

December 2014

2014 Twitter

By Max J. Rudolph, FSA CFA CERA

Tweets

Note that tweets are in reverse chronological order, with the most recent ones presented first.

- TWEETS **870**
- FOLLOWING **197**
- FOLLOWERS **355**
- FAVORITES **91**

Max Rudolph

ERM/ALM strategist, emerging risks, ORSA, private investor, write/present/develop CE programs, credentialed actuary FSA CERA and CFA charter holder

Omaha, Nebraska, USA

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Joined March 2009

@maxrudolph

Tweets



Max Rudolph @maxrudolph Dec 31

Will Rogers - why not go out on a limb? That's where the fruit is. [#writeitdown](#)



Max Rudolph @maxrudolph Dec 31

2014 was a year to set up future events. Working on 2015 predictions now.



Max Rudolph @maxrudolph Dec 29

http://www.amazon.com/Forgotten-Depression-Crash-Cured-Itself/dp/1451686455/ref=sr_1_1?s=books&ie=UTF8&qid=1419902841&sr=1-1&keywords=forgotten+depression ... The Forgotten Depression (James Grant) looks at economy following WWI - tries to show Fed better when hands off



Max Rudolph @maxrudolph Dec 23

With Belarus entering hyperinflation where will contagion strike next?
[#we'llbesurprised](#)



Max Rudolph @maxrudolph Dec 22

Investors should diligently consider debt/equity ratios when looking for bargains, especially in energy sector. [#reducedmarginofsafety](#)



Max Rudolph @maxrudolph Dec 21

Wondering if a liquidity trap recession requires deflation before the system clears. [#istheFeddelayingrecovery](#)



Max Rudolph @maxrudolph Dec 20

An efficient market becomes a bubble when investors continue to use rules of thumb when the foundational assumptions are no longer true.



Max Rudolph @maxrudolph Dec 19

Just finished my first pass of emerging risk survey data. Now I try to interpret them! [#funtimes](#)



Max Rudolph @maxrudolph Dec 19

Don't allow an ALM bet to go "short" and avoid a benchmark - make sure you know what that it cost your firm's [#incentivecomp](#) plan this year.



Max Rudolph @maxrudolph Dec 17

Are you sure the client paying directly into your bank account hasn't been hacked? [#stickingtochecks](#)



Max Rudolph @maxrudolph Dec 17

Low rates and enhanced default risk. Great time to buy bonds.
[#becarefuloutthere](#)



Max Rudolph @maxrudolph Dec 17

My alma mater! “[@NYTSports](#): Hockey rules in this remote part of Michigan’s Upper Peninsula: <http://nyti.ms/16tbqE4> pic.twitter.com/um62dfcoUH”





Max Rudolph @maxrudolph Dec 17

<https://lnkd.in/bK5n-JW> My governance article compares culture and reputation.

1 favorite



Max Rudolph @maxrudolph Dec 17

Starting to feel like 1936. Look for the Fed to tighten a bit next year and then have to reopen the spigots (like 1937). [#historyrepeats](#)



Max Rudolph @maxrudolph Dec 12

Will Obama's ultimate [#legacy](#) be fracking, universal health care and killer drone strikes?



Max Rudolph @maxrudolph Dec 12

Be sure to check debt/equity ratio of companies where stock price is falling - the margin of safety may be reduced. [#valueinvesting](#)



Max Rudolph @maxrudolph Dec 12

[#Insidertrading](#) is bad and should be defined as broadly as possible.



Max Rudolph @maxrudolph Dec 12

If you argue [#Malthusians](#) are wrong because science will overcome obstacles, then don't say alternative energy issues are insurmountable.



Max Rudolph @maxrudolph Dec 10

If investors avoid "non-green" investments, these companies will end up in private hands with little or no transparency or accountability.



Max Rudolph @maxrudolph Dec 9

As an actuary I don't appreciate when dues paying organizations say they represent my views on a pension topic. [#actinglikealobbyist](#)

1 favorite



Max Rudolph @maxrudolph Dec 4

The US will create havoc in Russia and Venezuela when the first rate hike is announced [#timingiseverything](#)

2 favorites



Max Rudolph @maxrudolph Dec 2

I'm reading Social Conquest of Earth by EO Wilson. It helps to have read [#jareddiamond](#) Guns, Germs and Steel [#pulitzer](#)



Max Rudolph @maxrudolph Dec 1

Why do people want your bank account info to make a single deposit? [#cybersecurity](#) It seems a lot simpler/safer (for me) to accept a check.



Max Rudolph @maxrudolph Nov 30

Avoiding places like South Africa because of Ebola is like avoiding Seattle because of the riots in Ferguson. [#think](#)² favorites



Max Rudolph @maxrudolph Nov 27

Absent negative events I expect a strong holiday shopping season in the US.



Max Rudolph @maxrudolph Nov 27

I was quoted once saying that we should plan for \$4 gas and be happy when it was lower. OPEC should do the same, setting budgets at \$50/bbl.



Max Rudolph @maxrudolph Nov 24

Finished reading The Box by Marc Levinson, recommended by [@billgates](#). 5 stars. Shipping containers changed the world in unexpected ways.



