W&SFG Company Presentation

The Ohio State University
Don Myers & Stefan Webb
MAKING CINCINNATI GREAT...

TOGETHER
$50M in sponsorships and donations over the past five years

Western & Southern/WEBN Fireworks
Coming together to fight hunger while celebrating the last blast of summer

Walk MS
Leading the journey toward a cure for multiple sclerosis, one step at a time

Crib of the Nativity
Serving our neighbors in need, inspired by the spirit of Christmas

Western & Southern Open
Spotlighting our region and enhancing healthcare quality through world-renowned competition

Ride Cincinnati
Pedaling together on the road to end breast cancer forever

Western & Southern Thanksgiving Day Race
Running together to give thanks and support children’s health
more than $67B assets owned & managed

129 year tradition & business experience

18.5% capital-to-asset ratio

As of December 31, 2016
Diverse Solutions

- Life & Health Insurance
- Annuities
- Mutual Funds
- Investment Management
- Real Estate Investment
# Actuarial Department

There are 6 areas within the actuarial department:

| Implement Manage | Life Products | • Develops and prices life insurance products for all W&S companies  
• Annual product evaluations and product feature management |
|------------------|---------------|-----------------------------------------------------------------|
| Reserve Report   | Annuity Products | • Develops and prices annuity products sold for all W&S companies  
• Manages NGEs and hedges equity-linked product features |
| Financial Reporting* | Valuation | • Calculates GAAP, statutory, and tax reserves for all products inforce  
• Determines the timing and magnitude of profit recognition |
| Forecasting & Risk Analysis | Financial Reporting* | • Provides monthly and yearly analysis for financial reporting purposes  
• Maintains large database of policyholder and other information |
| Project Predict | Forecasting & Risk Analysis | • Ensures investments backing reserves are adequate and appropriate  
• Completes stress tests and manages the asset/liability segmentation  
• Supports the Financial Group’s ERM Framework |
| Enterprise Data & Analytics | Forecasting & Risk Analysis | • Early stages of predictive analytics work  
• Completes experience studies |

*Includes the reinsurance area
Job Levels

All associates report to an AVP in 1 of the 6 areas

Chief Actuary & CRO

→ F&RA reports to CRO, all others to Chief Actuary

AVP

⇒ Super successful actuaries like Don Myers

→ FSA with high performance

→ New FSA

→ ASA with 2 FSA exams passed

→ New ASA

→ Passed 3-4 ASA exams

→ Passed 1-2 ASA exams

Promotions are based on work performance and exam progress

Rotational Program
Introductions

Stefan Webb, Actuarial Analyst

• Originally from Cincinnati
• Graduated from OSU in May 2017
• Majored in Actuarial Science
  – General Business minor
  – Economics minor
  – Spanish minor
• Interned with W&S in Summer 2016 and started full time June 2017 – both in the Annuity Products division
• Passed Exams P, FM, and MFE while in school
Internship Program

• Living at Xavier University dorms for out-of-town interns

• Attend local sporting events – Cincinnati Reds game, FC Cincinnati game

• Meeting with managers from other departments throughout the enterprise

• Networking opportunities within and outside of the company
Internship Experience

• Completed meaningful and relevant work

• Hands-on experience with many projects that an analyst actually works on

• Exposed to modeling software and use of Excel that exceeds classroom capabilities

• Gained communication and collaboration skills in a professional, corporate environment
Life as a Full-Time Associate

• Quickly entrusted with several independent and co-dependent projects

• Currently have pricing responsibilities for our Market-Value Adjusted products and in many of our Pension Risk Transfer cases

• Work directly with others throughout the enterprise

• Produce several important weekly and monthly reports
Exam Study Program

• Competitive and holds students to a high standard
• Study time given and encouraged
• Exam registration fees, books, study materials, and seminars are covered
• Salary increase for passing exam scores
• Exam Sitting requirement
• Performance requirement

<table>
<thead>
<tr>
<th>Exam</th>
<th>Raises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exam P</td>
<td>$2,000</td>
</tr>
<tr>
<td>Exam FM</td>
<td>$2,500</td>
</tr>
<tr>
<td>Exam MFE</td>
<td>$2,500</td>
</tr>
<tr>
<td>Exam MLC</td>
<td>$3,000</td>
</tr>
<tr>
<td>Exam C</td>
<td>$3,000</td>
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</table>
Introduction

Don Myers, Assistant Vice President

- Graduated from The Ohio State University
  - B. S. in Actuarial Science
- Fellow of the Society of Actuaries (FSA)
- Celebrating 30 Years with Western & Southern Financial Group

Experience
- Financial Reporting
- Valuation
- Life Pricing
- Reinsurance
A Good Start to Your Career

Job Skills
• Strong GPA (3.3 - 4.0)
• Passed Actuarial Exam P/FM
• Finance/Econ/Accounting
• Specialized Math Knowledge
• Technology/Programming

Bonus
• Preparing for/scheduled to take actuarial exam FM/P
• Prior Internship or other work experience
• Have self-studied and understand what insurance is and the different types of products sold (shows ambition)

• Analytics
• Business Acumen
• Project Management
• Problem Solving
• Communication
• Excel/Word/Access
### Salary Details

