



SOCIETY OF ACTUARIES

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## Letter From The President

# TAKING THE ACTUARIAL PROFESSION TO THE NEXT LEVEL

BY TONYA B. MANNING

**THE FOLLOWING IS AN EXCERPT OF SOA PRESIDENT TONYA B. MANNING'S ADDRESS TO MEMBERS AT THE 2012 SOA ANNUAL MEETING.**

I'd like to begin by asking a pretty easy question: Who here has a smartphone in their pocket? OK, does anyone have the iPhone 5 yet? Really? I am just a bit envious.

The phone is something we take for granted today ... until we can't find it or it stops working. But, do you remember the days when each home had only one phone? Ours was avocado green, and was in the kitchen ... with a really long cord that I could wrap around the wall into the den so I could talk with "privacy." I'm sure some of our younger members don't remember this!

Here's the progression of the phone:

- First there was the truly old-fashioned style, where you would just pick up and ask Sarah, the operator, to connect you.
- Then, we progressed to direct dialing and rotary ... and avocado green.
- Then, touch-tone—with maybe two or three per house.
- And, at last, you could talk on the phone like Max from "Get Smart" with

a cell phone, that was so large you had to carry it around in a bag. (Thank goodness for the remake of this movie or I'd lose one-third of you!)

- Now, we have smartphones. An amazing gadget that pretty much contains my life. And, it seems everyone has one (or maybe two—work and personal), not on the wall, but in their pocket or purse.

Think about it, your little phone can do everything the original phone could do (minus maybe Sarah, the operator, but we do have Siri!) And, it can do so much more. These technological advances have taken something that was pretty amazing—the old-fashioned telephone—to a whole new level.

So, you may be wondering, why am I talking so much about a phone, and what does it have to do with the Society of Actuaries? What I have illustrated is how the phone has evolved over time to a whole new level from simply valuable to absolutely essential. And our profession has evolved, too.

Our profession is amazing. It really is. We can take large amounts of data and complex problems, add some calculus, probability, finance, produce pricing and multiyear

forecasting, and help companies develop solutions to important business problems.

Not bad—not bad at all!

But we need to continuously move forward and keep evolving to bring our profession to the next amazing level.

At the SOA's October 2012 Board meeting, the Board approved the SOA's updated strategic plan that will be in place for the next four years. This plan maps out the SOA's direction and priorities. We are very excited to embark on this plan, and continuing to take our profession to the next level is a key part of our strategic plan.

In response to our strategy, there are five areas in which the SOA is working to bring our profession to the next level.

They are:

1. Strengthening our Relationship with Candidates,
2. Creating New Opportunities for Actuaries,
3. Professional Development,
4. Research, and
5. Becoming a Global Actuarial Organization.



Tonya B. Manning

## STRENGTHENING OUR RELATIONSHIP WITH CANDIDATES

Let me start with the candidate experience. From my perspective as a wide-eyed, 20-something exam taker, I viewed the SOA as an entity that only sold solar-powered calculators and gave exams. (Yes, I still have my calculator!) A lot has changed and improved since then.

In 1990 we established the Fellowship Admissions Course (also referred to as the FAC). This course became the final step to becoming a fellow. At the FAC, candidates learn about ethics and professionalism. They enhance their oral communication skills to help them deal with issues they might face as they progress in their careers. I attended an FAC in McLean, Va. and loved it. I am excited that I will be able to attend the FACs this coming year as president, but I know **my FAC** will always be my favorite.

Now more recently, we added e-Learning modules as part of the education process. E-Learning provides candidates with a more interactive, engaging learning experience; and it's available 24/7 worldwide. And because the platform is so flexible, we can quickly introduce new material to make sure we keep our curriculum current.

So, how do we bring the candidate experience to the next level? We want to strengthen the SOA's relationship with candidates. I know that when I was a candidate, I didn't feel connected to the SOA much at all. (Other than buying a calculator and taking exams.) I didn't have a great understanding of what the SOA did other than offer exams.

But technology has evolved and allows us so much more opportunity to connect with our exam takers. We can use emails, websites,

blogs, webcasts, and even social media to reach out and connect. And that is exactly what today's candidates have been telling us they want—connection.