Max Rudolph @maxrudolph Nov 22

20 punch investment style comes up short - learn early from lots of small investment mistakes so you're ready when you have material savings



Max Rudolph @maxrudolph Nov 17

Trying to get my hands around a world where "real" interest rates are all that matter. [#demographics](#) [#aging](#) [#shrinkingeconomy](#)



Max Rudolph @maxrudolph Nov 17

Should minimum wages reduce automatically in a deflationary environment? [#newworldorder](#)



Max Rudolph @maxrudolph Nov 15

DB plan sponsors offering a lump sum have a conflict of interest. Where is their [#fiduciaryduty](#)? Given the options provided, not employee :(



Max Rudolph @maxrudolph Nov 13

[#Buffett](#) trade of PG shares for [#Duracell](#) saves big on taxes but shows he wanted to dump position since he traded all and gets cash back



Max Rudolph @maxrudolph Nov 12

I feel a shift in the air, from 1937 to 1972. Better, but not great.
[#financialyearresemblingtoday](#)



Max Rudolph @maxrudolph Nov 11

Pension plans won't rebound until valuation metrics recognize the different life cycles between the underlying business and the DB plan.



Max Rudolph @maxrudolph Nov 11

[#riskappetite](#) is when you formalize specific events that force you to stop your day-to-day work and think strategically [#guidelines](#)



Max Rudolph @maxrudolph Nov 11

http://lnkd.in/BJ_4uHu The emerging risk survey is open through tomorrow. Please share your thoughts!

1 retweet



Max Rudolph @maxrudolph Nov 11

Are indexed insurance products a natural response to low interest rates?
[#riskswedontunderstand](#)



Max Rudolph @maxrudolph Nov 7

http://lnkd.in/bJ_4uHu Please remember to complete the emerging risk survey.
Skip questions that don't pertain.



Max Rudolph @maxrudolph Nov 6

Risk managers should get involved with the new product process now before we enter the next product cycle generation. [#whatwilltheythinkup?](#)



Max Rudolph @maxrudolph Nov 5

Had a great time with the [#MaryvilleUniversity](#) students today. Thanks for the invite Dr. Deng and Prof Goodzeit!



Max Rudolph @maxrudolph Nov 4

[#FSOC](#) should look for these [#systemicrisk](#) practices - culture, leverage, incentives, concentrated exposures, external reliance and contagion



Max Rudolph @maxrudolph Nov 4

I'm excited to present to the [#actuarialescience](#) students at [#MaryvilleUniversity](#) tomorrow. I hope they ask questions!



Max Rudolph @maxrudolph Nov 1

Worst was the political party that "knew" I had an absentee ballot and had not turned it in. And these guys are responsible for my [#privacy](#).



Max Rudolph @maxrudolph Nov 1

Looks like the politicians didn't read my earlier tweet. 8 calls so far (barely noon) and yes, I voted against them in every case. #duh



Max Rudolph @maxrudolph Oct 27

Adam Steltzner - You only answer the questions that you ask - wise words from leader of Curiosity Rover landing team

1 favorite



Max Rudolph @maxrudolph Oct 24

http://lnkd.in/bJ_4uHu My annual emerging risks survey has been released. Please consider filling it out!



Max Rudolph @maxrudolph Oct 24

Heading to Orlando Sunday for SOA annual meeting. Our interest rate session should be popular. #timingiseverything



Max Rudolph @maxrudolph Oct 23

<http://lnkd.in/bmzZVXg> My October newsletter covers monetary policy, the importance of telling a story, and an Ebola update. ...



Max Rudolph @maxrudolph Oct 22

<http://lnkd.in/bHJEuxg> My September newsletter covers emerging risks, currency wars and other short topics. Enjoy!



Max Rudolph @maxrudolph Oct 21

If we're so worried about mistakes people make investing why do we let them choose their own food? [#teachthemtodoitright](#)



Max Rudolph @maxrudolph Oct 21

<http://lnkd.in/bnPNaiR> August newsletter is my sustainability essay The Earth is Warming: It Doesn't Matter Why



Max Rudolph @maxrudolph Oct 20

<http://lnkd.in/bQ33JtD> I have posted my July 2014 newsletter. Critiques NAIC capital markets interest rate paper



Max Rudolph @maxrudolph Oct 20

Updated [#COSO](#) has less [#ERM](#) focus and more SOX compliance and controls. Must go beyond this for ORSA.



Max Rudolph @maxrudolph Oct 17

It's hard for me to understand that airport protocols need to be developed for [#Ebola](#). [#scenarioplanning](#) should have plan ready to implement



Max Rudolph @maxrudolph Oct 16

Hospitals treating [#Ebola](#) should follow example of Frontier airlines. Potentially exposed - stay at home with pay. [#duh](#)



Max Rudolph @maxrudolph Oct 14

Those who believe absolutely in models and efficient markets will never anticipate the next crisis. [#behavioralfinance](#)



Max Rudolph @maxrudolph Oct 13

It looks like we will soon see my \$80-120 range for WTI oil tested at the bottom end. [#oilsupplydemand](#)



Max Rudolph @maxrudolph Oct 11

Incredible intraday volatility in the market this week. There must be lots of rumors out there about the future.



Max Rudolph @maxrudolph Oct 10

[#ERM](#) The 3 lines of defense should be a guideline, not strictly enforced. You need independent review. Doesn't matter where it comes from.



Max Rudolph @maxrudolph Oct 9

With budgets built assuming \$100 oil, watch for chaos in Russia and especially Venezuela. [#regionalspillover](#)



Max Rudolph @maxrudolph Oct 8

Those who can tell a risk story are better able to manage those risks than those who focus on metrics. [#ERM](#) [#qualitativeassessment](#)

1 retweet 1 favorite



Max Rudolph @maxrudolph Oct 8

Much like SARS (Toronto/Africa) the risk of [#Ebola](#) becoming endemic is if travel from Liberia rather than to Dallas is Mumbai. US back door.



