



Federal Bar  
Association

# INSURANCE TAX SEMINAR

May 31 - June 1, 2018  
JW Marriott • Washington, D.C.

## PRESENTED BY THE FBA SECTION ON TAXATION IN CONJUNCTION WITH THE OFFICE OF CHIEF COUNSEL, INTERNAL REVENUE SERVICE

The insurance industry is constantly evolving, offering new and improved products to meet the needs of a changing demographic, and adopting new approaches to deal with changes in tax rules and regulatory requirements. The intersection of these rules for insurance companies is an increasingly complex landscape that calls for insurance tax professionals and IRS representatives to work closely and efficiently. The FBA Section on Taxation once again provides a forum for both sides to share information, exchange ideas, and forge networking relationships with others in the industry. Learn from experts about recent changes affecting the industry as a result of the Tax Cuts and Jobs Act, and best practices for tax planning and compliance.

## THURSDAY, MAY 31

7:45–8:45 a.m.

### Registration and Continental Breakfast

8:45–8:55 a.m.

### Introduction and Welcome by the Seminar Coordinators

- Lori J. Jones, Scribner, Hall & Thompson LLP
- Alexis A. MacIvor, Branch Chief, Insurance Branch, Office of Chief Counsel (FI&P), I.R.S.

9:00–10:00 a.m.

### Session 1: TAX CUTS AND JOBS ACT: A HIGH-LEVEL OVERVIEW

*High-level overview of the changes affecting insurers in the Tax Cuts and Jobs Act. The panel will also discuss the status/likelihood of a technical corrections bill.*

- Pamela Olson, U.S. Deputy Tax Leader & WNTS Leader, PriceWaterhouse Coopers LLP (moderator)
- Philip M. Jacobs, Principal, U.S. Insurance Tax Sector Lead, KPMG LLP
- Matthew MacMillen, Vice President, Corporate Tax and Investment Accounting and Operations, Lincoln Financial Group
- Joseph B. Sieverling, Senior Vice President and Director of Financial Services, Reinsurance Association of America

10:05–11:05 a.m.

### Session 2A: LIFE COMPANY TAX ISSUES: TAX REFORM AND AUDIT ISSUES

*In depth discussion on the technical changes to subchapter L as applicable to life companies in the Tax Cuts and Jobs Act and potential technical corrections/IRS guidance. The panel will also discuss current audit issues facing life insurance companies and any recent IRS rulings on life company tax issues.*

- Ann Cammack, Principal and Senior Tax Advisor, Ernst & Young LLP (moderator)
- Sanjeev Doss, Head of Tax Planning, Brighthouse Financial
- Sheryl B. Flum, Managing Director, Washington National Tax, KPMG LLP
- Michael J. Pelzel, Vice President Tax, Ameriprise Financial
- Alexis A. MacIvor, Branch Chief, Insurance Branch, Office of Chief Counsel (FI&P), I.R.S.

### Session 2B: HOW WILL THE NEW "TERRITORIAL" SYSTEM AFFECT INSURERS?

*This panel will begin with a high-level overview of the new territorial system and its limitations and uncertainties. It will also discuss in detail the technical application of the specific provisions in the Tax Cuts and Jobs Act to insurers with international operations or investments.*

- Clarissa C. Potter, Principal, Tax, KPMG LLP (moderator)
- Paul Aronoff, Vice President, Corporate Counsel, Prudential Insurance
- Eric Miller, Senior Tax Counsel, AIG
- Steven D. Jensen, Senior Counsel, International, Office of Chief Counsel, I.R.S.

11:20 a.m.–  
12:20 p.m.