Candidate focus groups and online surveys have helped us get a better understanding of what candidates both want and need. One example is understanding the exam process. It can be really tough for candidates to get their arms around our education process, and, unless they are already employed in an actuarial practice, they sometimes don't have a complete idea of what it's really like to be an actuary. (The good, the bad, and the ugly.)

We want to be a better information resource for them. To do this, we will need to update the SOA's website so that it provides more career-related information. It could include things like targeted marketing to high school and university math teachers to help them become better informed about our profession and to better advise potential or current candidates. The site could also provide information about internships and entry-level jobs.

We want to support candidates while they are working their way through the exam process—to do this, we might provide standardized study materials, performance feedback on the preliminary exams, or additional practice exam resources.

We hear quite often that candidates are also interested in more opportunities to network with practicing actuaries and with each other, and we are looking into ways we can create those opportunities. In this increasingly competitive world, enhancing the SOA's relationship with candidates will not only better support those currently taking our exams, but will allow us to continue to attract the best and brightest candidates

and ensure a vibrant future for our profession.

In summer 2012, I had the opportunity to talk to a group of candidates at a student summit. Whenever you get together with a bunch of college students, it's going to be fun. Not only was it fun—it was very informative! Candidates enthusiastically shared their perspectives and insights about where they hope the profession will grow. Overall, I was really inspired by their passion and enthusiasm for our profession.

## CREATING NEW OPPORTUNITIES FOR ACTUARIES

We know that people who consider becoming actuaries have many options, but we want being an actuary to be their first choice. We want a strong pride in the profession to extend to our members as well. So, just like university students, today's actuaries have more opportunities available to them than ever before!

For almost 60 years, the SOA had two designations—ASA and FSA. In 2007, we added the CERA credential, bringing the SOA to a new level in establishing actuaries as risk management experts. Now the CERA is a globally recognized credential.

And over the years, we've added tracks as actuaries branch out into new roles. I know some people here remember the days when there were only two tracks. Now we have five. Soon we'll have a sixth track—General Insurance. The first exams will be given in the fall of 2013—not too far away!

So how do we create more opportunities for our members and take them to the next level?

- We want to help more of our members move into areas that are nontraditional for actuaries, like investment & fund management, environmental finance, and business analytics. The SOA is conducting market research to determine pathways for actuaries to move into these new areas.
- We want to support entrepreneurial actuaries who find a need in the marketplace and move to fill it. But, we know there are barriers to entry, so we want to learn how the SOA can help members overcome them. Ideas we have include offering support through further education, helping actuaries network together, and marketing the profession to employers outside of the insurance and employee benefits industries. We realize that moving into new areas like these may not be easy, but for the right person it can be a very rewarding career move.

Actuaries like Mark Hug, the chief marketing officer at Prudential Financial; Laura Bennett, CEO and co-founder of Embrace Pet Insurance; and Carol McCall, the chief strategy officer at GNS Healthcare, a big data analytics company, have taken their training and business acumen to nontraditional areas and roles. While their work is not strictly outside the profession, they have broken down barriers. It's exciting to see our fellow members make moves like these, and I hope many more of us will be able to break ground like this in the years to come!

### PROFESSIONAL DEVELOPMENT

Seeing actuaries in areas like these is very different from the past where there was often one central actuarial department within a company. In my area—retirement benefits—actuaries originally focused on liability calculations and regulatory

compliance. With a focus just on calculations and compliance, actuaries could get by just speaking “actuarialese” to other actuaries. We know this is no longer the case. So, how do we bring our roles as actuaries to the next level?

Actuaries need to see themselves and be seen as integral business partners. We are, at our core, problem solvers and that is essential. But, communication skills, problem solving, and persuasiveness—they all have to be part of the mix—these are all important tools that every business leader needs. We need to develop and hone these skills to change the misperceptions of actuaries. This takes work.

For example, I began working on my communication skills while in college, where I took a speech communications class my senior year. To say the least, I was a bit nervous. In fact, I remember wearing long skirts on the days I had to make a speech so my classmates couldn't see my knees shaking. Later, when I began working at a consulting firm, I volunteered to make internal presentations—a low risk way to get experience in presenting and improve my skills.

Being an actuary is more than just doing the calculations or the modeling. Actuaries are called upon to recognize bigger-picture issues, and we must use our business and communication skills to address those issues.