Max Rudolph @maxrudolph Oct 8

<http://lnkd.in/bH2wZ6b> Short article on 2013 Emerging Risk survey in Aug RM newsletter p 34. #emergingrisks



Max Rudolph @maxrudolph Oct 7

#ambest says most insurers expect interest rates to rise. #wrongquestion Can they survive long-term #lowrates or #ratespike. #stresstest



Max Rudolph @maxrudolph Oct 7

#ambest reports US health insurers believe they are further along on #ERM topics. Someone should challenge this statement. #really?



Max Rudolph @maxrudolph Oct 7

I struggle with "you can't manage what you can't measure." Example - #riskculture. You know it when you see it but hard to use metrics.



Max Rudolph @maxrudolph Oct 5

I hope insurers leveraged the #pandemic research we did 10-15 years ago. #influenza #MERS #ebola #Marburg #Enterovirus #lotstoworryabout



Max Rudolph @maxrudolph Oct 4

Dance between US\$ and oil will be interesting over the next few months. Strong dollar, weak oil, high cost to produce oil in North America.

4 retweets 1 favorite



Max Rudolph @maxrudolph Oct 1

Happy to make a Bob Wolf sighting at the #ermssym this morning!¹ retweet



Max Rudolph @maxrudolph Sep 26

If regulators require all to use the same economic generator then we will all miss the same emerging risk. [#proprietarygeneratorsdiversify](#)



Max Rudolph @maxrudolph Sep 26

Regulatory capture [@ThisAmerLife](#) episode 536: "The Secret Recordings of Carmen Segarra." <http://tal.fm/536> [#banksinteractingwiththeFed](#)



Max Rudolph @maxrudolph Sep 25

Risk appetite may or may not include capital optimization as a goal. Why do consultants assume it does? [#incentives](#) [#bigcapitalmodels](#)



Max Rudolph @maxrudolph Sep 25

<http://Inkd.in/b7aAteb> Byline in Treasury and Risk released today. My current thoughts on ERM.



Max Rudolph @maxrudolph Sep 25

Not sure why someone from AIG would want to encourage a comparison with [#Buffett](#) given the role each played in the still ongoing crisis.



Max Rudolph @maxrudolph Sep 23

Health based [#ORSA](#) seminar coming up. I wrote [#ERM](#) for health insurers research paper and 2 articles in [#HealthWatch](#) in 2010. [#notnew](#)



Max Rudolph @maxrudolph Sep 22

Dollar as reserve currency. Stimulus stronger everywhere else. Dollar strengthens, [#lowrates](#) , exporters struggle until that changes.



Max Rudolph @maxrudolph Sep 22

Did the Alibaba IPO represent a market high?



Max Rudolph @maxrudolph Sep 22

Many problems are best solved by insiders who understand the nuances of an issue. Not true for pensions - need independent external thought.



Max Rudolph @maxrudolph Sep 19

2 thumbs up for The Collapse of Western Civilization. Short ez read marvels at focus on type I errors when measuring climate change.



Max Rudolph @maxrudolph Sep 19

Released uncertainty following Scottish vote should move markets up in short term but correction is coming. [#reservecurrency](#)



Max Rudolph @maxrudolph Sep 19

Interesting timing of DB buyout, coming just before valuation mortality table is updated due to greater longevity. [#incentives](#) [#disclosure](#)



Max Rudolph @maxrudolph Sep 18

Yesterday's webcast on low interest rates was fun. Next deep dive is full day seminar before [@ERMSymposium](#) ! Please join me in Chicago.



Max Rudolph @maxrudolph Sep 18

If a life insurer chooses to sell a risky product that requires capital testing, no size exemptions should be allowed. [#riskmanagement](#)



Max Rudolph @maxrudolph Sep 17

Webcast covering low interest rates research project has nearly 100 sites signed up. Looking forward to some good questions.



Max Rudolph @maxrudolph Sep 16

Deterministic stress scenarios do a better job anticipating the next crisis than stochastic analysis. [#imagination](#) [#tellastory](#)



Max Rudolph @maxrudolph Sep 16

Stochastic generators use historical data - regulators/management won't allow added volatility so results won't predict anything "new".



Max Rudolph @maxrudolph Sep 16

When a consultant tells you solvency "can not be assessed without stochastic analysis" check their [#incentives](#).



Max Rudolph @maxrudolph Sep 16

I'm amazed at the basic questions asked of volunteers by practicing actuaries. Do some research first. [#earnyoursalary](#)



Max Rudolph @maxrudolph Sep 15

If your high schooler hosts a party at your house be sure your wifi password won't embarrass them! [#whowouldhavethought](#)



Max Rudolph @maxrudolph Sep 12

Thanks to all those who ran for SOA board and section leadership positions, especially those who did not win. [#beenonbothsides](#) [#stayinvolved](#)



Max Rudolph @maxrudolph Sep 12

As populations age we need to move beyond GDP growth as our measure of success. [#productivity](#)



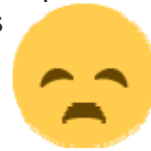
Max Rudolph @maxrudolph Sep 11

Why is a DB plan allowed to offload its risk to an insurer and lose its PBGC guarantee? [#employeescarryultimaterisk](#)



Max Rudolph @maxrudolph Sep 10

Value of a DB plan to me is the federal guarantee. Assumptions for returns and mortality are too high. [#accountability](#) ends up with ees



Max Rudolph @maxrudolph Sep 9

If [#Buffett](#) was diversified when he ran money for individuals, why warn today of [#concentrationrisk](#) if that is someone's only position?



Max Rudolph @maxrudolph Sep 8

My first Skype presentation is Thursday, with actuarial students [@maryvilleu](#) and Prof Abe Gootzeit! [#newexperience](#)



Max Rudolph @maxrudolph Sep 5

No matter which dept a risk team reports to, it compromises independence. Better to follow the audit team structure and report to the board.



