

FRANK A. SCHMID

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INSURANCE INDUSTRY EXECUTIVE AND FINANCIAL ECONOMIST

Industry thought leader with a unique breadth of business and organizational leadership, academia, central banking, and insurance industry experience with Fortune 500 organizations and federal and private sector institutions.

Executive Profile

- ▶ Key influential leader to senior executives as an economic and business intellectual who leverages economic and finance theory, statistical modeling, and generative AI expertise to create value in business decision-making.
- ▶ Analytical, creative, and execution-oriented insurance executive who thrives in an entrepreneurial business environment, drives cross-organizational collaboration, and excels in influencing and managing through adversity, resistance, and change.
- ▶ Applies a natural curiosity, diverse industry experience, and advanced knowledge of economic and financial modeling to define and execute business strategies that influence and close billion-dollar deals, establish multi-billion-dollar businesses, and improve the overall financial and business health of an organization.

Areas of Strength and Expertise

Thought Leadership ▪ Strategy Development & Execution ▪ Change Management
Diverse Industry Experience ▪ Financial Risk Management ▪ Economic and Finance Theory
Econometric and Statistical Modeling ▪ Federal Reserve Monetary Policy ▪ Property & Casualty Insurance
Life, Health, and Disability Insurance ▪ Cross-functional Collaboration ▪ Managing Through Adversity & Resistance

PROFESSIONAL EXPERIENCE

General Reinsurance Corporation (Gen Re) – Stamford, CT

2020 - Present

CHIEF TECHNOLOGY OFFICER

Lead IT department following restructuring toward a customer-focused and fast-moving organization that is responsive and lean, empowers the engineer, and values leadership.

- Drive technological innovation using a real-options approach with focus on learning and reversibility.
- Lead development of AI systems and education on generative AI. Chair Responsible AI Committee.
- Oversee cloud-based global data and analytics architecture in an increasingly fragmented international data localization and data privacy landscape. Lead provision of data and analytics tools on a self-service basis.
- Provide thought leadership on artificial intelligence, quantum computing, digital currencies, and other evolving technologies internally and as a conference speaker, industry panelist, and roundtable participant.
- Perform econometric and actuarial modeling on interest rates and inflation.
- Further diversity and inclusion by offering an environment of intellectual discourse, work from diverse locations, and flexible work hours.

American International Group (AIG) – New York, NY

2012 - 2020

HEAD OF PROPERTY & CASUALTY DEALS – FORTITUDE RE (2018-2020)

Spearheaded corporate development initiatives across products and geographies, laying the groundwork for domestic product launch and international expansion.

- Led the P&C Deal Team in the structuring of the reinsurance business portfolio that provided a regional aspect to the new subsidiary and in the approach for targeting and closing new business.
- Collaborated with the capital modeling and investment teams in developing the pricing engine from scratch.
- Provided extensive team training and education in conceptualizing and pricing of complex retroactive reinsurance structures using asset pricing theory.
- Instilled an atmosphere of positive thinking during periods of uncertainty with the business, improving morale and team performance.

HEAD OF P&C INFORCE MANAGEMENT, GENERAL INSURANCE AND LEGACY (2017-2018)

Expanded responsibilities to include both General Insurance and Legacy as a direct result of the successful execution of the AIG - Berkshire Hathaway transaction in previous role.

- Led a team of actuaries in structuring and negotiating a retroactive reinsurance solution for a \$3B portfolio of long-dated complex risks. Received nonbinding indications, senior management approval to proceed, and successfully completed due diligence.
- Created a statistical model for quantifying the structural drivers of jury verdicts across U.S. states to mitigate losses in the commercial auto portfolio, directly influencing the risk appetite and underwriting guidelines
- Chaired the AIG Global Benefits Network and led its operational transformation, including the buyout of the minority shareholders, the development of international underwriting guidelines, and the implementation of cross-border reinsurance agreements.

HEAD OF P&C INFORCE MANAGEMENT, LEGACY (2016-2017)

Lead architect and chief negotiator in the structuring and execution of what was lauded as the largest reinsurance transaction on record, the AIG - Berkshire Hathaway Adverse Development Cover.

- Built a team of quantitative actuaries that evaluated \$35B in long-tail commercial liabilities. Justified pricing and reasoning and obtained a \$10B nonbinding indication.
- Prepared transaction road map in nine months, leading work streams across actuarial, claims, finance, investments, legal, and risk functions.
- Executed the transaction in early 2017, within days of CEO approval for the transaction that netted \$2B in pre-tax deferred gain before amortization within the first five years (AIG 2021 Form 10-K).

HEAD OF GROUP BENEFITS AND GLOBAL DISABILITY PRICING STANDARDS AND STRATEGY (2015-2016)

Transitioned to the Head of the Group Benefits business with a directive to restore the business to profitability, with full responsibility for divestitures, operational streamlining, and insurance underwriting.

- Orchestrated the restructuring of the AIG Group Benefits business with significant operational cost savings.
- Negotiated and executed business sales, quota-share reinsurance agreements, and service agreements for diverse lines of business, including a mandated exit solution for a regulatory sensitive line of health insurance.

HEAD OF ACTUARIAL ECONOMETRICS AND INNOVATIVE ACTUARIAL MODELS (2014-2015)

Led a team of actuaries, claims executives, and data scientists in conceptualizing and implementing underwriting and claims strategies in what became an estimated \$500 million loss mitigation benefit.

