THE STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT

21 South Fruit Street Suite 14
Concord, New Hampshire 03301

Christopher R. Nicolopoulos
Commissioner

David J. Bettencourt
Deputy Commissioner

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May 23, 2023

His Excellency, Governor Christopher T. Sununu
and The Honorable Council
State House
Concord, New Hampshire 03301

Requested Action

In accordance with RSA 94:6, the Insurance Department respectfully requests to place Jennifer (Hsiu-Chen) Li at the fifth step for the position of Chief Life, Accident, and Health Actuary (9U351), unclassified salary grade HH, earning $109,200.00 annually, effective upon G&C approval. Funding is 100% agency income.

Explanation

The Insurance Department's Chief Life, Accident and Health Actuary position requires a specialized skillset and subject matter expertise, and the ability to develop expertise, to conduct actuarial analysis of multiple insurance products. Ms. Li possesses the required skillset as a member of the American Academy of Actuaries (MAAA) and Associate of the Society of Actuaries (SOA). Ms. Li has developed her expertise through over twenty years of actuarial work including direct experience performing rate reviews on behalf of State government. Ms. Li will have a crucial role with responsibilities for informing the Insurance Department's leadership and staff on all life and health actuarial matters pertaining to the Department. In addition, Ms. Li will represent the Department on various commissions and boards.

The Insurance Department is seeking approval from Governor and Council to compensate Ms. Li, unclassified position at $109,200.00 with a starting date of June 30, 2023. The source of funds is 100% agency income.

Respectfully submitted,

Christopher Nicolopoulos, Esq.
Insurance Commissioner

Jennifer (Hsiu-Chen) Li, ASA, FCA, MAAA

SUMMARY

Enthusiastic and self-motivated actuarial professional with actuarial science, statistics, and engineering background. Years of practice in a broad range of insurance products including life, annuity, LTC, and Health policies. 17+ years of professional experience in State service, actuarial pricing, valuation, profit testing, projection, reinsurance, risk management, modeling, and product design. Experience performing examinations at various sites to conduct in-depth audits for a wide range of topics. Ability to handle complex actuarial issues, deal with difficult people and propose solutions to address risks. Effective communication techniques to present actuarial concepts using nontechnical language for non-actuarial people. Understand insurers' overall operations. Familiar with actuarial standards and regulations. Advanced level of developing regulatory review tools. Knowledge of actuarial software. Experience working with the state Commissioner, Federal government, company executives, and industry actuaries. 6+ years of supervising experience and motivating actuaries to carry out objectives. Strong ability to work independently, perform well in a fast-paced work environment, handle multiple projects simultaneously and produce results promptly.

WORK EXPERIENCE

Texas Department of Insurance 2023 – Present
Principle-Based Reserving Actuary, Actuarial Office, Financial Regulation Austin, TX

- Review PBR actuarial reports for life, annuity, LTC and health insurance, AG53 report, actuarial opinion and memorandums for asset adequacy analysis (e.g., cash flow testing); evaluate insurers' investment strategies and risk management, identify risks, ensure companies' assets are adequacy to support liabilities, check actuarial methods in detail, handle complex actuarial problems, communicate the findings with insurers and prepare formal letters with recommendations to advise companies' management for valuation improvement
- Monitor the impact of the growing volume of investments by insurers in complex or risky but less liquidity assets and check how the changes in actuarial assumptions and methods affect liabilities
- Act as a member of the NAIC valuation drafting group to review current regulations and prepare for the potential revision of regulations based on the industry survey results
- Develop materials and give presentations for training, education or information purposes

Alabama Department of Insurance 2021 – 2022
Senior Life and Health Actuary Montgomery, AL

- Reviewed life/annuity/LTC/health actuarial opinions and memorandums, rate filings, reserves, models, and information submitted to comply with State laws, Federal laws, and NAIC regulations
- Represented the State for several NAIC committees/task forces/working groups and industry events, and reported the material matters to the Commissioner
- Met with the federal government, NAIC, ACLI, and industry actuaries to discuss actuarial matters
- Assessed the impact of existing and proposed legislation with regard to actuarial matters and provided input
- Gave presentations and discussed with the Commissioner for material matters, made professional decisions for the department, prepared and sent formal letters to the Federal government on behalf of the Commissioner
- Led multistate life and annuity PBR reviews ensuring that insurers follow ASOPs, AGs, NAIC VM, and NY-PBR regulation, performed on-site exams, prepared internal reports, and sent management letters to the companies' management to enhance the actuarial reporting
- Created regulatory review tools and filing guidelines on an as-needed basis
- Met with the industry actuaries for the discussion on actuarial assumptions, methodologies, models, and material review findings; prepared and sent questions/objections/review letters to the industry actuaries
- Reviewed work papers from department consulting actuaries to ensure that the methodology and assumptions used seemed reasonable, provided feedback, and made decisions based on the reports that consultants provided