Max Rudolph @maxrudolph Sep 4

We need to watch the velocity of money. If it does not rebound then [#deflation](#) becomes more likely as the dollar strengthens.

1 retweet



Max Rudolph @maxrudolph Sep 4

Watch for US exporters to underperform as the dollar strengthens.
[#currencywars](#)

Max Rudolph retweeted



ERM Symposium 2014 @ERMSymposium Sep 3

Be sure to check out the pre-Symposium [#ermssym](#) seminars on current ERM issues <http://www.ermssymposium.org/2014/seminars.php> ...

2 retweets 1 favorite



Max Rudolph @maxrudolph Sep 3

The "right" economic policy depends on the current environment. There are no absolutes. [#hayek](#) [#Keynes](#)

1 retweet



Max Rudolph @maxrudolph Sep 3

<http://lnkd.in/bHH-r3G> My June 2014 newsletter shares my notes from this year's Berkshire Hathaway meeting and related events.



Max Rudolph @maxrudolph Sep 2

<http://lnkd.in/badzuJB> My May 2014 essay is from a JRMS contest and shares my ORSA strategy for risk management.

1 retweet



Max Rudolph @maxrudolph Sep 1

Just submitted 5 slide decks to @ERMSymposium - looking forward to some great sessions!

1 retweet



Max Rudolph @maxrudolph Aug 28

Looking for SOA, CAS or CIA member to peer review annual Emerging Risks survey. Anyone interested? #JRMS #research



Max Rudolph @maxrudolph Aug 26

Why does the NAIC use premium to exempt companies from #PBR? Leaves out closed block annuity companies. Should have asset threshold too.



Max Rudolph @maxrudolph Aug 26

<http://lnkd.in/bwtcME3> April 2014 newsletter reviews Stephanie Kelton talk. Assumed CFA Neb didn't know econ :(



Max Rudolph @maxrudolph Aug 25

The risk manager's job is to consider the unintended consequences of a business plan.

You followed [GrahamAndDoddsville](#)



Max Rudolph @maxrudolph Aug 22

8 presentations in the next 2 months - challenging and exciting at the same time





Max Rudolph @maxrudolph Aug 19

As mass travel moves students to colleges around the world we should be vigilant for all kinds of diseases. Don't just look for [#Ebola](#).



Max Rudolph @maxrudolph Aug 14

I'm looking forward to using Skype to present my experiences to an actuarial class in Maryville, Missouri next month! [#newexperiences](#)



Max Rudolph @maxrudolph Aug 13

Seems odd that student loans remain forever while we pay an earned income tax credit to the poor. Would make sense to waive if unemployed.



Max Rudolph @maxrudolph Aug 12

Considering that herd investors consistently make the wrong choices, why have we not rewritten the [#prudentman](#) laws?



Max Rudolph @maxrudolph Aug 7

Users of models rely too much on the results. A single number should be discounted as practically useless. [#humble](#) [#overconfident](#)



Max Rudolph @maxrudolph Aug 6

Listened to The Behavior Gap, by Carl Richards. Might be good for kids just getting started, but no new ideas. [#repackagedmarketing](#)



Max Rudolph @maxrudolph Aug 5

<http://Inkd.in/bFbBtt7> My March 2014 newsletter is an essay focusing on investment fallacies related to models.



Max Rudolph @maxrudolph Aug 4

Received lump sum offer for DB from former employer. I need to earn 6% over lifetime AND give up federal guarantee to break even. #amistupid

1 retweet



Max Rudolph @maxrudolph Aug 1

Hard to believe drought stricken CA doesn't have controls in place so 8 M gallons of water can't escape before water main is shut off. #ERM



Max Rudolph @maxrudolph Aug 1

The same people who regulate #climatechange just reduced required pension funding so they could collect more tax dollars this year.



Max Rudolph @maxrudolph Aug 1

<http://lnkd.in/by-dfMk> I have publicly released my Feb 2014 newsletter, with short comments on viaticals, mean reversion, systemic risk an...



Max Rudolph @maxrudolph Jul 31

Software that does not support negative rates is not an excuse for a risk manager to avoid deflationary scenarios.

1 retweet



Max Rudolph @maxrudolph Jul 29

"The big one" in the northwest would raise local sea level by 6 feet. Would that be a big enough disaster to lead to action elsewhere?

You followed [Stratfor](#), [GaveKal Capital](#), [Ben Hunt](#) and 2 others



Stratfor is a geopolitical intelligence firm that provides global awareness and guidance to individuals, governments and businesses around the world.

GaveKal Capital

GaveKal Knowledge Leaders Indexes + Funds (Links are independent and published in their entirety)



Max Rudolph @maxrudolph Jul 24

Public finances will take another hit as increasing volatility around subsidized crop and flood insurance plays out. [#climatechange](#)



Max Rudolph @maxrudolph Jul 24

Insurers should pay close attention to regulatory developments in Florida - microcosm of impacts of climate change. [#politicalchaos](#)



Max Rudolph @maxrudolph Jul 22

NAIC should conduct risk focused examination on itself - risk of extended low inflation rates and deflation is real. [#beproactive](#)



Max Rudolph @maxrudolph Jul 22

The best risk management is experience - how do you document that?



Max Rudolph @maxrudolph Jul 21

Please let me know if you know anyone modeling deflationary scenarios, especially if part of regulatory CFT process (for research project).

1 retweet



Max Rudolph @maxrudolph Jul 21

http://lnkd.in/bGjCV_P I was asked to comment on the Dodd-Frank anniversary and spoke about how I would structure a risk team.



