



Reflections

December is a month when many of us take time to reflect on the accomplishments of the past year and look ahead to the coming year. As I sit back and reflect on our 2006 results, I can't help but think from a reference point that reaches back to 2004 when Generali USA established a new target market. Our goal was to establish a strong presence with a well defined group of compa-

nies that represented the mid to large size users of reinsurance. We realized that this was a dramatic shift for many of the people in our organization who had spent years working with a different group of companies. Also, it was new for the buyers in this market, many of whom had little if any exposure to Generali USA.

As it stands today, the results show that we have made great progress in penetrating this new

By J.C. Brueckner, SVP

market. We have added 34 new companies as reinsurance clients since 2004 and now have relationships with 76 companies in our target market of 104 companies. Our new business production has increased by 40% over this time despite the fact that the total life reinsurance ceded in the market has declined dramatically over this time period.

We continue to learn more about the needs of our new clients by taking the time to

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Generali USA Promotes Brueckner & Dickinson

by Ed Ritter, Chairman

Generali USA is pleased to announce the following personnel moves effective January 1, 2007.

Generali USA had historically operated with the CEO and President functions held by different individuals. This has not been the case over the past three years. J.C. Brueckner (on the right) will be assuming the role of President and Chief Operating Officer. In this capacity J.C. will be responsible for all day-to-day operating functions of the Company. J.C.'s outstanding success in developing the sales force and underwriting department over the past two years make this the perfect and well deserved opportunity to take on these additional responsibilities. This is an important



step in our ongoing effort at Generali USA to deliver our products to the market as efficiently and seamlessly as possible.

Terry Dickinson (on the left), senior vice president, currently responsible for all group reinsurance operations will also assume responsibility for all sales functions Company wide. It has become evident to us that many companies are, or could be, customers of both our Individual

and Group divisions. As is the case with our day-to-day operations we strive to deliver our products to the marketplace in a coordinated fashion. We believe direct coordination of both delivery channels will help to accomplish this objective. Terry's outstanding track record in building Generali USA's Group Reinsurance Division in only three years makes him the perfect fit for this job. We are certain all of our Individual division clients will enjoy getting to know Terry. We look forward to seeing him more in Kansas City. Thanks to Terry for taking on this important additional responsibility.

Please join us in congratulating both J.C. and Terry.



TWO RECENT SOA STUDIES OFFER HELP IN GROUP LIFE

By Todd Tretsven, FSA, Vice President & Group Actuary

Overview

Until recently, there has been a lack of industry data available to help Group Life pricing and valuation actuaries. The Society of Actuaries (SOA) has recently completed two studies that can assist in assessing Group Life Mortality and Morbidity risks: 1) **2005 Group Term Life Waiver Study**; 2) **2006 Group Term Life Mortality and Morbidity Study**. These studies supply industry standard mortality rates for Group Life and AD&D. Also, there is now a more reasonable way to value waiver of premium reserves using recent mortality and recovery data. The work provides a valuable resource to the industry. The primary intent of this article is to make you aware that this information is available.

2005 Group Term Life Waiver Study

The SOA's Group Life Insurance Experience Committee determined that there was a need for a new study on waiver experience. The need for a new table was driven by several factors: The data contained in the 1970 Krieger Table was

over 35 years old, based on data collected in the 1950s and 1960s, and used unisex rates. The composition of the workforce has changed dramatically since the 1950's and 1960's. Further, while there has been a significant improvement in mortality rates since the 1970 Krieger Table, it was not clear how these trends had impacted the disabled population.

According to the report, the Committee wanted the new table to represent a broad cross-section of the industry and solicited data from nearly every group life carrier.¹ The result is a study that consists of significantly more exposure than the 1970 study. At nearly 750,000 life-years of experience and \$30 billion of face amount, it encompasses six times the number of life-years and 60 times the face amount of the 1970 study.² The study measures deaths and recoveries of waiver claims during the 10-year period of January 1, 1993 through December 31, 2002. Separate data is available for males and females for the first time.

SOA has developed Excel tables to assist in determining the present value of waiver benefits that are available on the SOA

website. The complete report, excel tables, etc. are available at the SOA website: <http://www.soa.org/ccm/content/areas-of-practice/health/experience-studies/2005-gtl-waiv-res-table-report/>

2006 Group Term Life Mortality & Morbidity Study

For this study, the Group Life Insurance Experience Committee requested claims data for the period 1999 to 2001. The data included death, disability waiver of premium, and accidental death and dismemberment. This study replaces the 1996 study which covered claims in the 1985 to 1989 period. By being more flexible in collecting the information, the study is able to present information on self administered (employer is responsible for maintaining census data) versus individually billed (list bill) business. In all, twelve companies supplied data that was used in the study. Finally, the report notes that the original data included a significant number of 9/11 claims, which had been flagged so



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in assessing Group Life Mortality and Morbidity risks.

¹ Report of The Society Of Actuaries Group Life Insurance Experience Committee; 2005 Group Life Term Waiver Reserve Table

² Ibid

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http://

The SOA website provides downloads of the reports and tables .

SOA Studies

that [the study] could assess their impact. Because the results were concentrated within a few companies and did not truly reflect the impact to the entire industry, the Committee decided to eliminate these claims rather than show them separately in the report or the pivot tables.³

The SOA website provides downloads of two pivot tables (Life & Waiver; AD&D). The complete report is also available at: <http://www.soa.org/ccm/content/areas-of-practice/health/experience-studies/2006-gtl-mort-morb-study/>

I have already found these studies useful in setting up a

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more realistic waiver of premium reserving basis, as a benchmark for manual claim costs and rating factors, and as a confirmation that mortality rates are continuing to decrease. I hope you will also find these studies to be a valuable resource.

