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Chairperson's Corner: Jump on the PA Bandwagon

By Ricky Trachtman

A couple of weeks ago I was having a conversation with a friend. We do not usually talk about what we do at work, but she knows that I am an actuary. She told me that she read an article about big data. She mentioned that the article said that one of the most useful things about big data was the ability to predict outcomes. Then she said something like "Don't actuaries predict stuff?" and then followed by saying, "You should jump on the bandwagon." I don't know why, but I felt a bit hurt by her comment.

As some of you may know, English is not my first language, but I knew what the gist of the phrase was. For those not familiar with the phrase, "jump on the bandwagon" means to begin supporting or following a hobby, idea, person, method etc. after it has become popular or successful. I did not know why the phrase used a bandwagon versus any other wagon. So on one of those internet breaks one needs to have, I researched the phrase. I found that the word "bandwagon" itself is the name for a wagon that carried a band. These wagons were bright and ornamental, and they were almost impossible to miss. They were in front of parades, circuses and political rallies to make a big entrance and to say, "Here we are!"

At some point next year, actuaries will have as part of their associateship required education instruction on predictive analytics. The next generation of actuaries will be required to not only understand statistical techniques, but also to use them with tools that they can apply directly at their jobs. There is an interesting article, by Stuart Klugman, in *The Actuary* magazine that came out in February/March of this year titled, "Put to the Test," in which he explains some of the complexities of testing the material. For the rest of us, to use predictive analytics we need to self-learn.

There are some challenges with self-learning, but most of us had to do it to pass the required examinations to become actuaries, which in one form or another make us familiar with the process. The Predictive Analytics and Futurism (PAF) Section has striven to provide you with many resources to learn predictive analytics at many different learning levels. Our very popular podcasts are an excellent way to keep learning and improving your knowledge. We sponsor multiple sessions through the symposiums and meetings from the SOA throughout the year on the subject. We will have our second practical predictive analytics seminar after the Life and Annuity Symposium. In this hands-on seminar, participants learn how to build a basic predictive model using R. In September of this year, the SOA will debut its first annual Predictive Analytics Symposium, which Dave Snell describes in another article in this issue. This newsletter is a wealth of knowledge for all levels of learning. I encourage all of you to not only read this issue, but also to explore all of our prior issues, because those articles continue to be relevant and highly informational.

If you are just starting on your predictive analytics self-learning journey, or know of someone who is starting, a vast number of courses and books are available, many of them free, that will aid you on your way to knowledge. I would encourage you or them to read the article from Mary Pat Campbell, "Getting Started in Predictive Analytics: Books and Courses," from our December 2015 newsletter issue. It truly is a great place to start. Even if you think you are not going to build predictive models, I would encourage you to learn some of the tools and computer languages used to build predictive models. These tools are very useful to understand and process information/data that you may already have. These tools may provide ways to analyze and view results in different ways, allowing us to gain a better understanding of the information. There is a great group of research articles on the SOA website about data visualization in actuarial practice that may help you spark ideas on new ways to view information.

Predictive analytics does seem very much like a bandwagon for an actuary nowadays. It appears in publications, meeting sessions, webcasts, podcasts—you name it. It is right there, bright, loud and ornate. As my friend said, we actuaries do predict "stuff" and we do much more. We have been predicting using data for a long time, but now we can do it utilizing exciting new tools, new sources of information, new techniques, and we can do this at a more granular level than ever before. These are exciting times for our profession, and come to think of it, I should have not felt hurt, I should feel proud to be at the forefront of it all, right on top of the PA bandwagon. ■

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Podcasts—A Drill You Can Enjoy!

By Geof Hileman

Did you know that you can know earn continuing education credits by going to the dentist? While out for a run? While cutting your hair? Thanks to the SOA's relatively new and rapidly expanding library of podcasts, you can earn CE just about anywhere you choose.

For the uninitiated, a podcast is simply a free audio recording that can be downloaded and played back on any computer, tablet or smartphone. Podcasts have been growing in popularity at such a rapid rate that it is difficult to find current statistics. One estimate shows that more than 57 million Americans listen to podcasts at least monthly. The appeal of the podcast medium mirrors the something-for-everyone nature of other web-based media. Whatever your interests, there is certain to be a podcast just for you. I've listened to podcasts ranging from a 12-hour series on the thirteenth-century expansion of the Mongol Empire to a 20-minute discussion of why milk is placed in the back of the grocery store (the answer is as obvious as you'd think).

While perhaps holding less universal appeal than some other more frequently downloaded podcasts, readers of this newsletter may find common ground in the podcasts that are now available through the SOA and, in particular, those produced by the Predictive Analytics and Futurism Section. All of the SOA's podcasts can be found by searching any podcast provider for "Society of Actuaries Podcast Feed." Within the search results, you will find a list of podcasts created by individual sections and by the SOA generally. As with podcasts in general, the SOA podcasts cover a wide range of actuarial subject areas.

The PAF podcasts are hosted by Anders Larson and Shea Parkes, both PAF Section Council members. Each episode is 15 to 25 minutes in length, and many are part of a series introducing listeners to various predictive modeling techniques and topics. Previous episodes have discussed the bias-variance tradeoff that lies at the heart of many predictive modeling exercises, cross-validation and bootstrapping, penalized regression, random forests, decision trees and ensemble modeling. In addition to the series covering specific modeling topics, the podcast has also discussed other special topics. One recent episode featured an interview with leaders of a firm that has been expanding its predictive modeling capabilities and discussed the approach they had used to build out and deploy those new capabilities.

Using podcasts as one component of meeting your continuing education requirements offers three distinct benefits. First, it's difficult to beat "free," especially in the realm of actuarial continuing education. Second, the convenience is unparalleled. Episodes can be downloaded in seconds and listened to wherever you go. Third, and most importantly, the podcast vehicle provides access to leading experts providing highly current information. Even conference presentations and newsletter articles are planned months in advance, but podcasts can be put together very quickly and can provide actuaries with highly relevant and recent information.

At the risk of damning with faint praise, I can personally report that the PAF podcasts are far better than the sound of the dentist's drill. Better than that, the SOA's library of podcasts are a great new way to stay current and to help meet your continuing education requirements. ■

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