

# MICHAEL C. SCHMITZ

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## Current Responsibility

Mike Schmitz is a principal and consulting actuary in the Milwaukee office of Milliman. He has been with the firm since 1993. Mike manages a practice dedicated to financial risks such as mortgage guaranty, financial guaranty, and credit enhancement products.

## Professional Work Experience

Mike has assisted in structuring and pricing credit enhancement mechanisms for securitizations, both in the United States and internationally, and has spoken at conferences on this topic and others. He has also served as the lead consultant on many assignments, assisting the largest banks in the United States in their management of credit risk. Mike has assisted both banks and insurance companies in analyzing the risk associated with residual value exposure on several classes of assets. In addition to working with financial guaranty insurers, he has consulted to the majority of the insurers that comprise the private mortgage insurance industry and to banks and other financial institutions on topics related to reserving, pricing, financial analysis, mortgage portfolio credit risk, product development, structured transactions, risk transfer analysis, and capital model design and validation.

Another of Mike's core areas of expertise is property and casualty insurance, particularly ratemaking, loss reserve, and financial analysis. Mike has extensive experience in reinsurance and commercial lines, including workers' compensation, professional liability, reinsurance, and other long-tail lines. He has also assisted a number of clients in developing self-insured and alternative risk transfer programs for their workers' compensation and liability exposures.

## Professional Designations

- Fellow, Casualty Actuarial Society
- Member, American Academy of Actuaries
- Member, Mortgage Bankers Association
- President, Credit Risk Special Interest Section of the CAS

## Education

BBA, Actuarial Science and Risk Management/Insurance, University of Wisconsin

## Presentations and Publications

Mike has authored numerous essays and articles on topics related to insurance, credit risk, enterprise risk management, and capital modeling. He has spoken on these and other topics at many leading industry meetings, including the Casualty Actuarial Society, the American Bankers Insurance Association, GIRO UK actuarial meeting, Casualty Actuaries of Europe, and many others.

Examples of Mike's publications include the following:

- What happens when credit risk comes home to roost? This 2006 article predicted, months in advance, the potential for problems in the mortgage/credit markets.
- The Democratization of Risk Management. This essay appeared in a 2008 joint publication of the SOA, CAS, and CIA, and highlights lessons learned from the credit crisis, specifically in terms of risk management policy decisions and principles.
- House of Cards. A 2007 Q&A article on the implications of predicted home price declines.
- Ripple Effect. A June 2008 Best's Review article on the implications of the credit crisis.
- Quantifying Risk in RMBS. A 2009 article.