

# DEREK W. FREIHAUT, FCAS, MAAA

## Principal and Consulting Actuary | Bloomington, Illinois



Derek has considerable experience in assignments involving loss reserving, funding studies, loss cost projections, captive feasibility studies, risk transfer analyses, and personal and commercial lines ratemaking.

Prior to joining Pinnacle, Derek was employed at a large insurance company, where his responsibilities included personal and commercial lines pricing. His pricing duties included private passenger and commercial auto, commercial multi-peril and rental program lines of business.

Currently, Derek advises multiple self-insured entities, captives and insurance companies on matters relating to setting rates and financial reporting of unpaid claims liabilities, routinely presenting to boards of directors and executive committees charged with financial reporting. In addition, he assists several government entities' programs on matters relating to setting rates and estimating unpaid claims liabilities, and aids in regulatory review of rate filings and financial examinations.

He also assists in the internal audit process of numerous insurance companies for several different accounting firms, and assists state insurance departments, audit firms and insurance companies on determining risk transfer in reinsurance contracts consistent with FASB 113 and SSAP 62.

- ★ Qualified Actuary per the National Association of Insurance Commissioners (NAIC)
- ★ Qualified to sign statements of actuarial opinion per the American Academy of Actuaries (AAA)

### YEARS OF EXPERIENCE

22

### AREAS OF FOCUS

Loss Reserving, Funding Studies, Loss Cost Projections, Captive Feasibility Studies, Risk Transfer Analyses, Personal and Commercial Lines Ratemaking

### EDUCATION

Rose-Hulman Institute of Technology, 2002  
B.S. Mathematics, Economics

### CERTIFICATIONS

Casualty Actuarial Society (CAS), Fellow, 2006  
AAA, Member, 2006

### CURRENT VOLUNTEERISM

AAA  
Board of Directors, 2022 – Present

### THOUGHT LEADERSHIP HIGHLIGHTS

- "Risk Distribution — Expected Adverse Deviation (EAD) Case Studies," Captive.com, October 2024
- "Coffee Klatch for Opinion Writers," Casualty Loss Reserve Seminar (CLRS), September 2022, September 2023, September 2024
- "Expected Adverse Deviation," Best's Review, Issues & Answers, July 2024
- "Risk Distribution: Actuaries Leading the Way," Pinnacle APEX Webinar, April 2024
- "301: What Captives Need to Know about Inflation," Captive Insurance Companies Association (CICA), March 2024
- "Reserving for the Rest of Us: Understanding Actuarial Analyses," The National Comp 2023 Conference, September 2023
- "Impact of Inflation on Your Captive," Vermont Captive Insurance Association (VCIA) Annual Conference, August 2023
- "Impact of Inflation," Best's Review, Issues & Answers, July 2023
- "Risk Transfer and Risk Distribution – An Actuary's Perspective," VCIA Annual Conference, August 2022

## PROFESSIONAL PUBLICATIONS

- “Risk Distribution — Expected Adverse Deviation (EAD) Case Studies,” Captive.com, October 2024
- “Expected Adverse Deviation,” Best’s Review, Issues & Answers, July 2024
- “Impact of Inflation,” Best’s Review, Issues & Answers, July 2023
- “Expected Adverse Deviation as a Measure of Risk Distribution,” Variance, November 2021
- “Determining Risk Distribution,” Best’s Review, Issues & Answers, August 2021
- “Captive Formation: An Actuary’s Point of View,” Pinnacle Blog, May 2021
- “Risk Distribution,” Best’s Review, Issues & Answers, April 2018
- “Can the Black-Scholes Model Estimate How Much Premium is Too Much?” Pinnacle Blog, October 2017
- “Estimating Liabilities for Losses and Loss Adjustment Expenses,” Insurance Accounting and Systems Association (IASA) Property & Casualty Insurance Accounting Textbook – 9<sup>th</sup> Edition, Chapter 5, 2016
- “A Case for Peer Review,” Best’s Review, Issues & Answers, January 2016
- “Communication is Key to Successful Collateral Negotiations,” Pinnacle Actuarial Resources Monograph Program, January 2015
- “Loss Reserves: The IRS’ Kryptonite or Gold Mine?” Inside Medical Liability, Third Quarter 2014
- “Pinnacle of Success,” Best’s Review, Issues & Answers, August 2013
- “Common Pitfalls and Practical Considerations in Risk Transfer Analysis,” CAS E-Forum, Spring 2009
- “Actuarial Details of Risk Transfer Come to the Forefront,” The Interpreter, 2009

