



Chairperson's Corner

By Kyle Bauer

Spring is a busy time for both the Reinsurance Section and the Society of Actuaries (SOA). Everyone is in full swing and working hard to accomplish the goals we've set out for the year. In spite of the disruption from COVID-19, we are endeavoring to deliver value and engagement to our Reinsurance Section membership, and we have high hopes of success on the basis of the many efforts underway! I'd like to outline the most significant items in the hopper.

SOA section council elections. Joining the Reinsurance Section Council is the perfect way to give back to the actuarial profession. It is a truly enjoyable experience, full of great opportunities to build relationships and have a meaningful impact on the many actuaries around us. Elections are coming up with an Expression of Interest form deadline of May 29. Easy to find on the Reinsurance Section webpage, soa.org/reinsurance, so please don't delay if you're interested!

If you've thought about this before but aren't sure what it entails, please come talk to us! My fellow Reinsurance Section Council members and I will be available for a virtual networking session via the easy-to-use Brazen platform coming up on **Tuesday, May 19 from 1:00–1:30 EST**. Come ask us any questions you like, whether about the elections and serving on the council or about any other reinsurance or section-related items. Details to join the session are also available on the Reinsurance Section webpage.

Research. Perhaps our hallmark activity, the Reinsurance Section's research projects are as active as ever and many are collaboratively co-sponsored with other SOA sections. This is where most of the section revenues go, and rightfully so as it's one of the best investments we can make in furthering the actuarial and reinsurance professions! Our research docket includes:

- Currently underway projects: Mortality Improvement Trends, Reinsurance Treaty Recapture, Living to 100 Sym-



posium monograph, and U.S. Mortality by Socioeconomic Category.

- Developing projects that are progressing toward reality: YRT Guarantees under PBR, Predictive Modeling in Assumption Setting, Older Age Mortality, and Pandemic Risk Analysis.

LEARN. This stands for Life Education and Reinsurance Navigation and is a long-standing staple activity that involves presenting objective and educational material on the role of reinsurance to state regulators through onsite, day-long (plus) sessions. These take a lot of energy and expertise, so here's a great big "Thank you!" to the key volunteers who contribute to this and have built it into the valuable service it is today!

Newsletters, Podcasts and Webinars. There are many new and improving ways to learn about reinsurance and related topics. Whether articles in the monthly (and now digital!) newsletter, or the numerous podcasts on topics ranging from technical to leadership and diversity, or the CE-friendly webinars with just the right level of depth, we hope you enjoy all this content.

Continuing Ed. The Reinsurance Section coordinates a number of sessions at the major actuarial conferences during the year. This includes putting forth ideas and sponsoring publicly-submitted ideas, including coordinating speakers and content. It also includes the always-sold-out networking luncheon we host at the SOA Annual Meeting. Fingers crossed that COVID-19 doesn't disrupt any more of this in 2020!

Online resources. We host a webpage tracking recent and relevant content (on the broader SOA site), as well as a LinkedIn page where you can connect with other reinsurance professionals. Please take a minute to look us up and join if you haven't already.

Last but not least, the REAL Symposium. We're reimagining our annual Reinsurance Seminar this year to bring you the "Reinsurance Education and Learning Symposium." Please sign up for this and come expecting a day full of great educational material and networking. There is a lot of energy going into building an agenda with fresh content and excellent speakers, covering both life and health reinsurance topics, so stay tuned to learn more.

I hope you can tell there are many opportunities to engage as a member of the Reinsurance Section. We're always looking for new ideas and volunteers, so please don't hesitate to reach out if you're interested or have feedback on any of the preceding. None of this content would be possible without our members! Thank you for the support you provide through your section membership.

I'd like to specifically mention my fellow council members and thank them for their support: Xueli Zhang (Vice Chair), Sean

Kim (Secretary/Treasurer), Jean-Marc Fix (Research), Laura Muse (Continuing Ed), Olivia Yang (REAL/LEARN), Laurie Kolb (REAL/LEARN), Nina Han (Webcasts) and Faisal Haddad (Website, Marketing & Membership).

