



SOCIETY OF ACTUARIES

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## Section Highlights

### ACTUARY OF THE FUTURE SECTION

#### WHAT'S A DELPHI STUDY?

The first vision I used to imagine when someone mentioned a Delphi study to me was of an ancient Greek oracle—a priestess standing amid mysterious vapors coming up from the earth. She would be giving a cryptic prediction of the future ... and not from a spreadsheet.

Yet here, in 2012, the Actuary of the Future Section (AOF) proposed and is cosponsoring (with the Entrepreneurial Actuaries and the Forecasting & Futurism Sections) a Delphi study about future career opportunities for actuaries! As you may have guessed, it won't utilize a priestess or mysterious vapors. This is a relatively modern technique. It involves the use of a group of independent individuals with diverse backgrounds and perspectives collaborating on the answers to study questions in an anonymous manner. It is done in such a way that each participant gets to see responses from the others with no idea who submitted them. The result is an atmosphere where each viewpoint is evaluated without regard to organizational hierarchy. The responses may cause some participants to alter their original opinions in light of the new insights from others. That's fine. The group may, after successive rounds, come to a consensus opinion; or to a set of alternative opinions. The study ends when opinions stop changing. Surprisingly, Delphi studies have been very effective as predictive models of future behavior—often far more effective than the predictions of a noted expert in the particular area. The Actuary of the Future

Section Council members and friends of the council are excited about Delphi studies, complexity science, new ways of sharing information (like podcasts) and many other tools and techniques we think will better prepare us to remain viable and effective in the world of the future. And that is the purpose of our section—to identify and promote new opportunities, skills, and new ways of thinking to help you, as actuaries, excel on your career journeys.

Perhaps the Oracle of Delphi herself saw this as a future fit for actuaries. □

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### SOCIAL INSURANCE AND PUBLIC FINANCE SECTION

**THE SOCIAL INSURANCE AND PUBLIC FINANCE SECTION** was formed roughly three years ago. Our goal is to provide education and research on actuarial issues fundamental to the design, management and financing of financial security systems operating in the government domain. Examples of these systems would include public pensions, Medicare, Medicaid, unemployment benefits, flood insurance and workers' compensation benefits. Many of these systems are experiencing financing difficulties, while trying to satisfy the needs of various stakeholders.

The current focus of our section can be summarized as follows:

1. We will identify areas of concern within the major financial security systems that impact public finances, highlighting the unrealistic assumptions and/or methods that have created problems. Subsequently, we strive to educate actuaries and the public about these issues, while offering viable alternatives. Currently, four subgroups have been formed to help address our goals:

- Public Pensions,
- Social Security,
- Government Health Care Programs (i.e., Medicare and Medicaid), and
- Health Care Reform.

2. We will identify actuarial heroes concerning these systems. These will include actuaries who have pointed out and quantified problems in the assumptions or methods, despite often taking personal risk for their actions.

3. We will promote efforts to enhance the Actuarial Standards and Code of Conduct. The current standards and code require the actuary to follow the law when rendering opinions of the financial health of these systems. In addition, we believe actuaries also must point out problems/issues created by the law that could threaten the health of the system or facilitate/dictate the use of assumptions or methods that are unrealistic or misleading.

Our section has recently solicited help from its members to form the above four subgroups. We have been quite pleased with the response received. We look forward, through these groups and our council, to making positive contributions to these public systems so that

we can serve the public interest and our profession. **A**

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## TECHNOLOGY SECTION

**MEMBERS OF THE TECHNOLOGY SECTION** span the spectrum of actuarial fields. We are united by our common interest in technology, its ever-growing uses, and how those uses can be applied to enhance and complement our personal and professional lives.

The Technology Section propagates knowledge across its membership in a variety of ways. One of the primary channels is the Technology Section newsletter *CompAct*, which has been Web-based since 2009. Over the past year,

*CompAct* has presented articles from more technical ("R Corner—Extreme Gray Swan Scenarios—DMFBM," by Steve Craighead, April 2011) to introductory ("Five Easy Steps to Getting Started on LinkedIn," by J. Eddie Smith, IV, and other members of the Technology Section LinkedIn group, January 2011).

That last item shows another way Technology Section members discuss issues with each other: its LinkedIn group—open only to members of the Technology Section. Being the first of the sections to have a LinkedIn group, which started April 2009, the group boasts an interesting array of members. As of January 2012, the largest geographical concentration in the group comes from the greater Chicago area (14 percent of members) compared with Toronto (8 percent) and New York City (8 percent). The quick start guide referenced above came together with input from group members in LinkedIn discussions as well as a shared document on Google Docs.

In addition to its long-standing support of the mortality and other rate tables database at the SOA (which currently has its own sub-site: [mort.soa.org](http://mort.soa.org)), the Technology Section has been contributing to the SOA project "Apps for Actuaries." In addition to sponsoring sessions at meetings on this topic, we look forward to developing it further in 2012, running a contest for app ideas from the membership as a whole. Keep an eye out! **A**

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