

## VICTOR MODUGNO

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### PROFESSIONAL EXPERIENCE

#### Consulting Actuary (Self Employed)

2000 - Present

Provided consulting on GIC and structured settlement reinsurance to an offshore reinsurer. Provided consulting on structured settlements. Completed five studies for the Society of Actuaries: “The Impact of Reversion Taxes on Pension Plan Funding”, “30 year Treasury Rates and Defined Benefit Plans”, “The Impact of Insufficient Retirement Savings on Workforce Management”, “Estimating Risk Premiums” and “Factors Affecting Retirement Mortality.” Completed a study of terminal funding pricing for an insurer. Provided consulting on a DOL claim for an insurer. Provided expert testimony in five lawsuits: *In re US Airways*, *Dupree v. Prudential*, *General Motors v. United States*, *Sunkist v. Harding*, and *In Re Wellington Trust*. Provided consulting and named as an expert in the following cases: *ATKN Inc.*, *Enron*, *Delta*, *United Airlines*, and *Goldman Sachs*.

#### Transamerica Life Companies, Los Angeles, CA

1990 – 2000

##### Vice President, Transamerica Asset Management (1995 – 2000)

Developed new products, investments, and structures to improve the value-added of institutional business. Responsible for pricing, reserving, and reinsurance strategies for structured settlements. As result of these efforts assets increased by 25% per year, reaching \$21 billion by 1999.

- Improved cash management by creating a Commercial Paper Conduit for funding agreements, which included structuring, investigating 3<sup>rd</sup> party vendors, negotiating best terms, and dealing with rating agencies. First of its kind in capital markets; also unique in using partial liquidity. Outstandings reached \$1 billion within a year, saving \$1 million annually in cost of funds
- Reduced management concerns about liquidity and risk concentration by negotiating a treaty with an offshore reinsurer using a reserve credit trust to cede \$400 million of short floating rate funding agreements, which also increased annual fee income by \$1 million.
- Created credit enhanced separate account GICs. Wrote term sheet, structured separate account, and met with several guarantors. Negotiated very favorable terms. First credit enhanced AAA GICs to be used in municipal market. Assets in separate account exceeded \$600 million within one year.
- Provided a capital efficient platform for alternative investment strategies by creating and marketing an Index Separate Account. Assets in this account grew to \$1.2 billion within a few years.
- Developed a pricing strategy for structured settlements using reinsurance and improved investment and mortality assumptions resulting in successful reentry into market; significantly reduced capital required in existing structured settlement block using financial reinsurance. Reviewed structured settlement mortality and underwriting for substandard annuities.

##### Second Vice President/Director, Pension Group Products

(1990 – 1995)

Managed a unit (starting at 5 employees and growing to 20) responsible for pricing, underwriting and business development for institutional products. Assets grew from \$1 billion to \$7 billion as a result.

- Spearheaded TA’s entry into municipal reinvestment market in 1990, resulting in lower cost of funds and more diversified liabilities. This grew into the largest line as measured by deposits
- Created floating rate funding agreements for money market funds. TA was early entrant and this book of business grew to over \$1.5 billion.
- Developed Synthetic GIC product, including pricing, administration, and compliance. This became the main product for stable value unit with several billions in notional deposits.
- Initiated GIC pool strategy to specialize in GIC pools that have diversification requirements resulting in profitable business and leveraging relationships developed with GIC managers to write large single case business.
- Developed business, new products, and strategies increasing TA’s institutional sales from \$300 million to \$5 billion. TA moved from 15<sup>th</sup> place to 1<sup>st</sup> place in LIMRA survey.

#### Executive Life, Los Angeles, CA

1986-1990

##### Associate Actuary, Actuarial Division

Responsible for immediate annuity (including structured settlements, single premium immediate annuity, and terminal funding) pricing and reserving. Resident expert on pension products.

