
Steven Manilov	KPMG LLP
Gabriel Maravankin	ACE
John McClure	XL Insurance
Mike McKenney	Pennsylvania Insurance Department
Dave Miller	Penn National Insurance
Carolyn Morris	GEICO
Stephanie Ohnmacht	Pennsylvania Insurance Department
Chad Ott	Penn National Insurance
Aaron Ottagio	New Jersey Manufacturers Insurance Company
Craig Pacelli	Chubb Group of Insurance Companies
Donald Palmer	Global Reinsurance Corporation of America
Patricia Park	G.M.Walker Actuarial Services
Anthony Peraine	Admiral Insurance Company
Marian Piet	Kufera Consulting, Inc
Boris Privman	New Jersey Department of Banking & Insurance

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<u>Name</u>	<u>Company</u>
Kathy Quinn	Towers Perrin
Chuck Romberger	Pennsylvania Insurance Department
John Rose	GEICO
David Royce	SGRisk , LLC
Maureen Ruth	Huggins Actuarial Services Inc.
Stu Sadwin	Philadelphia Insurance Companies
James Sandor	Munich Re America
Amy Sestito	Aon
Jason Shook	Oliver Wyman Actuarial Consulting
Charles Sizer	Reliance Insurance Company (In Liquidation)
Marlene Soper	Legion Insurance Company
Jay Matthew South	Aon
Christie Sullivan	XL Insurance
Frank Sullivan	Huggins Actuarial Services Inc.
Gene Thompson	INS Consultants, Inc.
Robert Turner	ACE
Geraldine Verano	XL Insurance
Jennifer Vincent	GEICO
Carrie Wang	GEICO
Denise Webb	Lititz Mutual Insurance Company
Larry White	AmeriHealth Casualty Insurance Company
Alexis Whitecomb	Penn National Insurance
David Wolfe	Aon
Scott Woomer	Harleysville Insurance Companies
Jacob Wysor	GEICO
Janice Young	Swiss Reinsurance America Corporation
Eric Zhou	Pennsylvania Insurance Department