### Session 3A: LIFE COMPANY TAX RESERVES: TAX REFORM, PBR AND AUDIT ISSUES

*The panel will provide an in-depth discussion of the changes in the Tax Cuts and Jobs Act to the computation of life insurance reserves and new rules on changes in basis in computing reserves. It will also focus on any relevant audit issues relating to the computation of reserves such as the tax status of the Industry Issue Resolution request with respect to Principle-Based Reserves.*

- Art Schneider (moderator)
- Scott L. Lenz, Vice President and Deputy General Counsel, New York Life
- Regina Y. Rose, Vice President, Taxes & Retirement Security, American Council of Life Insurers
- Peter H. Winslow, Partner, Scribner, Hall & Thompson LLP
- Shafron E. (Shay) Hawkins, Legislative Assistant for Senator Tim Scott (R-SC)

### Session 3B: BEAT AND GILTI ANTI-ABUSE PROVISIONS IN THE NEW TERRITORIAL SYSTEM

*This panel will focus on the application of the new anti-abuse rules in the territorial system and how the rules are expected to impact insurer operations/investments in the U.S. and foreign countries. Specifically, the panel will discuss the base erosion and anti-abuse tax (BEAT) and the new global intangible low-taxed income (GILTI) provisions.*

- Angela J. Walitt, Partner, Baker McKenzie LLP (moderator)
- Richard J. Burness, Senior VP and Global Head of Tax, Athene Holding Ltd.
- Frederick Peurye, VP Taxation, Great-West Financial
- Brenda Viehe-Naess, Washington Advocates Group
- Peter Merkel, Senior Technician Reviewer, International, Office of Chief Counsel, I.R.S.

### **Session 3C: STATE AND LOCAL TAX ISSUES**

*This panel will discuss relevant state and local tax issues that affect insurance companies and new issues that could arise at the state and local level as a result of the Tax Cuts and Jobs Act.*

- Timothy Mahon, Principal, Financial Services, Ernst & Young LLP (moderator)
- Eugene Capobianco, Corporate Vice President, Tax Department, New York Life
- Sahang-Hee Hahn, Assistant Vice President & Counsel, MassMutual Financial Group

**12:30–1:45 p.m.**

### **Session 4: LUNCHEON AND ADDRESS**

- Introduction: Brion D. Graber, Partner, Scribner, Hall & Thompson LLP
- Speaker: Preston Rutledge, Assistant Secretary of Labor at the Employee Benefits Security Administration

**2:00–3:00 p.m.**

### **Session 5A: PROPERTY/CASUALTY COMPANY TAX ISSUES: TAX REFORM AND AUDIT ISSUES**

*This panel will discuss the changes to the taxation of property/casualty companies, including changes in tax reserves, under the Tax Cuts and Jobs Act. It will also discuss any common audit issues affecting property/casualty insurers and possibly how those issues are affected by the Act.*

- Kristan Rizzolo, Partner, Eversheds-Sutherland LLP (moderator)
- Margaret Labno, Vice President, Tax and Accounting Policy, Property Casualty Insurers of America
- Scott Rynda, Senior Vice President Corporate Tax, Travelers Insurance
- Kathryn M. Sneade, Attorney, Insurance Branch, Office of Chief Counsel (FI&P), I.R.S.
- Larry White, Actuary, I.R.S

### **Session 5B: GENERAL UPDATE ON INTERNATIONAL TAX ISSUES**

*This panel will focus on a pot pourri of international tax issues which affect insurance companies, such as the determination of whether a business constitutes a U.S. trade or business, measuring earnings and profits of foreign operations, and an overview of new international information reporting provisions.*

- John J. Peel, Partner, PriceWaterhouse Coopers LLP (moderator)
- Surjya Mitra, Managing Director, PriceWaterhouse Coopers LLP
- Wayne Schonland, Vice President & Chief Tax Officer, Everest Re Group, Ltd.
- Steven D. Jensen, Senior Counsel, International, Office of Chief Counsel, I.R.S

### **Session 5C: UPDATE ON PARTNERSHIP AUDIT RULES**

*This panel will provide an update on the new partnership audit rules and discuss how the new rules could or should impact on the terms of a partnership agreement.*

- Eric Sloan, Partner, Gibson Dunn (moderator)
- Ossie Borosh, Principal, KPMG LLP
- Glenn Dance, Managing Director, Grant Thornton
- Brendan O'Dell, Attorney-Advisor, Office of Tax Policy, Treasury (invited)

