



SOCIETY OF ACTUARIES

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The Entire Actuarial Tool Kit

BY JIM MANGE

SOMETIME AFTER LANDING my first full-time actuarial position at a life insurance company, I was visiting my mother. She set her automobile insurance policy down in front of me. “You’re an actuary,” she said. “Explain this to me.”

Our *raison d'être*—the public—cares not whether we are life actuaries, health actuaries or general insurance actuaries; we are actuaries. In these financially-troubled times, we do ourselves and the public a grave disservice if we do not leverage all the tools available for managing risk. That means

educating our candidates and members about the entire actuarial tool kit, not just the tools of life and health actuaries.

But given our heritage, are we—the Society of Actuaries—ready to do that? In some ways, we already are. Exam C, one of our preliminary exams, prepares our candidates with many of the tools they would need to practice as general insurance actuaries. From its beginning in February 2006, the Fundamentals of Actuarial Practice (FAP) e-Learning course has offered basic education in general insurance pricing and

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Recommended Readings



The following is a list of recommended readings from the contributing editors that they feel will pique your interest and help keep you informed.

From Sue Sames

Last November, Dr. Daniel Diermeier, Ph.D., a professor at the Kellogg School of Management, Northwestern University, led a session at the SOA's 2011 Leadership Orientation on Reputation Risk. His book is *Reputation Rules: Strategies for Building Your Company's Most Valuable Asset*. Since his usual audience is CEOs of major companies, his material aims to be useful to those at the top of the organization. For more information, visit bit.ly/soa-act-recoread1 or use the QR code.



From Sue Sames

With *The Big Short*, *Inside the Doomsday Machine*, Michael Lewis is back with a companion piece to *Liar's Poker*, his earlier expose on his experiences working in Wall Street's bond market. This time he's unraveling the story of the subprime mortgage crisis. For more information, visit amzn.to/act-recoread2 or use the QR code.



From Sue Sames

A murmuration is a natural phenomenon with thousands of starlings circulating in undulating patterns at twilight. This four-minute video of a murmuration is accompanied by classical music and an unobtrusive Don Tapscott, author of *Macrowikinomics*, providing thoughts on how we might think of murmuration as a metaphor for human social collaboration. For more information, visit bit.ly/recoread3 or use the QR code.



From Jim Ramenda

Bloomberg News: "Corzine Sought 'Yes Man' for MF Bet: Lawmakers." A quote from the article is, "U.S. lawmakers questioned whether MF Global Holding Ltd's decision to replace Michael Roseman as chief risk officer a year ago was driven by his warnings over bets on European debt that helped push the firm to bankruptcy." For more information, visit bloom.bg/recoread4 or use the QR code.



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reserving. And the Enterprise Risk Management exam that will be offered for the first time this fall will include a general insurance case study. Finally, the modular design of our education system facilitates the addition of tracks for emerging practice areas. You may, for example, have read over the past few months how we are expanding our offerings for aspiring investment and finance actuaries.

A fully developed general insurance track will require updates to Exam C and FAP, and it will require the development of FSA exams that live up to the standard that you and the public expect of the Society of Actuaries. The most dedicated volunteers it has ever been my privilege to know, the members of the Education Committee, are prepared to deliver exactly that. Moreover, we are already making plans to recruit both local and global general insurance experts

to ensure that FSAs produced through this track meet U.S. and Canadian qualification standards and are prepared to be leaders in general insurance throughout the world.

Based on my actuarial education, I am no more prepared today to respond to my mother's question than I was when she posed it years ago. To fully realize our shared vision—for actuaries to be the leading professionals in the measurement and management of risk—it is vital that we offer a complete actuarial education to our candidates and our members. I hope that you are as excited as I about this critical step to making that vision a reality. ▣

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