We also have a number of "friends" of the council whom I'd like to thank for their significant contributions to the previous efforts. At the risk of missing a few, I will still mention: Ronald Poon-Affat, Jing Lang, Dirk Nieder, Mike Kaster, Dave Vnenchak, Ken Nilsen, Anton Kobelev, Larry Stern and Jerry Enoch.

Finally, a big thank-you to Jessica Schuh and Jim Miles on the SOA staff for serving as the glue that binds us and providing great leadership. ■



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Become an SOA Section Council Member

Each of the Society of Actuaries (SOA) 20 sections are led by a council of 9–12 elected members. The section council is elected by section members who are typically SOA members. Approximately a third of the section council rolls off each year and new council members are elected.

This is your opportunity to let your voice be heard, make an impact, and help lead your section into the future. To be

considered, all you need to do is fill out the [Expression of Interest form](#) by May 29. If you are elected, you will take office on the last day of the 2020 SOA Annual Meeting & Exhibit, Oct. 28.

Serving on a section council is a unique experience that will give you the opportunity to make an impact in what matters to you. You will be part of a large networking group with other actuaries who, like you, are committed to shaping the future of the actuarial profession. The sections develop a great deal of the continuing education content for the SOA and produce newsletters, podcasts, webcasts, contests and networking events. ■





Traveling Actuary: The Edge of Reason

By Dirk Nieder and Jing Lang

Earlier this year, Dirk spent three weeks during the initial outbreak of coronavirus visiting his team in Japan, South Korea and Taiwan. His return back to Germany on Feb. 15 coincided with the peak of the carnival season in Cologne, his hometown. This is his diary.

The highlight of the Cologne carnival is the parade on Rose Monday, which happened to be a week after my return to Germany. This year, the parade had 12,000 participants in 89 groups in creative, colorful and beautiful costumes, and attracted more than one million visitors globally. At the same time, ski resorts in Germany, Austria and Switzerland welcomed thousands of enthusiasts and tourists at après-ski.

As of late February, 76 percent of German citizens did not have significant fear of contracting the coronavirus, 66 percent of citizens felt that the German authorities are in control of the situation, and 54 percent of citizens did not cancel business or vacation trips or forego participating in a mass event.¹ I decided to proceed with my planned business trip to Asia.

MARCH 8—BACK TO TAIPEI

106,000 Confirmed Infections, 3,600 Deaths

As usual, I rushed out of the airplane to arrive quickly at immigration to avoid the long queues. I was welcomed by a spooky scene: a literally empty immigration hall. In the past, I typically had to wait 30 to 40 minutes in queue, but this time it was only me. I was asked about visits to Italy in the last 14 days. Even the taxi driver asked me where I was arriving from. Later on, I was told that a taxi driver may refuse to let me in his cab if I arrived from the “wrong” place. What a different world compared to Germany!

The day before my arrival, the Taiwan CDC raised its travel alert to Level 2 for France, Germany and Spain, due to the rapid increases in the COVID-19 cases in those countries. Travelers



My flight from Taipei to Tokyo; I have hardly seen any flights with so few passengers on the airplane.

entering Taiwan from these countries are subject to a 14-day period of self-health management, which requires, among other things, recording of your temperature and daily activities twice a day and wearing a surgical mask when going outside. So, as I am now sitting in our office in Taipei, I have to wear a mask the entire day in the office.

MARCH 13—DETERRED FROM SINGAPORE

133,000 Confirmed Infections, 5,000 Deaths

The second destination of my business trip is Singapore. My flight is scheduled for March 17, but the Singapore government had just this morning (March 13) introduced new border restrictions: nobody is allowed to enter Singapore who has been in Germany in the last 14 days. Since I am five days short of meeting the 14-day requirement for entry, I need to change my travel plans. Back to Germany, or on to Japan? I decide to continue to Japan.