³ Report of The Society Of Actuaries Group Life Insurance Experience Committee; 2006 Group Term Life Mortality and Morbidity Study



Kay Ketcham Retires After Stellar Career

By Gale Perkins

After 36 years of service, Kay Ketcham, Regional Sales Vice President, will retire from Generali USA on December 29th. Commenting on Kay's contributions, J.C. Brueckner noted, "Kay Ketcham has represented Generali USA/BMA with class, style and the utmost professionalism her entire career. Always welcome in a client or prospect's office, Kay's relationships transcend the traditional business relationship. Clients, prospects and co-workers genuinely enjoy Kay's company. Her retirement leaves a void for all of us that will not be easily filled."

Looking back on her career, a young Kay Ketcham walked in to apply for a Correspondent position at BMA, she had just decided not to return to school for a graduate degree. Her friend, Ellis Budin,

worked at BMA, and she decided to apply for a job there. Five days later, Kay was Correspondent Trainee making \$485 a month.

According to Kay, starting in Correspondence was a great way to learn the business because she saw everything. She wrote letters to policyholders as well as to agents. After a few years in Correspondence Area, Kay moved on to become a Underwriter Trainee. She



Kay Ketcham on her first day of work.

worked her way through the ranks in Underwriting, and eventually landed as a Reinsurance Representative.

Kay looked back on her career with the following observations:

- Most embarrassing moment: Traveling with John Walker and Giorgio Balzer in the car. The three of them were on their way to visit a client in Milwaukee. Kay was driving, and she was lost for an hour. A very polite, Giorgio Balzer kept saying, "This is interesting."
- The biggest change: When the company changed from BMA to Generali USA.
- What she will miss most: the people she worked

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solicit feedback from them. We have reshaped our organization to better position us as a value added reinsurance provider to the market. Underwriting continues to be a service that we emphasize and we have retooled our operation to better fit the needs of our new market. Building upon an already strong experienced staff, we have added six new members to our underwriting team. Time service is substantially more important to our new market and we have improved our ability to turn around cases more quickly with the addition of an imaging system. Key to this system is the ability it provides for measuring and monitoring time service

more closely. Our Underwriting Guide is a source of pride and we constantly review the content to make certain it meets both Generali USA's needs as well as those of our clients.

Representatives from companies in our new market have told us that they would like to see more familiar faces in our organization---names that they recognized. We responded by adding three new representatives all of whom have experience with our new target market. We also hired a new head of Underwriting, Nate Johnson, who has worked with many of the companies in this market. As positions become available, we will look to fill them with

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“industry names” to help enhance our visibility in the reinsurance marketplace.

Reflecting back as we enter the holiday season, we at Generali USA have much to be thankful for. We appreciate our new clients' willingness to do business with us and our long standing customers' loyalty to our relationship. Looking forward, we understand that there is much more we can do. Our pledge for the New Year remains the same as the last several years: We will continue to solicit your feedback and to work hard to make changes to satisfy your needs. Happy holidays from all of us at Generali USA!

Ketcham Retires

with: clients and coworkers. Her clients have been saying good-byes with dinners, good wishes and sometimes small presents. One she is particularly excited about is a game called “Passport.” It challenges the knowledge of a traveler.

- The one thing she won't miss: Kay found this question the most difficult. Desperate to find something, Kay said she will not miss the heat in her office.

Kay feels that working at Generali USA/BMA was the best career she could have possibly had. She is grateful for the opportunity it provided to meet people and travel around the country. Sharing her clos-

ing thoughts with The Viewpoint, Kay said “Reflecting on my retirement, I would just like to say that I am a very lucky girl. I have had one of the greatest jobs there is - the only better one I can think of is Katie Couric's old job on the Today show. To have had the opportunity to travel as I have, to some very wonderful places, is truly extraordinary and something I do not take for granted. However, the best part has been, of course, the wonderful people I have had the pleasure to meet along the way. The Generali USA clients are the best, and I am pleased to count many of them as my friends.

The associates I have worked with every day here at Generali

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USA are the most fun, considerate, smart, and talented group I could be fortunate enough to know, and I will greatly miss showing up and working with them each day. I have truly been blessed by all their support and friendship through the years, especially as they have tried to educate me on the intricacies of reinsurance - no easy task!

My thanks to everyone who has made each day a pleasure, and this job so rewarding. I hope I have done a good job for you, and I wish each of you the very best in all your future endeavors.”



Karen Wiggin Retires After Over 42 Years!

After 42 ½ years of service, Karen Wiggin is retiring from Generali USA! Karen began her employment at Generali USA (then BMA) at the age of 17, immediately after graduating from high school. Her first position with the company was Reinsurance New Business Clerk.

Over the years, Karen has worked in various capacities, but always in the

reinsurance division of the company. Karen says, “I have enjoyed a wonderful career at Generali USA and will take a lot of fond memories with me.” She says that she can’t believe how quickly 42 years have passed!

In her retirement, Karen and her husband plan to become “snow birds” and enjoy the outdoors with their 5th wheel camper and four wheelers. J.C. Brueckner, her boss, said “Karen Wiggin has been a fixture in the Generali/

BMA culture so long that it is hard to imagine her not being a part of this organization. She has taken great pride in her work, her company and her relationship with her co-workers. She will be greatly missed by all of those people who have worked closely with her.”

On behalf of all of us at Generali USA, congratulations, Karen! We will miss you!

Seasons Greetings and Best Wishes

for a Happy, Healthy New Year

From Your Friends At

Generali USA



Generali USA Life Reassurance

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