**3:05–4:05 p.m.**

### **Session 6A: LB&I CAMPAIGNS – LESSONS LEARNED FROM IRS' PERSPECTIVE**

*This panel will provide an update on the IRS LB&I campaigns and lessons learned from the IRS point of view as a result of the campaign approach.*

- Ruth Perez, Principal, PriceWaterhouse Coopers LLP (moderator)
- Barbara B. Franklin, LB&I Division, IRS (invited)
- Helen M. Hubbard, Associate Chief Counsel, Financial Institutions & Products, Office of Chief Counsel, IRS(invited)
- Gloria C. Sullivan, Acting Director, Enterprise Activities PA, LB&I Division, IRS (invited)

### **Session 6B: PRODUCT TAX UPDATE**

*This panel is intended to update attendees on federal income tax issues impacting insurance products, including the impact of tax reform on product taxation and design, treatment of investment advisory fees under qualified and nonqualified contracts, consequences of changes to the IRS Priority Guidance Plan, treatment of missing participants and beneficiaries and developments affecting IRAs and section 403(b) annuities.*

- Mark E. Griffin, Partner, Davis & Harman LLP
- Eric Lanning, Vice President & Senior Counsel, Lincoln Financial Group
- Chris Phanco, Tax Counsel, Pacific Life Insurance Company

### **Session 6C: HEALTH INSURANCE COMPANY TAX ISSUES**

*This panel will include an update on the health insurance company tax issues, including the ACA, after the Tax Cuts and Jobs Act. It will also include an overview of recent developments in the tax issues affecting health insurance companies in audits.*

- Maria Jones, Partner, Miller & Chevalier LLP (moderator)
- Megan Z. Lansden, Partner, Financial Services, Tax, Ernst & Young LLP
- Kevin Owens, Executive Director, Plan Tax and Financial Regulatory Services, Blue Cross Blue Shield Association
- Rebecca L. Baxter, Senior Technician Reviewer, Office of Chief Counsel (FI&P), I.R.S.

**4:20–5:20 p.m.**

### **Session 7A: TAX/CAPITAL PLANNING/FINANCIAL REPORTING AND CORPORATE STRATEGY**

*This panel will focus on the perspective of the insurance company and how federal income tax matters are relevant for purposes of managing the amount of capital and satisfying risk-based capital requirements. This panel will also discuss the book impact of tax reform and the rate reduction on DTAs, DTLs, and any relevant guidance from FASB on these matters.*

- Tracy D. Williams, Partner, Sidley & Austin LLP (moderator)
- Stephen R. Baker, Vice President, Tax, Symetra Financial Corporation
- Thomas Gibbons, Senior Vice President, Pacific Life Insurance Company
- Kai Talarek, Partner, Oliver Wyman

### **Session 7B: COMMON INFORMATION REPORTING ISSUES**

*This panel will discuss common information reporting issues with respect to insurance products.*

- Gregory K. Oyer, Partner, Scribner Hall & Thompson LLP (*moderator*)
- Ernest V. Molinari, Vice President & Corporate Counsel, Prudential Financial
- Colleen Phalen, Product Tax Senior Manager, CUNA Mutual

#### **Session 7C: WHAT RISKS QUALIFY AS INSURANCE RISKS AND WHY?**

*The panelists will review business, political, and economic risks and will discuss whether they can qualify as insurance risk.*

- Walker Johnson, Partner, Steptoe & Johnson LLP (*moderator*)
- Mike Angelina, Executive Director, Academy of Risk Management & Insurance, Saint Joseph's University
- Randy Beckie, Managing Director, Frontrunner Captive Management LLC
- Jim McNichols, Professor, Risk Engineering & Systems Analytic Center, Clemson University
- John E. Glover, Senior Counsel, Insurance Branch, Office of Chief Counsel (FI&P), I.R.S.

5:30–7:00 p.m.

**Reception—All Registrants Welcome**

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## FRIDAY, JUNE 1

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7:45–8:25 a.m.

**Registration and Continental Breakfast**

8:25–8:30 a.m.

**Introduction/Reminders**

8:30–9:15 a.m.