Protective Life 2020 – 2021
AVP and Actuary, UL Valuation, Life and Annuity Division Birmingham, AL

- Oversaw PBR calculations and verified VM requirements are reflected, prepared summary and PBR Actuarial Reports by following VM, ASOPs, new adopted APFs, and provided advice to improve methodologies and governance on PBR
- Developed PBR process documentation for the quarterly run for the step-by-step process for generating economic scenarios, updating default costs and new asset spreads, building asset tables, calculating DR,

performing SET, and running SR in accordance with VM-20. The documentation also includes A/E analysis, margins, and sensitivity tests for regulatory requirements
- Provided peer review for valuation works including quarterly PBR run, product implementation memo, reserve validation from PolySystems to MG-Alfa, checked and sign-off the results on vendor system's coding changes
- Reviewed the responses to the regulators' questionnaire to ensure the answers meet regulatory requirements and expectations and provided suggestions to improve the responses
- Performed quarterly valuation on SOX control for GAAP using SQL

California Department of Insurance 2016 – 2020
Actuarial Analyst, Financial Surveillance Branch, Office of Principle-Based Reserving Los Angeles, CA
- Reviewed companies' PBR Actuarial Reports to ensure that the methodology for establishing PBR reserve including assumptions, margins, calculations, and models meet the regulatory requirements defined in VM-31 and VM-20, and created questionnaires for the companies after reviewing the PBR reports
- Performed on-site examinations for the selected life insurers to audit the whole process for PBR valuation including corporate governance, model governance, modeling system, risk controls, spot-checking, and detailed review for each PBR component, such as mortality, expense, policyholder behavior, assets, etc.
- Designed the spreadsheet and conducted the review for PBR asset assumption setting for calculating DR and SR for life insurers and produced the reviewing summary report
- Prepared PBR internal reviewing report for discussing insurers' valuation and examination process, and took the notes for the next examination
- Led predictive modeling review, provided training and designed follow-up questions to support the PBR examination, and produced reviewing reports
- Reviewed NAIC VM and provided recommendations for APF to clarify and improve the existing VM
- Created a PBR process flowchart for the team to follow the proper PBR examination and review process
- Supported life actuarial office in reviewing insurers' asset adequacy report for variable annuity
- Summarized and updated VM-20 supplements spreadsheet on an annual basis for all life insurers doing PBR

Prudential Financial 2013 – 2015
Associate Manager, Product Design Taipei, Taiwan
- Provided product design internal peer review, ensured product development follows product pricing guidelines, meet all regulatory requirements, and meet all internal profit/risk governance standards
- Coordinated with all stakeholders, including pricing, IT, risk management, legal, and operations, marketing, sales, investment management, and valuation, to balance the competitiveness, profitability, and risk consideration of new and existing products
- Performed feasibility analysis, prepared product mix report, assessed pricing results, and provided direction to adjust and smooth the price taking into consideration all regulations and actuarial guidelines applicable to the products
- Directed product life cycle management to manage all product-related data and presented product progress and results in the Product Steering Committee meeting
- Developed LTC products with tail risk consideration

Sinatay Life 2010 – 2013
Actuarial Manager, Product Design Taipei, Taiwan
- Directed product design, led periodic product review and development meetings to ensure the appropriate communication between all relevant teams and removed the barriers to make sure the product development process went smoothly, such as pricing, financial performance, operational effectiveness, systems capabilities, underwriting rules, risk controls, legal documents, marketing materials
- Reviewed work from junior staff, motivated them to carry out objectives, and facilitated training programs to improve work performance and efficiency
- Created annual product plan and maintained/updated the plan every quarter to ensure that the plan meets the business goals and financial purposes
- Provided timely, accurate, and cost-effective actionable information to support the actuarial functions of product development, pricing, reserving, and financial reporting

