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Editorial

ACTUARIES IN NONTRADITIONAL ROLES

BY CATHY LYN

THE ACTUARIAL PROFESSION has serious competition from related professions to attract the best students when they are in the process of choosing a career. However, more and more youngsters, especially outside of North America, are aspiring to become actuaries. Most of those who choose the actuarial path are a talented set of individuals with an affinity for mathematics who have something positive to offer. I would like employers to realize that actuaries and actuarial graduates are valuable employees who can give an organization a competitive edge even if they do not function in the traditional role of an actuary. An actuarial career has been publicized as among one of the best jobs in America by offering a pleasant work environment, good salary and healthy job security. However, in recent years, some of the rankings have fallen and the actuarial job often now carries the perception of being stressful.

This editorial paints a picture of actuaries flexing their actuarial skills beyond signing reports and forms for legislative and compliance work. The public wants a strong, profitable and ethical financial industry that can meet its contractual guarantees and ensure worthwhile benefits to their customers and they want to trust their financial organizations. This is more vital in the face of the global financial meltdown and looming climate change. We cannot eliminate

insolvencies, but our work can demonstrate a strength that deserves the image of an expert in our field, and a truly “trusted advisor.”

In countries where the financial markets are small, or still developing, such as my home country, Jamaica, there are inevitably fewer actuarial jobs. But often the context of the actuarial role itself is much broader than found in larger developed markets such as the United States. So, while it may not be necessary for actuaries in the United States to consider a non-traditional role, I believe all actuaries should remember that an actuary’s skills are valuable in many other industries such as energy and utility companies, transportation, in fact, nearly any sector that requires a robust application of risk management principles.

I would like to give readers a glimpse of the talent demonstrated by two people I know personally who have extended their actuarial skills, taken on leadership roles and moved the boundaries out as they successfully ventured into new areas.

Daisy McFarlane Coke, ASA, FIA, spent time in the U.K. Government Actuary’s Department which offered advice to: the Board of Trade, the ministry responsible for all trade matters, including insurance regulation and supervision; the Ministry of Finance; the

National Insurance Fund (for social security) and all departments with responsibilities for public sector pension arrangements; overseas governments including Malta, Gibraltar, Ceylon and Singapore; and the trustees for pension funds of the United Kingdom and commonwealth public sector. Her training gave her valuable experience and exposure to actuarial practices applied in different parts of the world.

Daisy returned to Jamaica to take up a post as government actuary in the Ministry of Finance. A couple years later she started her own consulting firm concentrating mainly in the retirement and social security practice areas.

It was Daisy’s volunteer work that took her into new territory. She became chairman of Public Services Commission, acted as deputy chairman of the Jamaica Broadcasting Commission Board, and served as a board member at Prices Commission (now Consumer Affairs Commission), the regulatory body for protecting the rights of consumers, to name but a few.

Her actuarial knowledge helped to gain an understanding of how to use data from a number of sources in decision making. She learned the inputs that would be charged to



Cathy Lyn

the final product, how to evaluate allocation of expenses and profitability over a wide range of goods and services in an equitable manner as well as understanding that the costs would be borne by taxpayers. She spoke to various labor unions to initiate discussions on employee benefits, and helped develop the role of the actuary in serving both organizations and individuals and contributed greatly officially and unofficially to the development of the profession in Jamaica. She is a founding member of the Caribbean Actuarial Association (CAA) which is now a full member of the International Actuarial Association (IAA).

Ravi Rambarran, FIA, is a Trinidadian living in Jamaica and working for a Barbadian company with responsibility for insurance operations in the United Kingdom, United States and the southern Caribbean. He was awarded an Open Mathematics Scholarship by the government of Trinidad and Tobago which opened the door to tertiary education for him. He is a fellow of the Institute of Actuaries, a representative of the CAA on the IAA Insurance Committee, chair of the (CAA) Property and Casualty Insurance Standards Committee, chair of the CAA Public Sector Pensions Reform Committee in Jamaica and was recently elected vice president of the CAA.

As a young man driven to extend himself, Ravi has worked hard to gain experience in a variety of practice areas as an actuary. He qualified as a pensions actuary in England, but when he came to Jamaica, he found an opportunity to get involved in group accident and health in addition to running a pensions portfolio. Subsequently, he became the appointed actuary to the overseas subsidiaries of the parent company, Life of Jamaica. The parent company was later acquired by the Sagicor Group and he became the chief financial officer and chief investment officer of Life of Jamaica. He had

a short time as the CEO of a broker/dealer and then returned to Sagicor as the group corporate strategist. Ravi is currently the CEO of the International Division of the Sagicor Group which incorporates the life insurance operations in the United States, the general insurance operations in the United Kingdom and the southern Caribbean.

Ravi applied himself to master the new technical areas he adopted and he has been fortunate to have excellent mentors like Prof.

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Steven Haberman and Stephen Yeo, FIA, from England, Errol Mckenzie, BSc, MBA, from Jamaica, Diane Bean, BA, from Canada and Dodridge Miller, FCCA, MBA, LLM, LLD (Hon), from Barbados who have regularly provided advice and opportunities. Following the issue of the Green Paper on public sector pension reform, Ravi's latest contribution has been to lead a CAA team to propose a benefit design to reduce an unsustainable pension cost to the joint parliamentary committee formed to deal with this matter.

As the above examples illustrate, an actuarial training and qualification is just a start. The actuarial education and training program provides the fundamental skill to achieve success in the business world. That is, the ability to think—the ability to ask the right questions, to solve problems creatively, to apply mathematical and analytical rigor to all aspects of “risk management” in its broadest sense. Actuaries have to continually demonstrate this ability to the managers and decision makers in their organizations. Why not actively seek out problems in your company, as these are opportunities to devise creative solutions. Too many actuaries seem to prefer to remain on

the advisory side rather than become influential as decision makers and be accountable for results.

Actuaries should study other disciplines, for example, management, strategy and marketing and learn how these disciplines are interconnected to actuarial science. Be curious and keep asking yourselves, “How can the status quo be improved?” and proactively take a leadership role!

However, none of this will work unless there is also a level of personal development around communication ability—an oft-raised criticism from those outside the profession, but not without foundation. Right from university into student-level roles and throughout an actuarial career, continual development of the ability to translate technical information into easily understood results and advice is the key to a successful business career, in whichever part of the market one works. I strongly believe that all actuaries have a duty to serve their profession by strengthening its image, not only internally but also with other actuaries external to your organization.

I would like to thank Daisy McFarlane Coke, Ravi Rambarran and Lesley Traverso of D.W. Simpson for their valuable contributions. ■

Cathy Lyn, FSA, FIA, is a consulting actuary for Duggan Consulting Limited and immediate past president, Caribbean Actuarial Association. She can be contacted at clyn@sympatico.ca.