Max Rudolph @maxrudolph Jul 21

When people say "strategic risk" do they really mean the risk that senior management will make poor decisions? #egorisk



Max Rudolph @maxrudolph Jul 21

I'm excited to be presenting an SOA webcast September 17 covering my low interest rate research. #morelikelythanyouthink



Max Rudolph @maxrudolph Jul 19

If a company bets rates will rise and shortens duration, their baseline projections should assume they are matched. #aligningincentives



Max Rudolph @maxrudolph Jul 18

Why mark-to-market comes up short reason #963 - Miami Beach mansions value is up 10% while ocean levels continue to rise. #climatechange



Max Rudolph @maxrudolph Jul 17

If you argue that no one understands both life and casualty insurance then you should also argue against groups containing both. [#ORSA](#)



Max Rudolph @maxrudolph Jul 14

If SEC forces money market funds away from \$1 share price then let me hold cash in tax qualified accounts. [#unintendedconsequences](#)



Max Rudolph @maxrudolph Jul 11

Why do regulators not require deflationary scenarios? The same reason Japan allows 10 year solvency projections rather than runout.



Max Rudolph @maxrudolph Jul 10

Is herd behavior by investors caused by our inability to recognize exponential growth? Our natural tendency is to see direct growth.



Max Rudolph @maxrudolph Jul 9

Qualitative scenarios should also include a realistic climate change view over multiple time horizons.



Max Rudolph @maxrudolph Jul 9

Scenario tests should include infectious disease, low interest rates (deflation is best), and high interest rates above 10% within 5 years.



Max Rudolph @maxrudolph Jun 30

Why is it that large mammals disappeared when humans arrived in North America yet they remain in Africa? Poaching vs. food?



Max Rudolph @maxrudolph Jun 26

Low interest rates and tight spreads make junk bonds much more risky than usual. #tailrisk



Max Rudolph @maxrudolph Jun 26

If anyone is modeling negative interest rates in an actuarial context, please contact me offline. #deflation



Max Rudolph @maxrudolph Jun 24

Shout out to @LeumEngineering - thanks for the pullover! I hope you enjoyed the College World Series in Omaha :)



Max Rudolph @maxrudolph Jun 24

A congressman can't claim to be relevant in Omaha while running a town hall meeting during a College World Series game. #outoftouch



Max Rudolph @maxrudolph Jun 23

<http://risktech-forum.com/> Risk Tech Forum has posted my current Emerging Risk research on their site.



Max Rudolph @maxrudolph Jun 23

Yet another study purporting to increase stock valuation with ERM program. Companies with strong risk culture tend to not publicize it. #ERM

1 favorite



Max Rudolph @maxrudolph Jun 21

The Fed should always have contrarian views represented on its board. [#hawks](#)
[#doves](#)



Max Rudolph @maxrudolph Jun 19

Bitcoin would have a greater chance of success if backed by gold



Max Rudolph @maxrudolph Jun 11

Wouldn't a withdrawal rate in retirement of 1% above GDP growth be better than a constant nominal 4%? [#dontrunoutofmoney](#)

1 favorite



Max Rudolph @maxrudolph Jun 11

HFT hearings should focus on fiduciary standards. [#ethics](#) Stealing from a position of trust.



Max Rudolph @maxrudolph Jun 10

<http://lnkd.in/bF8tCHT> I was interviewed by IT Business Edge about the implications of cyber risk in the emerging risk survey.



Max Rudolph @maxrudolph Jun 9

Nice analogy from [@neiltyson](#) - climate is to weather like signal is to noise - walking your dog you are climate/signal, dog's path is noise.



Max Rudolph @maxrudolph Jun 9

<http://lnkd.in/bz865Hh> My research paper on drivers of low interest rate scenarios has been released.



Max Rudolph @maxrudolph Jun 7

Instead of selling to rebalance personal assets, direct new and investment cash flows where you want them to grow. [#taxefficiency](#)



Max Rudolph @maxrudolph Jun 4

It's pretty sad when the WSJ titles a book review Life, Actuarily and no actuary is mentioned. Is actuarily even a word? [#norespect](#)



Max Rudolph @maxrudolph Jun 2

If the Fed is the primary buyer of Treasuries to support the deficit, why isn't there more pressure on fiscal policies?



Max Rudolph @maxrudolph May 29

VIX of 11.5 - what could possibly go wrong?



Max Rudolph @maxrudolph May 28

Insurers are altering product mix away from those with product guarantees as they see a Japan scenario of low rates as more likely.



Max Rudolph @maxrudolph May 27

Circling back to watch [#BreakingBad](#) (second season). Clearly they need to add a risk officer to their team. [#thinkthingsthrough](#)



Max Rudolph @maxrudolph May 21

The biggest risk to our retirement is systemic risk caused by US government actions. [#complexity](#) [#criticalstate](#)



Max Rudolph @maxrudolph May 20

Those who take financial risk must be allowed to accept losses if our capitalistic system is to survive.



Max Rudolph @maxrudolph May 19

If they renew MAP-21 illogical interest rates for pensions they should at least force bonuses to zero if result is below 100%. [#incentives](#)



Max Rudolph @maxrudolph May 19

If the world's climate changes quickly, only genetically modified seeds will avoid food shortfalls.



Max Rudolph @maxrudolph May 16

When regulators focus on duration insurers will use barbell strategies to add yield and risk. [#hireALMexperts](#)



Max Rudolph @maxrudolph May 15

Appointed actuaries should know the impact on capital of updating the C3 Phase 1 generator to the Phase 3 MRP for grading rates. [#material](#)



Max Rudolph @maxrudolph May 12

I often think that behavioral finance is just value investing - taking advantage of the herd.