- Developed new products for institutional market including market value surrender for GICs, floating rate GICs, guaranteed separate account, and a managed fund separate account, resulting in increased assets
- Created a series of GIC products for small pension plans and “Solutions Retirement Income Policy” designed to take advantage of IRC section 412(i)
- Improved statutory results through financial reinsurance and NY 126 compliance and A/L management through selection of consultants and computer systems

**Pacific Mutual, Newport Beach, CA**

**1980-1986**

**Assistant Actuary, Group Pension Actuarial (1982 – 1986)**

Developed new products and pricing for group pension business unit.

- Created terminal funding line of business, including getting internal approvals, pricing, developing a business plan, contracts, proposal system (including contracting with outside vendor), investment strategies, and marketing. Originated contacts with consultants in this market. Sales exceeded \$200 million after one year.
- Served as Secretary to the Insurance and Pricing Committee, which reviewed all new products, agents’ compensation, pricing strategies, and financial reinsurance used at Pacific Mutual.

**Assistant Actuary, Group Pension Systems (1980 – 1982)**

Responsible for pension systems. Purchased a turnkey system of small cases and designed a system for large cases. Introduced 401k plans and completed numerous cost benefit studies for purchase or building of pension systems

**Metropolitan Life, New York, NY**

**1971-1980**

**Actuarial Assistant to Actuarial Associate**

Held several positions in an actuarial training program. Accomplishments included writing a Fortran program to product bid letters for master terminal funding annuities that generated \$300 million in sales. After obtaining FSA, became manager of the Terminal Funding Closeout unit with staff of 12 and sales of \$50 million per year. Created several innovations in pricing.

**EDUCATION**

FSA, 1977; MAAA, 1979; FCA 2005; BA Magna cum Laude, Phi Beta Kappa, Departmental Honors, 1971, Queens College, Flushing, New York.

**PUBLICATIONS**

Over 20 papers have been published, including one that won a Society of Actuaries award. Publications include: “The Impact of Insufficient Retirement Savings on Workforce Management”, “Estimating Risk Premiums” (SOA Website) “Mortality Makeover,” November/December 2010 Contingencies, “Could Developments in Anti-Aging Medicine Invalidate the Actuarial Model of Mortality Improvement?,” Revista Actuario, “Seismic Shifts in Pension Investments Spell Opportunities for U.S. Life Insurers” Risks and Rewards August 2008, “The Impact of Reversion Taxes on Pension Plan Funding,” SOA Website, January, 2007, “Other Assumptions in the Pension Funding Debate,” Pension Section News, April, 2006; “Factors Affecting Retirement Mortality,” SOA Website, July, 2003; “Terminal Funding and Stable Value GICs”, Risks and Rewards, May, 2002; “30 year Treasury and Defined Benefit Pension Plans”, Risks and Rewards, February, 2002; “Index Separate Accounts”, Risks and Rewards, February, 2001; “Municipal Reinvestment Contracts”, Risks and Rewards, September, 2000; “Report from the SOA annual meeting in New York”, Risks and Rewards, February 1999; “Synthetic GIC and Guaranteed Separate Account Model Regulation”, Risks and Rewards, October 1998; “NAIC Model Investment Law – Report from the New York Meetings”, Risks and Rewards, 1995; “The Failure of Executive Life”, Society of Actuaries Study Note 590-21-93; *Broken Promises*, Pacific Insurance Press, 1992; “Funding Through Insurance Contracts”, Transcript, 1990 Enrolled Actuaries Meeting, Vol. II; “The Pension Investment Marketplace for Life Companies”, Contingencies, May/June 1990; “New Uses for Life Insurance Policies in Pension Plans”, Life Insurance Selling, February 1990; discussion of “The Effects of Mortality on Individual Annuities”, Transactions, 1989 vol. 40; “Insurance Company Products in Pensions Funding”, Record, April 1988, vol. 14; “Getting the Best Deal in an Annuity Purchase”, Pension World, April 1987; “Terminal Funding”, Transactions, 1986, vol. 37.