Two of our sections, Actuary of the Future and Management & Personal Development, are creating articles and podcasts, and they're sponsoring sessions at meetings like this one that are focused on developing business leaders with a wide range of skills. The SOA also continues to offer professional development options like our Business Savvy Skills Seminar and e-Learning courses that emphasize the skills we need to keep our focus on the big picture.

Take advantage of these and make an investment in your career. I'm still on a mission to improve my business and communication skills, and I strive daily to be informed about not just my area of expertise, but the big picture. I do this in my career and as a volunteer for the SOA.

### RESEARCH

Next, let's look at research. Research has always been a key part of the SOA's mission. The research we conduct gives us a great opportunity to have our voices heard on important issues facing society today.

In the early days, our research focused on mortality and morbidity studies. In recent years we've undertaken an effort to improve our experience studies. In the 1990s, our research activity expanded to include studies that support our different practice areas. And, we've had academic research delivered to us through the *North American Actuarial Journal*.

Recently we've branched out even further in our research efforts; first, with the Rapid Research initiative. With our SOA staff actuary, Joe Silvestri, we were able to develop data-driven retirement research in response to real-time questions from policymakers and the industry. Retirement issues are in the news daily, so it's important to be able to develop research on this topic and to respond quickly. We are now exploring ways to apply the rapid research approach to other practice areas.

Another topic that's in the news daily (or maybe even hourly) is health care. In 2011 we launched an initiative to dedicate significant resources to health research. This research is targeted to wide audiences (not just actuaries), such as the public, policymakers and the media.

So how do we take our research to the next level? We now select potential projects based on whether the research will:

- Expand actuarial practice,
- Inform public policy, and
- Serve societal interest.

All of the criteria are focused on **impact**.

We will also continue to seek media attention for our research, since this is the best way to help employers and the general public understand the actuarial perspective on today's important issues.

Funding for seven diverse research ideas has already been approved. These include topics such as complexity science and behavioral finance, regulatory risk for insurers, and a climate change index.

## **BECOMING A GLOBAL ACTUARIAL ORGANIZATION**

While we are expanding boundaries metaphorically through our research, we are also expanding geographically as the SOA evolves into an international actuarial organization.

We know the world is shrinking. Our little phones keep us connected with anyone, anytime, anywhere in the world. Historically, the SOA has been viewed as a U.S. and Canadian organization. However, we've always had members outside of the United States and Canada. Today, SOA members live and work in more than 60 countries across the globe. As Brad Smith indicated in his address at the 2012 Annual Meeting General Session, more people worldwide are electing to join the SOA community, and the SOA has a responsibility to serve them.

So how do we take our growing membership to the next level?

- We want to be the leading global provider of actuarial education. The SOA has invested in an education system that uses computer-based testing and e-Learning modules that members and candidates worldwide can access.
- We are working to strengthen the value of the SOA credentials in today's increasingly global environment. Adding the General Insurance track is a big step toward positioning ourselves as having the premier international actuarial designation.
- Our new strategic plan emphasizes the SOA's growth as a global professional organization.
- We want to build and support strong actuarial communities worldwide, fostering and supporting our members and candidates regardless of where they live and work.
- When faced with a choice, we want employers to hire actuaries with an SOA designation.
- When faced with a choice, we want candidates to choose the SOA because of the breadth of our actuarial education.

## **LOOKING AHEAD**

It's exciting to see the SOA and the profession's growth. The SOA wouldn't be able to grow as it has without the involvement of our 3,300 volunteers. We recognized 10 of those outstanding volunteers during the 2012 Annual Meeting's General Session, but in my mind every volunteer is outstanding.

I hope you are all as proud to be an actuary as I am and are excited about the future

of our profession. As individuals and in the collective, I hope you will pursue the following:

- Continue to push yourself.
- Look for new ways to use your actuarial knowledge.
- Improve your skills.
- Ask yourself how you can take your career to the next level.

It can be as simple as going to a professional development session that is outside of your area of expertise. For example, although my specialty is retirement benefits, I recently attended an educational session on predictive modeling.

As I begin my term as president, I look forward to creating a dialogue with you, my fellow members, as we work together to bring the Society of Actuaries and our profession to the next level.

Thank you! **A**

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