Max Rudolph @maxrudolph May 8

Very frustrated with Good Judgement Project. They ask only geopolitical questions, then survey asks for no feedback. [#Forecastingdefinition](#)



Max Rudolph @maxrudolph May 7

Sorkin's [#BRK](#) trust column leads to PBR, but only if reviewers do more than checklists. Good regulation requires dialogue.



Max Rudolph @maxrudolph May 6

Could Berkshire [#BRK](#) let 3G "fix" Heinz and then buy them out?



Max Rudolph @maxrudolph May 5

[#askliz](#) Buffett recently renamed several subs to the Berkshire Hathaway brand. Why the change? and are there some subs that won't change?



Max Rudolph @maxrudolph May 3

I hate it when people say they "lost" their savings and then quote a study saying \$3k is average savings. No savings is different.



Max Rudolph @maxrudolph May 3

Speaker yesterday said it's impossible to beat your benchmark with more than 12 positions in a portfolio. He called it "magic" if you do.



Max Rudolph @maxrudolph May 2

Financial institutions should include this risk - problems at other companies cause direct impact or unexpected consequences for you.



Max Rudolph @maxrudolph Apr 29

This short essay shares highlights of the 7th annual survey of emerging risks.
<http://lnkd.in/bPyZg6W>



Max Rudolph @maxrudolph Apr 29

When your dad feels the need to explain why you are on the board of a Fortune 500 company you probably should resign from all of them. #BRK



Max Rudolph @maxrudolph Apr 29

If Aereo wins at SCOTUS and broadcasters go cable only, will it signal the death of commercials? #mixedfeelings



Max Rudolph @maxrudolph Apr 24

We keep multiple submarine manufacturers solvent but look overseas for key components of the electrical grid.



Max Rudolph @maxrudolph Apr 22

To document ERM processes is to capture and pass on risk culture - otherwise the risk team will be out of sync with everyone else.



Max Rudolph @maxrudolph Apr 22

Why do actuaries use credibility for mortality but not asset default assumptions?

1 favorite



Max Rudolph @maxrudolph Apr 22

If your argument is that the earth has experienced major climate warming in the past, be sure to mention that it led to mass extinctions.



Max Rudolph @maxrudolph Apr 19

Asset sales to pay for long term care should be tax free, similar to if your loved one had died (step up in basis).



Max Rudolph @maxrudolph Apr 16

A world reserve currency (such as today's \$) loses the political will to act proactively to reduce an emerging risk.



Max Rudolph @maxrudolph Apr 15

Prices don't "converge" to intrinsic value. It's a mean reversion process but still somewhat random so prices will vary widely. #mr.market



Max Rudolph @maxrudolph Apr 14

The clusters of #MERS cases in Saudi Arabia is very troubling.



Max Rudolph @maxrudolph Apr 10

The best teachers are those who expect to learn from students.



Max Rudolph @maxrudolph Apr 9

Someone who insists on building unique (from biz units) corporate models should be forced to live with them for 5 years before leaving.



Max Rudolph @maxrudolph Apr 8

After 5 years a director should no longer be considered independent.
#governance #ERM



Max Rudolph @maxrudolph Apr 7

You can't count on high frequency traders to provide liquidity when the financial system really needs it.

1 retweet

Max Rudolph retweeted



Dave Ingram @dingramerm Apr 7

Integration of ERM into a Corporate Environment <http://wp.me/pevO4-1dB>

[View summary](#)

Max Rudolph retweeted



Christopher Cundy @IERMChris Apr 4

I discuss with @maxrudolph his fascinating report into emerging risks and ERM <https://www.insuranceerm.com/analysis/emerging-risks-survey-reveals-post-crisis-thinking.html> ...

1 retweet 1 favorite



Max Rudolph @maxrudolph Apr 3

GM truly has serious issues, but having a politician refer to a culture of coverup ... [#lookinthemirror](#) [#potcallingkettleblack](#)



Max Rudolph @maxrudolph Apr 3

If complex systems blow up following periods of calm, why does the Fed try to "manage" small volatilities.



Max Rudolph @maxrudolph Mar 31

A good test of risk culture is to have a senior manager give a building tour. If employees run away or avert their gaze it's a problem.



Max Rudolph @maxrudolph Mar 29

Finalizing an essay on Investment Fallacies today - focusing on the shortcomings of complex models and regulatory checklists.



Max Rudolph @maxrudolph Mar 28

Did I miss all the classes discussing pros/cons of a gold standard? I didn't think so



[#lifelonglearning](#)



Max Rudolph @maxrudolph Mar 25

Why do people forward business leader "wisdom" on twitter/linkedin? I'm interested in what the people I follow think, not pass throughs!



Max Rudolph @maxrudolph Mar 25

<http://lnkd.in/byWNaZj> The 7th Emerging Risk Survey was released this morning.

1 retweet



Max Rudolph @maxrudolph Mar 25

Looking forward to DC trip next week to [#ICA2014](#) - emerging risks talk and lots of new and old faces to network with



Max Rudolph @maxrudolph Mar 25

Eliminating the tie between health care and employment would lower the structural [#unemployment](#) rate. Easier to change jobs and location.



Max Rudolph @maxrudolph Mar 23

New books coming soon from Michael Lewis and [@JamesGRickards](#) - [#gettingexcited](#)

2 retweets 3 favorites



Max Rudolph @maxrudolph Mar 19

Reading [@JamesGRickards](#) Currency Wars. Seems like US is very susceptible to competitors going back on a gold standard. [#reputationrisk](#)

1 favorite



Max Rudolph @maxrudolph Mar 18

It's disappointing that [@Actuary_Dot_Org](#) would send a survey designed with so many leading questions to make it statistically invalid.



