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Chairperson's Column

By Bruce Rosner

I sit here at my work desk in the midwinter lull—in between blizzards, ending some projects and starting others, ending one reign of U.S. government philosophy and beginning the next. And, indeed, I feel the static energy in the eye of the actuarial world, as many insurance companies finish cleaning up their models post-financial crisis and seek the next era of product innovation and risk management.

Our goal as the Modeling Section Council is to follow the arc of modeling and support you with current and cutting-edge topics. To that end, we recently surveyed the Modeling Section membership about 12 topics that our council considered. Figure 1 shows the results.

Like all good experience studies, we reserve the right to ignore the data and apply actuarial judgment. But the results were incredibly interesting. Our first reaction was the overall level of interest in all topics—our lowest ranking score was 58%! This was a much-needed reminder to us that the needs of modeling actuaries are diverse, and we need to find both topics that cover the broader interest as well as the smaller niche, cutting-edge topics.

- **Model validation is the most universal topic today**, by a significant margin. A tremendous amount of progress has

been made in the last few years, and this will continue to burn its way through the industry for years to come.

- **Scenario generators, economic capital, state-based modeling and asset allocation** are some niche topics where we were uncertain of the level of interest, and the results show in fact a significant level of interest among certain groups.
- **Assumption setting and experience studies** were another wildcard when we set this up, and the extremely high level of interest was probably the biggest surprise to our council. We will pivot to expand coverage over the next year.

One other thought I'd like to share with you is the question of what differentiates us as "modeling actuaries." What is it that we can do in our careers and skill-building to distinguish ourselves, as individuals and as a group, to be indispensable to our industries?

I recall my surprise several years ago, when I first entered the world of model efficiency, how completely different branches of mathematics can be brought to bear on the problem of information redundancy in a seriatim model—spatial mathematics, linear optimization and statistical techniques, among others. The star modeling actuary at a company is the problem-solver. The person who can say yes to the difficult questions. Modeling needs that appear recursive? No problem. Structural data and modeling issues? Been there. Turn too many numbers into a great visual? Sounds like fun. Together, we'll figure how to do better tomorrow. ■



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Figure 1
Modeling Section Membership Survey Results

