

TRANSACTIONS

ADDRESS OF THE PRESIDENT, BARBARA J. LAUTZENHEISER

DARE TO BE A LEADER

Two years ago the Board formed a Planning Committee of the Society of Actuaries. The first year, that Planning Committee, under the direction of now Penultimate Past President Robin Leckie, developed a planning process. The second year, this last year, under the direction of President-Elect Dwight Bartlett, ten major issues for the Society of Actuaries were identified. Study on those issues began this year and will continue over this next year.

Those ten major issues relate back to the two major purposes of the Society of Actuaries. Those are Education and Research. The first of these issues encompasses all the other major issues. This issue is to strengthen the value of the F.S.A. All the other issues relate back to this one; they complement and implement this one. Strengthening the value of the F.S.A will be accomplished through actions in four general areas. The first is readdressing the knowledge base, that is, taking a look at the core knowledge, that knowledge on which we are tested and which makes us very unique. The second is communication to the public, and other users of that core knowledge, of its value. Third is taking a leadership role in communication of research and information. And fourth is improving and expanding continuing education.

As I previously indicated, the balance of the issues really relate back to strengthening the value of the F.S.A. The second issue, then, is the development of an educational system that would give us that good solid core knowledge. Better uses of, and relationships with, academia will be investigated. We will integrate into the system more modern techniques and technology, such as the computer, as primary tools. We will look at the syllabus, to determine whether or not there's an appropriate emphasis on practical problems and applications, relative to underlying theories and principles. We need to look at the type of persons that are attracted to our profession

by these examinations. We are concerned with pension actuaries and consultants who appear to be stopping at the A.S.A. level. We are also concerned with how to achieve the right balance, among the F.S.A. candidates that we are attracting, between those who are more technically oriented and those who are more broadly management-oriented. The Education Policy Committee is looking into all of these matters.

The third issue is to strengthen research. We'd like to gain public visibility as *the* source of actuarial research. We want to become a first-class information service. We want to be a resource for data and a source for data, particularly an outstanding source of data for mortality and morbidity. The Research Policy Committee is looking into that issue.

Continuing education? The Services to Members Policy Committee has been looking at this over the last year and will continue to do so over the next year. They plan to identify current and potential education wants and needs for the core education as well as for continuing education. Once identified, they will then determine into which of these two categories the "want" or "need" fits. Since these education wants and needs are so great, we will also be looking at whether the Society of Actuaries should be providing all this education or whether university, A.M.A., other management courses, or other kinds of education courses should be used. Perhaps the Society of Actuaries should not be the organization actually providing these courses, but instead should be providing access to these courses. In the continuing education area, we will determine how we can update and retain that unique core of knowledge that makes us actuaries. We'll attempt to identify the needs of the members. For example, what are the needs of members who received their F.S.A.'s several years ago and want to update their knowledge. How can the Society of Actuaries help to enable members to become expert in some particular theoretical or practical area? It may be possible for us, or even a requirement for us, to develop continuing education tracks. Focus groups are going to be established to identify members' needs.

A fifth issue—and I'm positive you're going to see movement in this area, because it's a major priority of President-Elect Dwight Bartlett—is greater cooperation with academia. It will help in all the three previous areas, the core knowledge, research, and continuing education.

The sixth issue is better service for pension actuaries. We've already formed a Pension Section. We've also spent a great deal of time over this last year improving the pension syllabus, and more improvement will be made in that area.

The seventh issue is one that is very urgent today—that is, support for

the valuation actuary. What are appropriate valuation assumptions? How should solvency be defined? How should assets be valued? Should assets and liabilities be matched? It's becoming extremely more difficult for an actuary to sign an opinion that s/he has made good and sufficient provision for all unmatched obligations. We're in an environment of interest-sensitive products, which calls for more surplus, an environment of mutual life insurance taxation as a function of surplus, which calls for less surplus so there is less cost, and an environment with a threat of unisex pricing, with its unpredictable ultimate male/female mortality mix, which again calls for more surplus. These are very, very difficult questions that need to be addressed on an extremely timely basis.

The eighth issue is to encourage the writing of intermediate-length articles, and to develop a medium somewhere between the more formal papers in the *Transactions* and articles in *The Actuary*.

