



SOCIETY OF ACTUARIES

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Passing the Baton

by Noel J. Abkemeier

The Annual Meeting of the Society of Actuaries marks the beginning of a new year for the sections and it is appropriate to take a look to measure our progress and our positioning for the future.

First, I would like to thank retiring council members Nancy Kenneally and Anne Katcher, both of whom contributed greatly to council activities during the last three years. While both were involved in the full spectrum of council activities, Nancy played a key roll in organizing the section's programs at last year's Annual Meeting and in getting the Product Development Actuary Symposium established. Anne helped revive our research activities, always joined in when new initiatives were being structured and reliably served as our secretary. We also owe special thanks to Christopher Poirier, who built a very useful Web site as our Web site liaison for the past two years. His departure leaves an opportunity for a new volunteer.

Kevin Howard is beginning his term as chairperson, and is well-positioned to identify new opportunities because of his having been involved deeply in every aspect of council activities over the last three years.

A Look Back

The last year carried forward our core activity with successful product development oriented program offerings at both the Spring and Annual Meetings, under the guidance of Susan Kimball and Paul Haley, respectively. The Product Development Actuary Symposium became firmly established as an annual event through its third offering and the pre-symposium seminar, *Designing and Pricing Secondary Guarantees on UL and VUL Products*, has indicated the permanence of a pre-symposium seminar. In both cases, the strong registration and growth over the previous year indicate that we are responding to a true need. We thank the many section members who helped as presenters in these programs.

An initiative in the past year was to increase the emphasis on research that serves the needs of product development actuaries. In recognition of the section's 20th anniversary, we sponsored a papers competition on *Product Risk and Its Management*. We are pleased to announce and congratulate the winners as David J. I. McIntosh for his paper titled *Valuing Commodity Risk in Leasing Products*, and Ian Duncan for his paper titled *Population-Based Risk Management: Identifying and Managing High-Risk Health Plan Enrollees*. Although the papers do not directly address life insurance and annuity issues, they can stimulate parallel thinking about applications to those lines. Both papers have been posted on the section Web site. Thank you also to the other competitors who submitted entries.

Our ongoing research commitment was initiated with the release of a request for proposal on an *Analysis of Product Guarantees*, for which proposals were due September 15 and the selection of the best proposal is now in process. As products have evolved, new and often more difficult to manage risks have been embedded in life insurance and annuity policies. This research should identify and quantify those risks, and may provide a roadmap for subsequent focused research.

All of these activities have been well reported in *Product Matters!* with Doug Doll as editor. The thrice-annual publication of ever-increasing size has provided a very valuable forum for sharing product development concepts. We thank Doug for his commitment and ask that you make it even better by submitting articles for publication.

As we move into 2004, I offer best wishes to Kevin and the newly constituted council. I also ask your support of and participation in the section activities so they can provide the greatest value to the most members. □



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