Aviva Life 2009 – 2010
Senior Actuarial Associate, Product Design Taipei, Taiwan

- Led meetings with IT managers for inventing a New Business System that led to expedite the policies analysis process and ensured that the system is functioning optimally and efficiently
- Evaluated various insurance programs, developed new products, prepared product feature paper, priced new products, repriced existing plans, and proactively discussed product details with relevant teams
- Handled the tasks of monitoring industry trends in the competitive market to maintain the trend in the product, regulations, and market conditions
- Reviewed the provisions of the new product to ensure it meets the requirements, provided advice, and discussed with the legal team while necessary

AIG Life 2007 – 2009
Senior Actuarial Associate, Pricing Taipei, Taiwan

- Built an actuarial model success in the first month for three purposes: 1) Developed the premium structure for new and existing products; 2) Performed profit testing; 3) Supported spot-checking with coworkers
- Analyzed the development of pricing strategies by using my actuarial model and provided suggestions to improve profit margins
- Applied actuarial science and research, including monitoring development in actuarial techniques, standards, assumptions, and the legal and regulatory environment to determine the impact on the existing pricing assumptions and formulas
- Prepared filing documents, supported product implementation and launch

ING Life / Voya Financial 2005 – 2007
Senior Corporate Actuarial Analyst, Valuation Taipei, Taiwan

- Performed Prophet modeling, and played the key role in checking/revising the codes to improve valuation modeling and reporting efficiency
- Maintained Prophet valuation system for product changes, assumption updates, and regulation refinements
- Produced and analyzed monthly, quarterly, and annual valuation production duties for IFRS/GAAP/STAT Valuation Ran the profit report under different profit standards for each product, explained model results and deviations from expectations
- Ran the profit report under different profit standards for each product, explained model results and deviations from expectations
- Supported ALM and Capital model analysis, wrote the actuarial memorandum of validation summary of cash flow for MCEV/ EV/ EEV to summarize the issues
- Prepared Appointed Actuary report and developed the compliance manual for regulatory requirements

Met Life 2001 – 2005
Actuarial Intern, Pricing Taipei, Taiwan

- Assisted with analyses of new products and in-force business, including rate setting, data analysis, profitability projection, research, and summarizing results
- Built spreadsheet tools to analyze product and policy data
- Modified and ran actuarial models as needed, reviewed the appropriateness of results
- Provided technical assistance with regard to questions, calculations, or problems encountered in other teams

SOFTWARE EXPERIENCE

- Predictive Modeling: R
- Spreadsheet: Excel
- Actuarial Vendor System: AXIS, MG-Alfa, PolySystems, Prophet
- Statistics System: SAS, SPSS

ARTICLES

- Offshore Reinsurance[1], The Actuary Magazine, Society of Actuaries, 2023
- Views on Actuarial Risk, The Actuary Magazine, Society of Actuaries, 2022 https://www.theactuarymagazine.org/views-on-actuarial-risk/
- The Impact of IFRS on Liability of Life Insurance Products, Master Thesis, Feng-Chia University, 2005

[1] This article will be published in the third quarter of 2023.

QUALIFICATIONS

- Associate of the Society of Actuaries (ASA)
- Fellow of the Conference of Consulting Actuaries (FCA)
- Member of the American Academy of Actuaries (MAAA)

EDUCATION[2]

Master of Science in Statistics and Actuarial Science, Feng-Chia University 2003–2005
- GPA: 3.9/4.0 Taichung, Taiwan

Bachelor of Business in Statistics, Feng-Chia University 2000–2003
- GPA: 4.0/4.0 Taichung, Taiwan

Bachelor of Science in Industrial Engineering, Southern Taiwan University of Science and Technology 1995–2000
- GPA: 3.3/4.0 Tainan, Taiwan

VOLUNTEER

American Academy of Actuaries 2023 – Present
- Member of the following task force and working groups under life practice council committees and risk management and financial reporting council committees
  1) Asset Adequacy and Reinsurance Issues Task Force
  2) Assets Modeling Working Group
  3) Behavioral Economics Working Group
- Identify gaps in existing guidance (e.g., ASOPs, Practice Notes, Valuation Manual) and provide recommendations to fill in gaps based on my regulatory experience
- Prepare actuarial issue brief for education or information purposes

Society of Actuaries 2022 – Present
- Write articles to teach, inform, and impact knowledge and content that is not only interesting but also helpful to readers in their daily work; provide facts and material of interest for learning purposes in articles

[2] My foreign academic credentials have been evaluated by Morningside Evaluations in New York to demonstrate their equivalency in the United States.