The ninth issue? If we are going to be the educational arm for the profession, should we be providing educational services to nonmembers?

The tenth issue is whether it is the appropriate role of the Society of Actuaries to be developing standards of practice.

I have an eleventh issue that was not a Planning Committee's issue, but is mine. That issue has to do with Article 10 of the Constitution. Do you know what Article 10 is? Article 10 requires a two-thirds vote of all voting Fellows to express a public opinion of the Society of Actuaries. In today's environment, the only way you can express an opinion is if you do it the day it is asked for. It requires immediate opinions. I have learned over the last nine months that if I want to express any kind of a public opinion, the day the person from the press calls me, I have to call back. Newspapers have a night deadline and if you don't meet their deadline, you don't get an opinion expressed. There's no way we're going to get a two-thirds vote of voting Fellows overnight—even if we had the capability for "electronic transfer of opinion."

The question, then, is whether or not we should retain Article 10. Over the last year, many—particularly new—Fellows have questioned why the Society of Actuaries hasn't expressed an opinion and have criticized the Society of Actuaries for not doing so. They don't know of Article 10. Another related question is can the value of the F.S.A. be retained if the Society of Actuaries doesn't express opinions, and let the public know what the Society of Actuaries is and what Fellows and Associates are.

There is, however, a way that we can let society know the value of the F.S.A and the A.S.A even if the Society of Actuaries doesn't express an

opinion. And that's if you, as individuals, as F.S.A.'s and A.S.A.'s, express opinions. If you, as individuals, as F.S.A.'s and A.S.A.'s, become leaders.

We can begin this improved public perception of the value of the F.S.A. and A.S.A by discontinuing the telling of "actuary jokes." We keep talking about the actuary being a person who doesn't have the personality to be an accountant. But if Anacin advertised they were the tablet that didn't have the personality to be an aspirin, it would be a great ad for aspirin but not so great for Anacin. We think those jokes are funny. Others think those jokes are fact. Each of us needs to improve the image of all of us. What the Society of Actuaries is and what F.S.A and A.S.A mean to the public is really the summation of all of the actuaries that the public knows. Whenever you or I hear that someone is an accountant, we don't think of Webster's definition of "one who is skilled in the practice of accounting or who is in charge of public or private accounts." We think of the accountants that we know, the education they have, the knowledge they have, the integrity they have. So when an issue concerns you, write to your local newspaper, send a letter to the editor or, better yet, go in and talk to people. Talking to them, you'll get their attention; and it's more than likely you will actually get in print if you go in and talk to them. Give speeches to local service clubs. They're always looking for speakers and more than willing to give you the podium. The Society of Actuaries has just developed a new speaker's kit to help you do that. When you write those letters and give those speeches, and then someone says F.S.A or A.S.A they're going to think of you. They're going to think of someone knowledgeable, concerned, professional, and having integrity.

I'm more than willing to bet that, with that last recommendation to speak out, over eighty percent of you "tuned out" because you automatically said, "Speak out? Not me! I'm not going to do something like that." The greatest fear known to mankind is that of giving a speech. However, I can assure you that if I can do it, anyone can. I didn't become a teacher, because I didn't want to get up in front of groups and talk. I didn't want to have to even take speech class.

Being a speaker and being a leader may sound impossible now, but you do it the way you do almost anything else. You do it one step at a time, incrementally. Success by the inch is a cinch. Success by the yard is hard. You can do anything if you do it slowly and in small steps. It wasn't that long ago that I thought becoming an F.S.A didn't even seem possible. I flunked my fair share of exams. I got my fair share of sixes. The week before each exam I was so intolerable, no one could get near me. I can

remember when I was an F.S.A., minus two, I said, "If I don't pass this time, I'm never going to sit again!" Fortunately, I did pass and didn't have to make the decision. But I have a feeling that even if I hadn't passed, I would have tried again, and I would have bounced back.