Starting salaries can range from $51,000 to $76,000

<table>
<thead>
<tr>
<th>Life</th>
<th>&lt; 1 yr</th>
<th>1-3 yrs</th>
<th>3-5 yrs</th>
<th>5-7 yrs</th>
<th>7-10 yrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Exam</td>
<td>51-61</td>
<td>55-70</td>
<td>56-74</td>
<td></td>
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<tr>
<td>2 Exams</td>
<td>51-64</td>
<td>56-77</td>
<td>58-82</td>
<td>63-90</td>
<td></td>
</tr>
<tr>
<td>3 Exams</td>
<td>55-69</td>
<td>58-81</td>
<td>63-94</td>
<td>69-100</td>
<td></td>
</tr>
<tr>
<td>4 Exams</td>
<td>57-76</td>
<td>64-92</td>
<td>68-100</td>
<td>74-104</td>
<td>76-117</td>
</tr>
<tr>
<td>5 Exams</td>
<td>69-103</td>
<td>72-109</td>
<td>76-120</td>
<td>87-130</td>
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<tr>
<td>ASA</td>
<td>75-117</td>
<td>76-125</td>
<td>84-143</td>
<td>94-161</td>
<td></td>
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<tr>
<td>FSA</td>
<td>98-152</td>
<td>120-200</td>
<td>124-247</td>
<td></td>
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</tbody>
</table>
Employment

• Internship interview process begins in late August/early September
  – On-campus interviews → on-site interviews → offer
  – 4 actuarial interns per summer
    • Could to lead to full-time opportunities

• To see available career opportunities (both internships and full-time), visit:
  – Currently 2 open Actuarial Analyst positions
    • see FutureLink
**Professionalism** – the conduct, aims, or qualities that characterize or mark a profession or a professional

**Code of Conduct** – Requires actuaries to adhere to the high standards of

- Conduct
- Practice
- Qualifications of the actuarial profession

Supports the actuarial profession in fulfilling its responsibility to the public
## Precepts in the Code of Conduct

<table>
<thead>
<tr>
<th>Precepts</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Professional Integrity</td>
<td>Act <strong>honestly</strong>, with integrity/competence, &amp; in a manner to fulfill public responsibility</td>
</tr>
<tr>
<td>2. Qualification Standards</td>
<td>Perform actuarial services only when the actuary is <strong>qualified</strong> to do so</td>
</tr>
<tr>
<td>3. Standards of Practice</td>
<td>Ensure that actuarial services satisfy applicable <strong>standards of practice</strong></td>
</tr>
<tr>
<td>4. Communication/Disclosure</td>
<td>Ensure actuarial communications are clear, appropriate &amp; satisfies applicable <strong>SOPs</strong></td>
</tr>
<tr>
<td>5. Communication/Disclosure</td>
<td>Identify principal(s) for whom comm. is issued &amp; describe capacity the actuary serves</td>
</tr>
<tr>
<td>6. Communication/Disclosure</td>
<td>Disclose to present/prospective clients any comp from another party in related work</td>
</tr>
<tr>
<td>7. Conflict of Interest</td>
<td>Don’t perform actuarial services involving <strong>conflict of interest</strong> (with a few exceptions)</td>
</tr>
<tr>
<td>8. Control of Work Product</td>
<td>Take steps to ensure actuarial services are not used to <strong>mislead</strong> other parties</td>
</tr>
<tr>
<td>9. Confidentiality</td>
<td>Don’t disclose to another party <strong>confidential</strong> info unless authorized/required to do so</td>
</tr>
<tr>
<td>10. Courtesy &amp; Cooperation</td>
<td>Perform actuarial services with <strong>courtesy &amp; professional respect</strong></td>
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<tr>
<td>11. Advertising</td>
<td>Don’t engage in false or <strong>misleading</strong> actuarial advertising/business solicitation activities</td>
</tr>
<tr>
<td>12. Titles &amp; Designations</td>
<td>Use membership titles/designations only if it conforms to that <strong>organizations practices</strong></td>
</tr>
<tr>
<td>13. Violations of the Code</td>
<td>Attempt to resolve any known violation of the Code by another actuary</td>
</tr>
<tr>
<td>14. Violations of the Code</td>
<td>Respond promptly/truthfully/fully to any requested concerns regarding the Code</td>
</tr>
</tbody>
</table>
Associateship Professionalism Course (APC)

• The APC is part of the requirements for the ASA designation and Chartered Enterprise Risk Analyst (CERA) credential

• Completed after the preliminary exams are complete and is 1 day in an offsite location

• The course covers professionalism, ethics and legal liability
Continuing Professional Development (CPD)

- Applies to all ASAs, FSAs, and CERAs since 1/1/2009

- Must complete 60 units per 2 year cycle
  - 1 Unit = 50 minutes
  - 1 hour of FSA exam equals 2.5 hours of credit

- Allocation among the 3 categories is decided by each member while adhering to min and max standards:
  1. Job-relevant
  2. Professionalism
  3. Business & Management
Questions

• Feel free to contact us at:
  – stefan.webb@westernsouthernlife.com
  – don.myers@westernsouthernlife.com
Actuarial Board for Counseling & Discipline (ABCD)

• Established by US actuarial organizations to strengthen members’ adherence to the recognized standards of ethical and professional conduct

• 2 primary functions:
  – Provides guidance on professional issues
  – Considers complaints on possible Code violations

• Conduct educational outreach efforts
  – Presentations, magazine articles, etc.