- Conceptualized and implemented a workers' compensation claims settlement strategy applying economic theory of decision-making. Leveraged machine learning to identify potentially adverse claims and optimal settlement targets, convincing business stakeholders of the statistical power and business value behind the model.
- Identified profitable underwriting opportunities in workers' compensation by building an econometric multi-state model that quantified redundancies and deficiencies in bureau loss cost trends, leading to successful business expansion in a large U.S. jurisdiction.

DIRECTOR, CASUALTY RISK (2012-2014)

Recruited to build the Federal Reserve stress test model for the property & casualty business.

- Leveraged past agency experience to lead a team of risk modelers in identifying and quantifying risk factors for stressing long-dated complex risks on economic scenarios.

ADDITIONAL PROFESSIONAL EXPERIENCE

Director & Senior Economist

Senior Economist

Senior Economist

National Council on Compensation Insurance

National Council on Compensation Insurance

Federal Reserve Bank of St. Louis

EDUCATION

Post-doc (Dr. habil.) Finance – University of Lüneburg, Germany
 Doctorate (Dr. rer. pol.) Economics – University of Lüneburg, Germany
 Dipl.-Volkswirt (M.A. Economics equivalent) – University of Göttingen, Germany
 Vordiplom (B.A. Economics equivalent) – University of Heidelberg, Germany

ACADEMIC APPOINTMENTS

- ▶ Associate Professor of Finance – Auckland University of Technology, New Zealand
- ▶ Extraordinary Professor of Finance – University of Lüneburg, Germany
- ▶ Visiting Professor of Finance – Goethe-University Frankfurt, Germany
- ▶ Guest Lecturer, Finance – CERGE-EI, Prague, Czech Republic
- ▶ Guest Lecturer, Finance – University of Osnabrück, Germany
- ▶ Senior Research Fellow – The Wharton School, University of Pennsylvania
- ▶ Post-doc Scholar – Free University of Berlin and Humboldt University of Berlin, Germany
- ▶ Visiting Scholar – The Wharton School, University of Pennsylvania
- ▶ Assistant Professor of Financial Services – University of Vienna, Austria

SELECTED PUBLICATIONS

PAPERS IN REFEREED JOURNALS

1. “Capital, Labor, and the Firm: A Study of German Codetermination,” with Gary Gorton, *Journal of the European Economic Association* 2 (2004), 863-905
2. “Pricing and Dividend Policies in Open Credit Unions,” with Bill Emmons, *Journal of Institutional and Theoretical Economics* 158 (2002), 234-255
3. “Universal Banking and the Performance of German Firms,” with Gary Gorton, *Journal of Financial Economics* 58 (2000), 29-80
4. “Corporate Governance, Ownership Dispersion, and Efficiency: Empirical Evidence from Austrian Cooperative Banking,” with Gary Gorton, *Journal of Corporate Finance* 5 (1999), 119-140

Federal Reserve Bank of St. Louis *Review*

5. “Macroeconomic News and Real Interest Rates,” with Kevin Kliesen, 88(2) (2006), 133-144
6. “Stock Return and Interest Rate Risk at Fannie Mae and Freddie Mac,” 87(1) (2005), 35-48
7. “Monetary Policy Actions, Macroeconomic Data Releases, and Inflation Expectations,” with Kevin Kliesen, 86(3) (2004), 9-22
8. “Asset Mispricing, Arbitrage, and Volatility,” with Bill Emmons, 84(6) (2002), 19-28
9. “Voting Rights, Private Benefits, and Takeovers,” 84(1) (2002), 35-46
10. “Equity Financing of the Entrepreneurial Firm,” 83(6) (2001), 15-27
11. “Membership Structure, Competition and Occupational Credit Union Deposit Rates,” with Bill Emmons, 83(1) (2001), 41-50
12. “Bank Competition and Concentration: Do Credit Unions Matter?,” with Bill Emmons, 82(3) (2000), 29-42
13. “The Asian Crisis and the Exposure of Large US Firms,” with Bill Emmons, 82(1) (2000), 15-34
14. “Credit Unions and the Common Bond,” with Bill Emmons, 81(5) (1999), 41-64
15. “Wages and Risk-Taking in Occupational Credit Unions: Theory and Evidence,” with Bill Emmons, 81(2) (1999), 13-31
16. “Universal Banking, Control Rights, and Corporate Finance in Germany,” with Bill Emmons, 80(4) (1998), 19-42

PAPERS IN EDITED VOLUMES

17. “Mergers and Acquisitions in Germany: Social Setting and Regulatory Framework,” with Mark Wahrenburg, in: Jan Pieter Krahn and Reinhard H. Schmidt (eds.), *The German Financial System*, Oxford (U.K.): Oxford University Press (2004), 261-287

ACTUARIAL PAPERS

18. "The Impact of Physician Fee Schedule Changes in Workers Compensation: Evidence From 31 States," with Nathan Lord, National Council on Compensation Insurance, 2013
19. "Loss Cost Components and Industrial Structure," *Casualty Actuarial Society E-Forum*, Spring 2013 (1), 1-20
20. "The Impact of Physician Fee Schedule Introductions in Workers Compensation: An Event Study," with Nathan Lord, *Casualty Actuarial Society E-Forum*, Spring 2013 (1), 1-36
21. "The Workers Compensation Tail," *Casualty Actuarial Society Variance* 6(1) (2012), 48-77
22. "Indemnity Benefit Duration, Maximum Weekly Benefits, and Claim Attributes," *Casualty Actuarial Society E-Forum*, Winter 2011 (2), 1-35
23. "Workplace Injuries and Job Flows," Social Sciences Research Network (SSRN), 2009