Max Rudolph @maxrudolph Mar 17

Filled out yahoo/quicken loans bracket last night. Buffett will win since must be 18 to enter Who has time to know about all these teams?



Max Rudolph @maxrudolph Mar 14

Why is it surprising that BRK has minimal US cat exposure in a soft market?

[#commonsense](#)



Max Rudolph @maxrudolph Mar 14

I was excited to hear the legend [@meirstatman](#) speak yesterday morning at the Investment Symposium. [#bucketlist](#)



Max Rudolph @maxrudolph Mar 14

<http://lnkd.in/b36WKtV> I spent the week in NYC publicizing the Emerging Risk survey. Attached is a WSJ blog review.

[View summary](#)

1 retweet



Max Rudolph @maxrudolph Mar 8

Will we see [#BRK](#) price drop Monday after Buffett tattoos his face with Creighton logos at the bkb game? [#whathappenswhenyouhavegrandkids](#)

You followed [Christopher Cundy](#), [Santa Fe Institute](#), [Oliver Bettis](#) and 7 others



Christopher Cundy

FOLLOWS YOU

Contributing editor at [@InsuranceERM](#) and [@InsuranceAsset](#) - tweet or DM me if you have news/views on capital/risk/asset issues in insurance



Santa Fe Institute

The Santa Fe Institute is an independent theoretic research and education center that has pioneered the science of complex adaptive systems.



Max Rudolph @maxrudolph Mar 5

Saw [@erniegoss](#) rush by at Creighton's Heider Business School today.
[#fastmovingeconomy](#)

1 retweet 1 favorite



Max Rudolph @maxrudolph Mar 4

[#BRK](#) [#Buffett](#) becoming computer savvy? Oscars story involves email, checks stock price in London market, plays bridge online.



Max Rudolph @maxrudolph Mar 3

If warming is being absorbed primarily by the oceans then $PV=nRT$ says that oceans will expand and sea levels rise faster than expected.



Max Rudolph @maxrudolph Mar 3

I expect Japan to delay tax hikes and US to slow easing due to "crisis."
[#currencywar](#) Stressful times are ahead.



Max Rudolph @maxrudolph Mar 3

Next round of [#currencywar](#) driven by Unkraine and Russia. US acting as
reserve currency so strengthening. Watch for others to adjust.



Max Rudolph @maxrudolph Mar 2

Media reviewing Buffett's annual letter seem to read only the first couple of
pages. As usual you can learn a lot by reading all of it!



Max Rudolph @maxrudolph Mar 2

Updated my intrinsic value calculation after reading Buffett's annual letter.
Increases to 199k at end of 2013 from 179k last year.



Max Rudolph @maxrudolph Mar 2

[#BRK](#) book value growth vs. S&P total returns. Apples to oranges. Like
comparing individual's total returns with cash against index. [#headwind](#)



Max Rudolph @maxrudolph Mar 1

With trading costs under 1 bp I really don't think a zero cost option would change
my decision making. [#investmentexpenses](#)



Max Rudolph @maxrudolph Mar 1

The last time [#BRK](#) book fell to S&P by this much (1999), followed up with 50%
beat down over the next 3 years. [#whydowefocuson1yearresults?](#)



Max Rudolph @maxrudolph Mar 1

Much like Sarbanes-Oxley rewarded inept accounting practices, Dodd-Frank gives more oversight to the Fed. [#incentives](#)



Max Rudolph @maxrudolph Feb 28

Economists are like politicians. I'm right, you're wrong. Where are the [#moderates](#) who are willing to compromise?



Max Rudolph @maxrudolph Feb 28

There is no "right" economic theory. Regimes shift and public opinions do too. Dissertations from last crisis miss something important now.



Max Rudolph @maxrudolph Feb 28

NPR Planet Money reports that universities set up single bedrooms for students since they didn't share at home. Implications for marriage?



Max Rudolph @maxrudolph Feb 23

As the electrical grid brings on alternative sources it does not need to be perfect but it does need to be [#resilient](#).



Max Rudolph @maxrudolph Feb 23

It's amazing how much rolling 10 year returns can change from month to month. [#volatility](#)



Max Rudolph @maxrudolph Feb 23

Why do those making fun of climate scientists fail to remind us of historically low sunspot activity? Because it argues for cold today.



Max Rudolph @maxrudolph Feb 22

Beating the market is more about recognizing [#bias](#) than models. Emotional control is hard :)



Max Rudolph @maxrudolph Feb 22

How many year-end interest rate stress tests included a real "down" scenario? [#couldhappen](#) [#systemicrisk](#)

the Earth's natural resources. (Follows are not...



Max Rudolph @maxrudolph Feb 19

<http://lnkd.in/bkwPfg> CAS published my paper focusing on the impacts of a changing environment (what not why).



Max Rudolph @maxrudolph Feb 17

If a solution requires an expensive consultant to implement due to complexity run away! If such a good deal let them invest their own money.



Max Rudolph @maxrudolph Feb 17

A pension plan that adopts daily monitoring of funding status would better serve participants by actually funding the benefits. [#overkill](#)



Max Rudolph @maxrudolph Feb 16

Jr Econ profs with a \$1 mill in checking acct should not draw attention to it with so many recent grads unemployed and debt laden. [#doh](#)

Max Rudolph retweeted



Stephanie Kelton @StephanieKelton Feb 16

I'm giving a keynote on MMT to the CFA Society Nebraska on April 9. Details here:

<http://www.cfasociety.org/nebraska/Lists/Events%20Calendar/DispForm.aspx?ID=84&Source=http%3A%2F%2Fwww%2Ecfasociety%2Eorg%2Fnebraska%2FPages%2Fdefault%2Easpx> ...