In the meantime, things in Italy were getting dire. On March 8, the Italian government locked down the northern region of Lombardy to slow the spread of the coronavirus. The lockdown affected 10 million people. Two days later, the ban was extended to cover the whole country. That ban affected more than 60 million people by keeping them from nonessential travel. In Vatican City, Pope Francis spoke to the faithful in St. Peter’s Square in Rome on Sunday only via livestream. Dying people were not allowed to see their relatives; instead they had to say their last good-bye over phone or Skype.

On March 13, a study² on COVID-19's impact on Italy was published: 12,462 confirmed cases and 827 deaths—at that point only China has recorded more deaths. The Italian study painted a picture of those who are most vulnerable to the disease, which was consistent with the picture from the Chinese data as of Feb. 11.

- Age: the mean age of those who died in Italy was 81 years.
- Sex: The male-female ratio of those who died in Italy is 80 percent to 20 percent.
- Underlying conditions: more than two-thirds of these patients had pre-existing conditions. It's important to note many developed acute respiratory distress syndrome (ARDS) caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) pneumonia and needed respiratory support and would not have died otherwise.

MARCH 17—TOKYO ARRIVAL

179,000 Confirmed Infections, 7,400 Deaths; Two Days Later, Italy's Death Toll Overtook China's.

Our Tokyo office is using staggered worktime. However, I am staying in my apartment until the following Monday to ensure 14 days have passed since leaving Germany to not put our Tokyo staff at risk. Tokyo looks like business as usual: wearing masks has been common practice in Japan already before the emergence of the COVID-19.

China has reported no new infections for three days in a row. The biggest problem now is reverse-imported cases, a significant percentage of which are students studying abroad returning home. In China, effective March 16, all overseas travelers to China are required to go through a 14-day enforced quarantine. Flights from overseas are not allowed to land in Beijing or Shanghai and must go to airports in nearby cities.

By now, many countries have put in strong measures in order to slow down infection rates, largely as a preventative measure to mitigate too many people needing hospital care at the same time. Measures such as placing hard limits on the size of crowds and gatherings—we've seen this come down from 1,000 to 100 to 10 to five and then two. Other social distancing and restrictions, such as self-quarantine, working from home, closing schools and institutions (distance learning for the remainder of the school year) are also enforced.

On March 24, the International Olympic Committee announced the 2020 Olympics—originally scheduled from July 24 to Aug. 9 in Tokyo—will be postponed to 2021. This not unexpected decision is a financial blow to the host country in 2020 in terms of money already spent, and inbound and domestic revenue; we also expect to see this in the insurance industry in terms of event cancellation; overall estimated cancellation loss for the industry is \$3.7bn to \$6.3bn³ COVID-19.

MARCH 28—ON THE WAY HOME

572,000 Confirmed Infections, 26,500 Deaths

I was originally scheduled to stay in Tokyo until April 4. But the Japanese government had reinforced its border control in the meantime: quarantine requirements for people entering Japan were strengthened and foreign nationals, who previously stayed in areas heavily affected by the spread of COVID-19, were banned from entering Japan. Other governments had barred any transfer passengers from passing through their airports.

Airlines responded by suspending flights on a large scale. My return flight to Germany was canceled, and even an alternative flight I had booked was canceled. I hence felt lucky to catch a return flight to Germany on March 28. When boarding the flight, I could not help but feeling like the protagonist of a disaster movie who barely managed to escape before the disaster strikes. The COVID-19 pandemic had turned into a global problem by that time. The number of infections in the U.S. and Italy had risen to 85,000 and 86,000, respectively; both exceeded the number of infections observed in China (82,000) despite a much later onset of the spread. Globally, 572,000 infections have been confirmed and 26,500 deaths due to COVID-19 had been registered.

