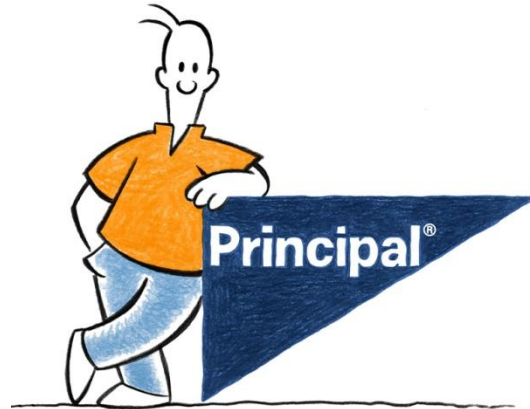


University of Iowa September 18, 2009

# Statistics and Actuarial Science

Terry Lillis, Senior Vice President and Chief Financial Officer  
Principal Financial Group



WE'LL GIVE YOU AN EDGE<sup>SM</sup>



# Agenda

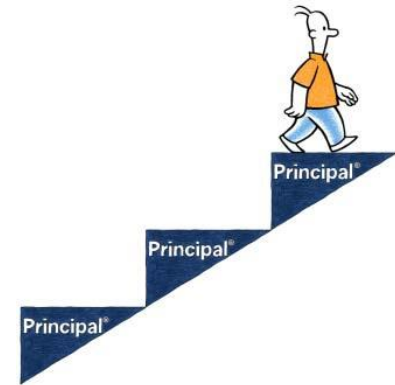
- Introduction
- Actuarial career opportunities
- Your career
  - Skill sets
  - Advice
  - Future Education Methods (FEM) Proposals
- Financial crisis/leadership

# Pre-Principal Career

- Simpson College – undergraduate
- U.S. Army – Republic of Korea
- Math teacher and coach
- University of Iowa – Actuarial Sciences

# Principal Career

- Actuarial student
- Liaison with rating agencies
- Chief Actuary – HMO Operations
- CFO - Retirement Division
- CFO of Principal Financial Group



# Actuarial Career



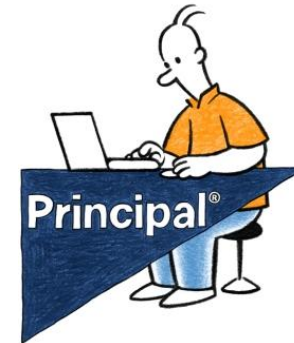
# Actuarial Career Opportunities

- Traditional
  - Product pricing
  - Financial modeling
  - Risk management
- Non-Traditional
  - Product development
  - Tax
  - Business unit management
  - CFO



# Actuarial Career Skill Sets

- Math and financial acumen
- Computer skills
- Analytical/problem solving
- Communication
  - Oral
  - Written
  - Listening
- Good business sense
- “2-minute” drill