Each of you has that great attribute of democracy that we seem to take for granted, that is, the freedom of choice. For those of you who are A.S.A.'s, you need to choose whether or not you want to go on to F.S.A. If you want to be a career Associate, that's fine, because that's quite an accomplishment. But if you decide to become a Fellow, make that decision and stick with it and bounce back until you get there. Choose A.S.A or A.S.A plus one, or two, or three, or F.S.A., the highest level. But choose! Don't just drift into a decision. Too many times people are engulfed by their careers instead of choosing them. For those of you who are A.S.A's, I seriously urge you to become an F.S.A., if that's the level you really want. The price may feel pretty great right now. Four or five years is, admittedly, a long time, but the options left open to you are rather substantial—that is, forty or fifty years of options. That's a ten-for-one return on your investment of study. It sounds pretty good to me. Those of you who are F.S.A's also need to make choices, and choose levels in your company or your firm. Make sure you are willing to pay the price, because the price to stay is always equal to or greater than the price to go. So the first way of getting enough nerve to take that risk to be a leader is to do it in very small steps, incrementally, just as you take exams.

Another way to learn to take risks is to learn that you can do anything with practice. Rehearsal reduces risk. And the practice can be merely mental practice. A survey, done some years ago, looked at people excelling exceptionally in sports. Each and every one of them used mental practice. Mental practice can be perfect practice. With mental practice you can fail, learn the feeling of failure and how to cope with it, and still go home and not be fired. You can learn how to fantasize, that is, do mental practice, and make it work for you. You can learn how to take a risk at no risk.

Distress and stress occur when you have no choice. When you learn how to take that risk, you have not only a choice, but a multitude of choices. In other words, you have to be willing to lose a little in order to win a little. When you learn how to take that risk through incrementalism, small steps, and mental practice, then you can concentrate on taking that risk of being a leader.

What is a leader? Well, my interpretation is that leadership today is really the art of followership. You have to convince people to follow you. You

cannot dictate what they do. And each and every one of you can do that also.

How do you learn how to be a leader? Well, you look around you and identify the kind of people you would like to follow. And then you do the things they do. Several years back, a woman came into my office to interview me for her Ph.D. thesis. Her hypothesis was that the reason that women don't succeed is that they don't have a mentor. I looked at her, and smiled and said, "I've made the world my mentor." Every time I saw something that someone else did well and I didn't do well, I tried to copy it. For example, every time I attended a meeting, I stood in the corner and waited for someone to come over and talk to me. Once at an agency meeting a gentleman who was one of the most loved in the company came over to me, as he automatically did to everyone, extended his hand and said, "Hello, I'm Ed Wescott." I tried it. They all loved me, too. I made them smile and that made both of us happy. Whenever you find somebody doing something that makes you comfortable, makes you feel good, or that you like, follow that. Interestingly enough, you should also note and identify those things that you don't want to follow and make sure you don't do those.

What have I found in leaders? Number one, identified in almost all studies done of why subordinates follow leaders, is integrity. You have to feel that the leader is treating you, and others, fairly, or you don't follow. In my opinion, this profession has the highest level of integrity of any profession that I know. Each and every one of you has that characteristic, already, to become a leader.

What's another attribute of a leader? Commitment and willingness to stand up for what you believe. Leaders are people who are willing to speak out. I'd like to share with you my experience. Fifteen years ago I was unwilling and unable even to talk to the person sitting next to me. One day a young man working for me, even more introverted than I, turned to me and said, "Barbara, the reason you won't talk to anyone is you're afraid you'll be criticized." Mad? Oh, did I get mad at him and deny that. Because I knew he was right. And once this was identified as a trait I had, but didn't want, I knew I had to change. So I began to test my ideas on people who I thought would not criticize them, incrementally of course. And here I am, mousey to mouthy in fifteen years.

Maybe what you have to say is not new or unique, but then again, maybe it is. And maybe even what you have to say isn't recognized for a long period of time. Yesterday's newspaper announced an eighty-one-year-old, Barbara McClintok, who was awarded the 1983 Nobel Prize in medicine,

for something she had discovered thirty years ago, but had been ignored. The first response of this slight, barely five-foot-tall eighty-one-year-old woman was, "Oh dear," and she disappeared. When she finally showed up for the news conference, she said, "I knew what I was doing many years ago wasn't acceptable. That was allright. When you know you're right, you don't care. You know sooner or later it will come out in the wash." You have to stand up for what you believe. If you don't do something about a problem, you're part of the problem.

I recognize that the greatest fear known is that of speaking before a group, and I have to admit I had those same fears. The secret is to talk on something you're an expert on. I had the great fortune of my first speech being to womens' groups, on how I had become successful. Being well-informed about myself, with no one able to tell me I was wrong, made it easy to become an expert. But each and every one of you can identify a field or area that you are expert in. Talk on that.