LESSONS LEARNED FROM SARS

In contrast to the exponential growth everywhere else, Taiwan, a country in close proximity to the original epicenter of the outbreak, seemed to have everything under control. Only 283 infections and two deaths due to COVID-19 were reported as of March 28. When leaving Japan behind me, I was wondering how Taiwan managed this pandemic so well.

On Jan. 12, 2020, soon after China notified the WHO that several cases of an unknown pneumonia had been observed, the Taiwan government sent two of its experts to China. As a result of this fact-finding mission, the Taiwan CDC declared the "severe pneumonia" a notifiable communicable disease on Jan. 15. It activated the Central Epidemic Command Center on Jan. 20 to roll out a series of epidemic control measures, including: Tightened border control, suspension of institutions from universities to kindergartens, preparation for off-site office arrangements, postponement or suspension of nonessential, crowd-intensive events. Temperature monitoring was introduced at office buildings, public buildings and restaurants.

From March 19, travelers returning to Taiwan from areas affected by the spread of COVID-19 were put under mandatory 14-day home quarantine. Mobile phones were tracked to ensure that people stayed at home. Information from the immigration and customs database was merged into the National Health Insurance database. Medical doctors would hence be alerted to the recent travel history of a person who seeks medical attention after returning home.

The Taiwan government also undertook great efforts to ensure the availability of medical supplies. This included a ban on exporting face masks, implementing a rationing system and controlling the price of face masks, boosting the daily production capacity of face masks from 4 million to 13 million, and introducing an app that provides information using Google Maps to show the locations of pharmacies and the availability of facial masks.

Certainly, Taiwan benefited from the SARS crisis in 2002 and 2003, which allowed them to be better prepared for this pandemic.

APRIL 5–TODAY

1,133,758 Confirmed Infections, 62,784 Deaths

So, where do we go from here? Here are the things I can hope for:

- The impact of social restrictions starts to kick in.
- The peaking of cases happens as soon as possible.
- Once peaked, the daily new cases stay level then start to go down.
- There will be a lag between cases peaking and death peaking, but the sooner the cases peak, the sooner the other can follow. The daily new cases for Italy have been decreasing in the last few days, which is a very welcome development.

COVID-19 is an extreme stress test to emergency response and health care systems around the world. I hope we come out better, stronger and faster on the other side of this global pandemic.

For additional resources, please see [here](#) for the weekly updated SOA Research Brief on Impact of COVID-19 and podcasts. ■



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ENDNOTES

- 1 ARD-DeutschlandTrend vom 05. März 2020
- 2 "COVID-19 and Italy: what next?" *The Lancet* [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(20\)30627-9/fulltext](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(20)30627-9/fulltext), retrieved April 1, 2020
- 3 Figure from [insuranceinsider.com](https://www.insuranceinsider.com)



Coronavirus Cannot Mask the Value of ReFocus

By Ronald Klein

While there were no reported cases of coronavirus in Las Vegas at the time of ReFocus 2020, the organizers were prepared. Hand sanitizer lined the hallways, fist bumps replaced handshakes and the latest cases and fatalities were reported by the event moderator, Nina Easton. However, most of the attendees were not concerned. There were no masks, and handshakes, hugs and even kisses were widely seen.

Two companies pulled their employees from the conference at the last minute, and registrants from South Korea, Hong Kong and Japan decided not to travel. Even with these no-shows, the ReFocus Conference broke last year's record with 823 attendees. By all accounts, ReFocus continues to be the not-to-be-missed life insurance and reinsurance industry networking conference of the year.

While many come to network, the sessions did not disappoint the 300 or so people who attended each session, on average. The highlight of the conference was the opening session where Donna Brazile, former chairwoman of the Democratic National Committee and Karl Rove, former deputy chief of staff to George W. Bush, gave the current state of affairs of U.S. politics on the eve of Super Tuesday. The politically opposed pair even predicted that Biden would emerge the victor and it would soon become a two-horse race for the Democratic presidential nominee.