## Actuarial Career Advice

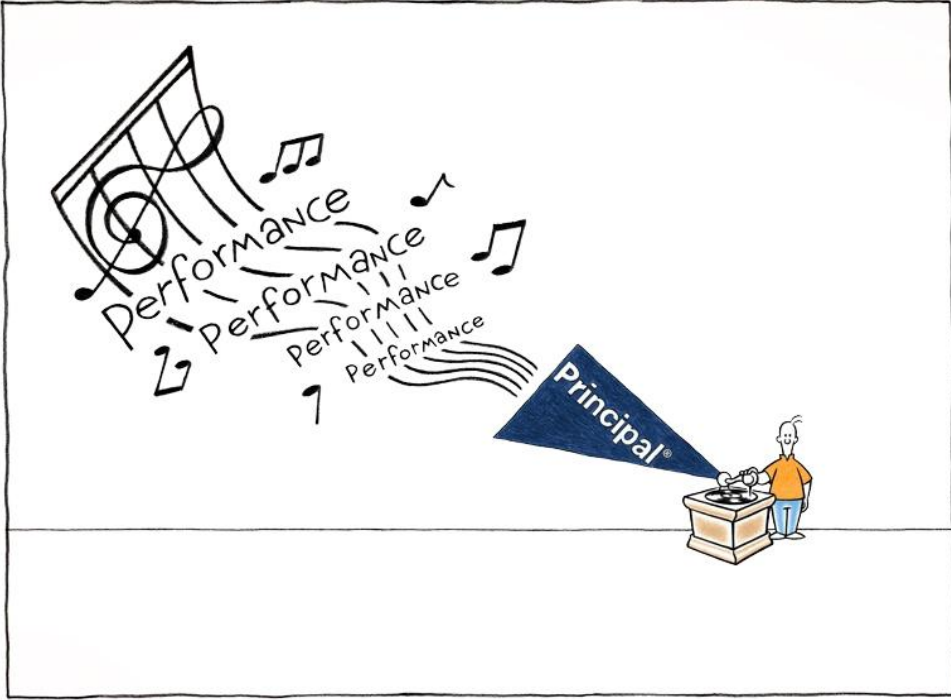
- Skill/competency development
- Share ideas and thoughts
- Work/life balance
- Be engaged, network
- Self-motivated, independence
- Rely on yourself for development



# Actuarial Career Issues

- Employment opportunities
- Future Education Methods (FEM) Proposals
- SOA leadership

