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# Letter From the Editors

By Phillip Schechter and Mary Pat Campbell

**M**ary Pat and I are pleased to present this issue—the sixth—of *The Modeling Platform*. In my constant quest for improved productivity, I’ve been trying the Self Journal, a day planner for achieving three-month goals. (Yes, Facebook advertising works—at least on me.) The journal includes daily quotes and one caught my eye, attributed to Benjamin Franklin: “Either write something worth reading or do something worth writing.”

In the name of journalistic integrity, I tried to verify the attribution and came to the full quote, which is far more colorful. From the 1738 edition of *Poor Richard’s Almanack*<sup>1</sup>: “If you would not be forgotten as soon as you are dead and rotten, either write things worth reading, or do things worth writing.”

Let that serve as our biannual call for authors.

One of the benefits of editing a newsletter is advance exposure. I started using ideas from Bob Crompton’s article “Making Spreadsheets Great Again” well before the edits were finished. In the past, we’ve talked about how to apply proper governance to Excel models, but in the meantime, we are likely to be confronted with Excel files—surely not from section members—that do not have clean structure or documentation. This article suggests approaches to reviewing and correcting such spreadsheets.

In order to discuss models, it helps to define what a model is. William Cember and Jeff Yoon contribute “Actuarial Model Component Design.” Here they lay out items that fall into the scope of actuarial models, not limited to the calculation engine, and talk about key considerations for each component.

Modeling systems need to be flexible enough to reflect a range of products and strategies, and locked down enough to be reliable; this conflict is reflected through a range of “open” vs. “closed” products in the marketplace. James Christou, Ravi Bhagat and Alex Zaidlin help sort through the competing strengths and concerns of each approach. This has been a hot topic for quite a while; the fall issue of *CompAct*, which will be available by the time you read this, has an article on the same topic, but most likely from a different perspective, by Van Beach; it might be interesting to compare and contrast.



In a prior issue we put out a request for thoughts on model validation. Winston Tuner Hall, Michael Minnes and Veltcho Natchev answered that call, contributing “Adding Value with Model Validation.” This article explores the benefits—and necessary organizational considerations—of setting up a beneficial validation program.

In a highly anticipated sequel, Linda Chow, Jeremy Levitt, Yuan Yuan and Laura Donnelly give us part two of the Long-Term Care Modeling trilogy, this installment discussing the pros and cons, nuts and bolts of first-principles modeling.

Actuarial models do not exist in a vacuum. If a model runs in the forest and nobody hears, there has been a lot of wasted effort. In his valedictory as section chair, Bruce Rosner gives some guidance on communicating model results.

The editors appreciate the work of the authors, and we trust you will too. ■



Phil Schechter, FSA, MAAA, is a vice president at Global Atlantic Financial Group. He can be reached at [phillip.schechter@gafg.com](mailto:phillip.schechter@gafg.com).



Mary Pat Campbell, FSA, MAAA, PRM, is vice president, insurance research, at Conning in Hartford, Conn. She teaches computing and business writing for actuarial science students at the University of Connecticut. She can be reached at [marypat.campbell@gmail.com](mailto:marypat.campbell@gmail.com).

## ENDNOTE

<sup>1</sup> Or more completely, *Poor Richard, An Almanack for the Year of Christ 1738, Being the Second after LEAP YEAR*, written and published by Benjamin Franklin.