However, the story that Donna Brazile told about how, on a flight to Africa, she had to share her malaria medication with Karl Rove as he forgot to bring his pills, brought down the house. Brazile quipped that Rove was not opposed to "free" medical care on that flight. The session was enhanced by the probing questions posed by Nina Easton. She knows both of the keynote speakers well and the familiarity shined through. Rove and Brazile were introduced by Pete Shaefer, CEO of Hannover Life Re US and platinum sponsor of the conference.



The most anticipated session was a keynote address by Dr. Gaudenz Silberschmidt, director at the World Health Organization. The topic of his presentation was supposed to be how prevention is cheaper than the cure. While he remained on theme for some of his presentation, highlighting how the WHO and the insurance industry have to work together toward a common goal of preventing disease, Dr. Silberschmidt had to spend much of his time on the COVID-19 virus. It was a rare Tuesday morning full house at this session.

The title of this article could have been dramatically different as Dr. Silberschmidt was feeling flu-like symptoms soon after his address and feared that he contracted the coronavirus during his previous visit to Seattle days before. He went into self-quarantine mode, like a good WHO employee, and headed to the hospital for a test. While he tested positive for some virus, it was not COVID-19. In my old neighborhood, we call that a cold. Just imagine the headlines, "WHO Executive Infects the Life Insurance Industry in Las Vegas."

The American Council of Life Insurers and Society of Actuaries, co-hosts of the conference, decided that a dedicated conference room with small meeting tables would enrich the networking

experience. And, given the exit polls, they were spot on. This room was packed with the next round of soon-to-be-announced reinsurance transactions being negotiated. The Bermuda International Long-Term Insurers and Reinsurers (BILTIR) and the Bermuda Business Development Agency (BDA) made sure that the networkers were well caffeinated, as these organizations sponsored a lounge in the dedicated meeting room as platinum sponsors.

Other highlights included the annuity transaction session—where Chip Gillis, former CEO of Athene Life Re moderated a panel of industry powerhouses consisting of Chris Swift, CEO of The Hartford; Rod Martin, CEO of Voya; and Pat Lusk, CEO of Venerable—and inspiring keynote addresses by Susan Neely, CEO of the ACLI; and Greg Heidrich, executive director of the SOA. In addition, the session on genetic testing was extremely well received. Genetic and genomic testing is the future of our industry, and this session highlighted the regulatory and data concerns that currently exist.

We would not be able to have such a successful meeting without the generosity of all of our sponsors. Of course, a special thank-you goes to our diamond sponsor—Milliman. Not only does Milliman host a number of meals and events, but it supports the conference in other ways. Milliman sends many of its actuarial consultants to ReFocus and always volunteers to moderate a panel. The planning committee hopes that Milliman will continue to sponsor at the diamond level and encourage other organizations to move up to higher levels.

Finally, it is my absolute pleasure to serve as co-chair of the ReFocus planning committee with John Laughlin. During the past few years, John and I have grown to become more than col-

leagues. The committee is rounded out by Dawn Trautman and Pete Schaefer. A special thanks goes out to Elizabeth Carden, Tatiana Tolentino and Geneva Barber of the ACLI and Jay Semla of the SOA. The seven of us enjoy working with each other and are not afraid to fight for making the conference even more successful each year. Elizabeth has the short-term goal of reaching 1,000 registrants—why not at ReFocus 2021? The team will take a 30-day, well-deserved break from ReFocus, before beginning our planning for 2021 in early April. We already have three of the session topics drafted for next year.

If your organization would like to reach a large number of life insurance executives with branding and a message, what better place to do so than at ReFocus 2021? Please contact any one of the planning committee members for a personalized sponsoring package. Yes, insurers can be quite creative.

Please visit the ReFocus website (www.refocusconference.com) to see the agenda, download the presentations and see who you missed networking with on the attendee list. If you are a frequent ReFocus attendee, we hope to see you back again at the Cosmopolitan Hotel from March 7–9. If you have never attended, please consider this conference in your 2021 travel plans. I guarantee that you will become an annual attendee. ■



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