# Leading in Turbulent Times



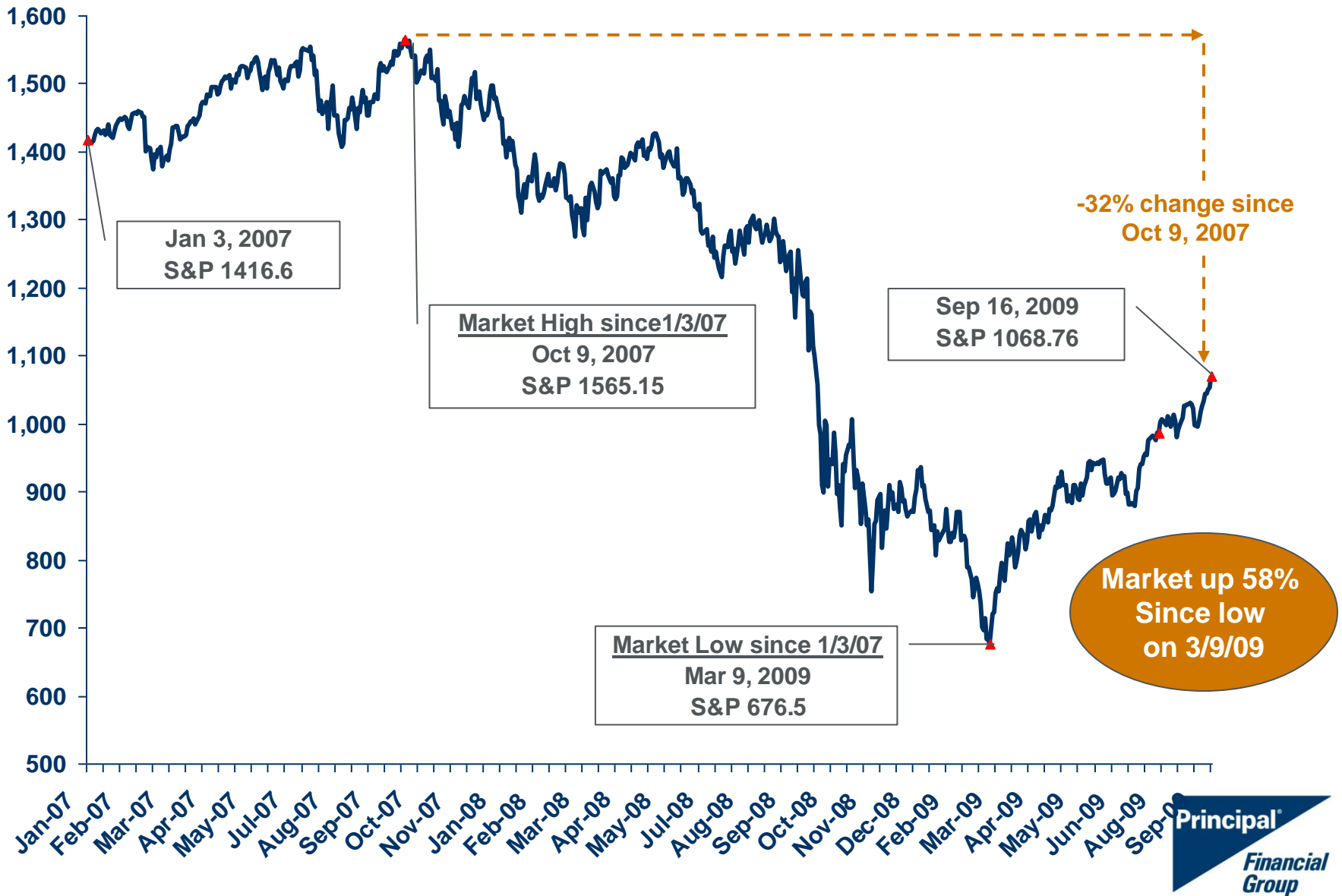
# Leading in Turbulent Times

## Financial Crisis

- Macroeconomic environment
- Capital markets
- Company failures
- Regulatory/rating agencies
- Government intervention

# S&P Price Performance

01/01/2007 – 09/17/2009

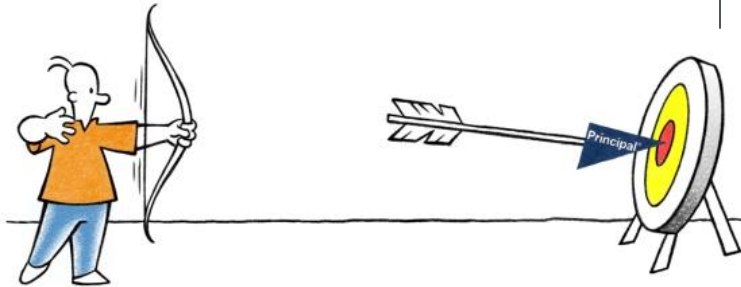


# Leading in Turbulent Times

## Focus on What You Can Control

### Strategic focus

- Positioned to capitalize on trends
- Diversified business model
- Diversified investment portfolio



### Business fundamentals

- Risk management
- Capital allocation/management
- Expense management
- Customer service
- Asset/liability management

# Leading in Turbulent Times

## What did we do?

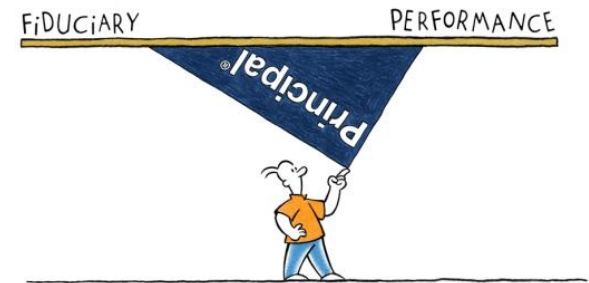
- Solidified our capital position
  - Reduced dividend
  - Suspended share repurchases
  - Raised capital
- Reduced exposure to risky businesses
- Instituted significant expense initiatives
- Held more cash to insure liquidity



# Leading in Turbulent Times

## What did we learn?

- Communication is very important
- Disciplined risk management is important
- Solid/diversified operating strategy
- Well-positioned to capitalize on trends
- Prudent capital management key
- Be prepared for “tail” risks
- Don’t underestimate accounting risks



# Questions?