#### **Plenary Session: UPDATE FROM THE INSURANCE BRANCH**

This session includes representatives from the Insurance Branch who will discuss advice, letter rulings, and guidance issued by the Branch within the last year and current projects being considered by the Branch.

- Alexis A. MacIvor, Branch Chief, Insurance Branch, Office of Chief Counsel (FI&P), I.R.S. (*moderator*)
- Rebecca L. Baxter, Senior Technician Reviewer, Office of Chief Counsel (FI&P), I.R.S.
- John E. Glover, Senior Counsel, Insurance Branch, Office of Chief Counsel (FI&P), I.R.S.
- Dan Phillips, Attorney, Insurance Branch, Office of Chief Counsel (FI&P), I.R.S.
- Kathryn M. Sneade, Attorney, Insurance Branch, Office of Chief Counsel (FI&P), I.R.S.

9:20–10:20 a.m.

#### **Session 8A: INVESTMENT TAX UPDATE (INCLUDING TAX REFORM)**

This panel will provide an overview of the provisions in the Tax Cuts and Jobs Act which affect the taxation of investments from an insurance company perspective. It also would include a discussion of any common audit issues with respect to the taxation of investments.

- Frank Strong, Managing Principal, Financial Instruments Group, Deloitte LLP (*moderator*)
- Alan Fu, Vice President and Tax Counsel, Prudential Financial
- Helen P. Herbert, Head of Investments Tax, Tax Department, Brighthouse Financial

#### **Session 8B: TAX REFORM AND EMPLOYEE COMPENSATION AND BENEFITS**

This panel will discuss changes in the compensation area under the Tax Cuts and Jobs Act, including the elimination of the performance-based exception to section 162(m) and the transitional rule, and changes to the deductibility of fringe benefits and retirement plans.

- Margaret (Meg) R. McIntyre, Senior Associate, Hogan Lovells LLP (*moderator*)
- Michael L. Hadley, Partner, Davis & Harman LLP
- Daniel Hogans, Principal, Groom Law Group

#### **Session 8C: TAX TRANSFORMATION – WHAT WILL AN INSURANCE TAX DEPARTMENT LOOK LIKE IN 5 YEARS?**

This panel will discuss the latest developments in tax technology and try to project how tax reform and technology will change the operation of tax departments within insurance companies over the next five years.

- Dave Altschuler, Partner, Deloitte LLP (*moderator*)
- Karen Bain, Vice President – Head of Tax, New York Life
- Cherie Pashley, Senior Vice President Tax and Treasury, UNUM

10:40–11:40 a.m.

#### **Session 9A: ETHICS AND CYBERSECURITY ISSUES**

This panel will discuss the ethical issues and requirements raised by cybersecurity concerns in the insurance industry.

- Stewart Baker, Partner, Steptoe & Johnson LLP (*moderator*)
- Neal Pollard, Director, Cyber Incident and Threat Management, PriceWaterhouse Coopers LLP
- Susan Seabrook, Partner, Eversheds-Sutherland LLP

#### **Session 9B: The Process of Tax Reform**

This panel will discuss the process of tax reform, including the process that led to the recent Tax Cuts and Jobs Act. The panel may also discuss the legislative process including technical corrections and preparation of the Blue Book after the enactment of new tax legislation.

- Randy Hardock, Partner, Davis & Harman LLP (*moderator*)
- Harvey Blitz
- Cecily W. Rock, Senior Legislation Counsel, Joint Committee on Taxation
- Karl Russo, Senior Economist, Joint Committee on Taxation

11:45 a.m.–12:30 p.m. **TAKEAWAY PANEL**

This panel will summarize key points from all of the panels presented in the Seminar and answer any questions posed to the panel by attendees.

- Michael Chesman, Senior Vice President, Associate General Counsel & Director of Tax Law, Hartford (*moderator*)
- Jean Baxley, Managing Director, Deloitte Tax LLP
- Lori Robbins, Managing Director, KPMG Washington National Tax
- Mark S. Smith, Managing Director, PriceWaterhouse Coopers LLP

- Howard Stecker, Executive Director, Insurance Tax, Ernst & Young LLP

12:30 p.m.

Box Lunches Available

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