5 retweets 3 favorites



Max Rudolph @maxrudolph Feb 12

Thinking out loud - how much of US economic success is due to fracking? Are we one big environmental disaster away from crisis?



Max Rudolph @maxrudolph Feb 10

<http://www.rudolph-financial.com/201310%20-%20Integration%20of%20ERM%20into%20a%20Corporate%20Environment.pdf>
... Congrats to CRO Council paper winners. Here is my unpublished paper on ERM implementation. Why am I so controversial?



Max Rudolph @maxrudolph Feb 7

Looking forward to sharing Emerging Risk Survey results at ICA 2014 in DC on April Fool's Day. Some new concerns and opportunities this year



Max Rudolph @maxrudolph Feb 4

My prediction for VIX is already in the money. Could be a tough year economically.



Max Rudolph @maxrudolph Feb 4

Gotta love the my social security website, where you can review your wage history every year or 2 but your password expires every 6 months.



Max Rudolph @maxrudolph Jan 31

I was recently reminded to include property along with casualty insurance to be complete. Then why is #CAS the Casualty Actuarial Society?



Max Rudolph @maxrudolph Jan 30

Some risk managers say that opportunistic risks are not predictable. If true, and everything is random, then what value is added by them?



Max Rudolph @maxrudolph Jan 30

Consultants make it sound like ORSA is a big costly project. Insurers should do gap analysis, but don't ignore today's good risk work.



Max Rudolph @maxrudolph Jan 30

Listening to ORSA webcast. You'd think all that matters is EC. More important is qualitative communication about how risk is really managed.



Max Rudolph @maxrudolph Jan 29

Sometimes a prediction is just anticipating a reversion to the mean.

4 retweets 1 favorite



Max Rudolph @maxrudolph Jan 29

Is predicting part of a risk manager's job? Used to think no, but how do you decide if a hedge is too expensive without expectations?



Max Rudolph @maxrudolph Jan 28

<http://Inkd.in/d7vDfRJ> I was quoted in this article from the Conference Board Review magazine. Interesting article!



Max Rudolph @maxrudolph Jan 27

<http://Inkd.in/bqBpEBF> I have publicly shared my 2014 predictions. I expanded the stress scenarios I recommend.



Max Rudolph @maxrudolph Jan 27

When systemic risk focuses on companies rather than practices, I interpret it as concern with egos and decision making of senior executives.



Max Rudolph @maxrudolph Jan 25

US [#fracking](#) success will drive [#volatility](#) in foreign exchange markets in 2014. [#unintendedconsequences](#)

1 retweet



Max Rudolph @maxrudolph Jan 21

If you rely on [#cyberrisk](#) insurance rather than combining with preventive measures the problem will only get worse.



Max Rudolph @maxrudolph Jan 20

Reading AAA's Retirement for the Ages. Nice doc. Provides a base to set the discussion. [#alignedincentives](#)

1 retweet



Max Rudolph @maxrudolph Jan 17

Big dust cloud in Omaha yesterday. Harbinger of future? [#drought](#)
[#extremeweather](#)



Max Rudolph @maxrudolph Jan 13

Gotta love that Arthur Andersen alums are going to fix the healthcare website.



Max Rudolph @maxrudolph Jan 13

I called mortgage lows May 24 (after refinancing in Oct 2012) and equity buy signal Feb 6 (thank you Cigna - again!) - since then S&P up 20%



Max Rudolph @maxrudolph Jan 13

<http://lnkd.in/bhv2yrF> Dec 2013 newsletter has my 2013 tweets. It's fun to look back and see what I got right.



Max Rudolph @maxrudolph Jan 9

Good Bloomberg Markets article (Feb issue). Only 16 of largest hedge funds beat our returns in 2013 and only 10 of those beat our 2012.



Max Rudolph @maxrudolph Jan 9

It's hard to beat a do-it-yourselfer for investing expenses. Mine were .5 bp (.005%) in 2013.



Max Rudolph @maxrudolph Jan 8

<http://Inkd.in/bTeddPv> I have posted the results from my predictions at the beginning of 2013. Better than Byron Wien!



Max Rudolph @maxrudolph Jan 6

Pent up "demand" for housing likely to end up in apartments or rentals. The young have student loans and watched foreclosures of friends.



Max Rudolph @maxrudolph Jan 6

If insurers move to alternative asset classes since rates are low, why didn't they do so before? Industry shouldn't drive off nominal rates.



Max Rudolph @maxrudolph Jan 6

<http://Inkd.in/bZXP4ap> My September 2013 newsletter is a risk blog discussing the 5 year Lehman anniversary.



Max Rudolph @maxrudolph Jan 5

Koch brothers fund Tea Party and are climate deniers, but hedge their bets by investing in clean water and high quality steel. [#diversify](#)



Max Rudolph @maxrudolph Jan 5

NFL scheduled a game today in Green Bay that won't finish until after dark while starting at noon in Cincinnati. [#whatweretheythinking](#)

2 retweets

-



Max Rudolph @maxrudolph Jan 3

Target funds should use a grid to determine asset allocation using not only age but also current P/E levels. Low P/E, higher allocation.



Max Rudolph @maxrudolph 2 Jan 2014

My August 2013 newsletter includes how the definition of ERM evolves with experience. <http://lnkd.in/bY9Wvp5>



Max Rudolph @maxrudolph 2 Jan 2014

If voters really want moderates who will negotiate in Washington, they need to vote incumbents out. [#theyworkforus](#)

1 retweet



Max Rudolph @maxrudolph 1 Jan 2014

Socially responsible funds should adopt sustainability filters. [#freshwater](#) [#KO](#)
[#BRK](#)

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