I also used to do a lot of sitting in the back of the room. I didn't want to come up front where everybody could see me. But then, whenever I would finally get enough courage to raise my hand, and I would be called on, guess what happened? The entire room turned around and looked at me. Then I crawled back into my shell, and the next time I thought about raising my hand, I remembered how bad that felt and I didn't do it again. Try sitting up front. When you raise your hand, the whole room doesn't turn around and look at you. It feels pretty good.

How did I get to be President of the Society of Actuaries? It was a goal I strove for all my life, right? Wrong. About twelve years ago, the chief underwriter of the company I was with at the time walked into my office and said, "I had a very interesting luncheon today." And I said, "Why?" He said, "The woman who is head of the Epileptic Foundation, here in Lincoln, tried to convince me it wasn't fair that she had to pay more for her life insurance, because it wasn't her fault she had epilepsy. Lightbulbs went off. I realized that was exactly what was happening in the women's issue, just beginning to percolate at that time. The women think it's not fair that they have to pay more for their pensions, because it isn't their fault that they are women. Another lightbulb went off. If we don't take a stand on the classification of male and female, where we have good statistics, what are we going to do when we get into the risk classification areas where we don't have good statistics? So I began to speak out on the issue. I began to stand up for what I believed. That visibility led to the Academy Board. That led to the Society of Actuaries Board. That led to Vice President, and that led

to being able to be here and share this with you this morning. Power comes in having the fortitude to do what one believes in rather than what is expected, to be thought of as being just a little bit crazy.

Inherent in all of this, of course, is preparedness and high achievement. He who attracts luck carries with him the magnet of preparation. We're all high achievers. I distinguish between high achievers and competitors by defining high achievers as those who want everyone to succeed and competitors as those who want someone to be put down so they can succeed. We're all high achievers. We don't go into an exam saying, "I hope you don't pass." We go in saying, "Congratulations, I hope you pass." We are all high achievers. Another attribute you have automatically. A high achiever is always prepared in all circumstances. You never know when you're being looked at and when it's going to make a difference. The job I currently have stemmed from the way I performed on the Society of Actuaries Board. A very good friend of mine is now Executive Director for an oil jobbers association for the entire United States simply because he did a good job within his condominium unit's organization. You never know when you're being looked at, so you always need to do your best.

Leaders are those who ask questions rather than answering them. A simple statement but very profound. We are trained to answer questions, but at some point in our profession we have to stop just answering questions and start asking them.

Leaders are those with empathy, a willingness to listen to others, a willingness to see the other person's viewpoint, a willingness to do that fantasizing, to visualize being that other person, not just sharing their thinking but sharing the way they feel about it as well. If you can share the way they feel about something and the way they're thinking about something, then you can understand where they're coming from, and you can take your viewpoint and put it into their filter system and it is understood by them.

Leaders have positive attitudes. Leaders are cheerleaders. They have enthusiasm, a can-do attitude, a sense of humor, a bounce-back.

In summary, leaders are those who have integrity and commitment, are willing to speak out, are prepared, are high achievers, ask questions instead of just answering them, are empathetic, have a positive attitude and enthusiasm, bounce back, have a sense of humor and a can-do attitude. And there isn't a trait there that you can't have. And there's room enough for each and every one of you to be a leader. There are eight thousand members of the Society of Actuaries compared to a 226 million population in the United States and a 24 million population in Canada.

Speak out and write out. Let the world know what an A.S.A. and an F.S.A. are. They're people like you. Let your opinions be heard by the Society of Actuaries Board so you can affect the future of the Society of Actuaries. Let your opinions be heard by the public so you can affect the future value of the F.S.A. and A.S.A., and maybe you even can affect the future of Canada and the United States. Each of you can be a leader in your company, in your community, in your Society of Actuaries, and in society at large.

The Society of Actuaries doesn't make things happen, you do. And Gail Sheehy in *Pathfinders* clearly indicates that a sense of well-being is far more likely to come from taking a risk than from merely holding the steady course.

Trust in God.

Believe in yourself.

Dare to dream.

Dare to be different.

Dare to make a difference.

Dare to be a leader.