## PROFESSIONAL PRESENTATIONS

- “Coffee Klatch for Opinion Writers,” CLRS, September 2022, September 2023, September 2024
- “Risk Distribution: Actuaries Leading the Way,” Pinnacle APEX Webinar, April 2024
- “301: What Captives Need to Know about Inflation,” Captive Insurance Companies Association (CICA), March 2024
- “Statements of Actuarial Opinion at Year-End,” Pinnacle APEX Webinar, January 2022 – 2024
- “Actuaries and Auditors,” Cayman Captive Forum, December 2023
- “Reserving for the Rest of Us: Understanding Actuarial Analyses,” The National Comp 2023 Conference, September 2023
- “Impact of Inflation on Your Captive,” VCIA Annual Conference, August 2023
- “Understanding Your Actuarial Report: A Guide for Non-Actuaries,” The National Comp 2022 Conference, October 2022
- “Communication is the Key to Successful Collateral Negotiations,” The National Comp 2022 Conference, October 2022
- “Risk Transfer and Risk Distribution – An Actuary’s Perspective,” VCIA Annual Conference, August 2022
- “State of the Florida Homeowners Market,” Pinnacle APEX Webinar, November 2017 – 2022
- “Actuarial Perspectives on Risk Distribution for Captives,” SIIA’s National Conference and Expo, October 2021
- “Maximizing the Value of Your Actuarial Report and Opinion,” CLRS, September 2019 – September 2023
- “Expected Adverse Development as a Measure of Risk Distribution,” Pinnacle APEX Webinar, March 2018
- “Current Actuarial Issues in Captive Insurance,” Pinnacle APEX Webinar, October 2017

## EXPERT TESTIMONY

Riverview-Trenton Railroad Company and Central Transport, LLC 2018

## APPOINTED ACTUARY

21<sup>st</sup> Century Auto Insurance Company of New Jersey 2022 – Present

A. Central Insurance Company 2013 – Present

American Integrity Insurance Company of Florida, Inc. 2019 – 2020

Cherokee Insurance Company	2021 – Present
Consolidated National Insurance Company	2022 – Present
Diamond Insurance Company	2021 – Present
Edison Insurance Company	2016 – Present
Employers' Fire Insurance Company	2014
Enumclaw Property and Casualty Insurance Company	2014 – Present
Everspan Indemnity Insurance Company	2021 – Present
Everspan Insurance Company	2021 – Present
FBAlliance Insurance Company	2016 – Present
FBAlliance Insurance, Inc.	2016 – Present
Fidelity Fire & Casualty Company	2014
First Protective Insurance Company	2014 – Present
Florida Peninsula Insurance Company	2016 – Present
Forge Insurance Company (formerly Amalgamated Casualty Insurance Company)	2019 – Present
Frontline Insurance Unlimited Company	2015 – Present
Galen Insurance Company	2013 – 2016
Governmental Interinsurance Exchange	2014
Grand River Insurance Company	2023 – Present
Greenwood Insurance Company	2022 – Present
Insurance Placement Facility of Pennsylvania	2021 – Present
Lawyers Mutual Insurance Company of Kentucky	2014 – Present
Mutual of Enumclaw Insurance Company	2014 – Present
National Direct Insurance Company	2019 – Present
National Fire and Casualty Company	2014
Nevada General Insurance Company	2014 – 2015
New York Central Mutual Fire Insurance Company	2013 – Present
One Beacon America Insurance Company	2014
One Beacon Insurance Company	2014
Openly Insurance Company	2023
PEMCO Mutual Insurance Company	2015 – Present
Potomac Insurance Company	2014
Providence Washington Insurance Company	2022 – Present
Spinnaker Insurance Company	2015 – 2022
Spinnaker Specialty Insurance Company	2022
Underwriters at Lloyd's, London Admitted in the State of Illinois	2012 – Present
Wisconsin Health Care Liability Insurance Plan	2019 – Present
Workers Compensation Exchange	2022 – Present

## EMPLOYMENT HISTORY

Pinnacle Actuarial Resources, Inc.	2006 – Present
State Farm Insurance	2002 – 2006

**PAST VOLUNTEERISM**

## AAA

Committee on Property and Liability Financial Reporting (COPLFR)

Chair

2020 – 2022

Vice Chair

2019 – 2020

Member

2015 – 2019

## CAS

CAS University Liaison Committee

2015 – 2022

Education Policy Committee

Chairperson

2011 – 2014

Vice Chairperson

2011

Member

2011, 2014 – 2018

Syllabus Committee

2006 – 2014

