



SOCIETY OF ACTUARIES

Article from:

Product Development News

December 1999 – Issue No. 49

New Chairperson's Corner

by Larry N. Stern

It is tradition that fall brings a change to our lives — the weather turns colder; the leaves change color; daylight hours become shorter; the animal world prepares to hibernate for the winter. It is also tradition at the SOA annual meeting that we witness the passing of the gavel for Section chairperson. As I take on the responsibility of chairing the Product Development Section, I look forward with anticipation to an active year ahead.

We thank Phil Cernanec, Deb Sloan and Ed Turner for their many contributions as retiring Council members and welcome the potential from newly elected members, Mary Bahna-Nolan, Lorraine Mayne and Ken McCullum. In addition I want to acknowledge the contributions of retiring newsletter editor, David Whittemore, who painstakingly put together quarterly publications of product development-related interest for the past three years. Coincidentally, we are in search of a newsletter editor to carry forward. If anyone is

interested, please contact me at my Directory address (phone or e-mail).

In addition to myself as chairperson, Deanne Osgood will serve as vice chairperson and Kathy Anderson as secretary/treasurer for the next year. Your new Council will not rest on the laurels of past performance.

The Product Development Section Council performs two primary functions on a regular basis: working with the SOA to plan the spring and annual meetings, and planning and facilitating seminars focusing on specific

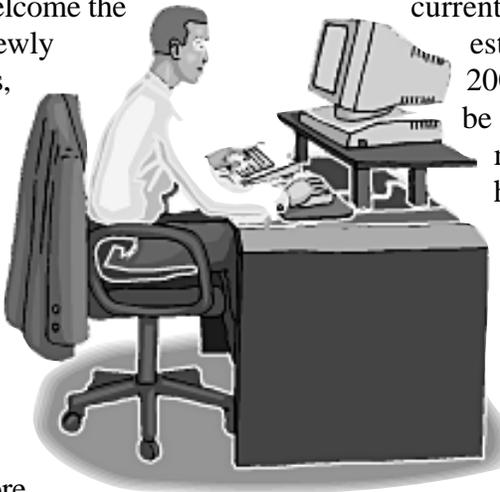
current topics of interest. The spring 2000 meeting will be in San Diego and meeting planning has begun; we have 12 sessions to develop. Preliminarily, the session topics will include some of the following: data

warehousing/data mining, XXX new products, Internet marketing and product design considerations, distribution alternatives, offshore insurance options, one-shop products, and product

approval dilemmas. We are also considering at least three seminars to cover topics such as distribution alternatives, market-driven product innovation, and pricing methodology innovation (a technical approach). These topics were suggested from the survey taken at the annual meeting luncheon.

The change in syllabus requirements has placed more responsibility on the Special Interest Sections to provide opportunities for SOA members to receive professional development credit toward Fellowship. To meet this need the Product Development Section Council will co-sponsor basic training seminars to fill the gaps left from excluding certain topics from the exam syllabus. For this effort, we are considering doing the Product Development Bootcamp and an "advanced topic" practicum on an ongoing basis.

I have heard many of you express concern about the pricing of profitable products in today's highly competitive financial services marketplace. The role of the product development actuary must extend beyond setting assumptions and testing adequacy of premiums. The actuary must understand the characteristics of



the marketplace and design/price products to best meet the needs of that market, providing insight and

Section Council is committed to helping you obtain the skills and information needed to compete in

Product Development Section serve the membership during the coming new year, new decade and new millennium.

“I have heard many of you express concern about the pricing of profitable products in today’s highly competitive financial services marketplace. The role of the product development actuary must extend beyond setting assumptions and testing adequacy of premiums.”

Larry N. Stern, FSA, is a principal in Tillinghast-Towers Perrin’s Indianapolis office and is chairperson of the Individual Life Insurance and Annuity Product Development Section Council. He can be reached at sternl@towers.com.

advice on how to respond to the dictate of the consumer. The

today’s environment. We welcome any ideas you have to help the

THE NEWLY-ELECTED PRODUCT DEVELOPMENT SECTION COUNCIL MEMBERS:

Mary J. Bahna-Nolan, *North American Co-Life/Health*,
Chicago, Illinois

Lorraine W. Mayne, *Milliman & Robertson*,
Salt Lake City, Utah

Ken A. McCullum, *The Hartford Life Insurance Cos.*,
Simsbury, Connecticut

* All will serve three-year terms.