



Article from

Risk Management

December 2017

Issue 40

Staff Corner

By David Schaub

Volunteers are the true engine for actuarial organizations. This is true for the three organizations that jointly created the Joint Risk Management Section. In this new column however, we will be shedding some light on staff that works in the shadows to support the section.

French accent with a German last name, I am an actuary on staff at the SOA and guide the volunteers' efforts in the risk management space. I first studied and worked as an actuary in France for a few years before moving to the U.S. where I worked both as consultant and in companies on risk management topics in the life and annuity space. I did some volunteer work for the JRMS, which includes serving on the JRMS council, prior to joining the SOA five years ago.

I now support the section I was once a council member of. This means a wide range of activities from peer reviewing newsletter articles, playing the devil's advocate on research projects, suggesting speakers and providing feedback on draft presentations or liaising with various internal SOA stakeholders and/or with our friends at the CAS/CIA to move a project forward. I am deeply involved in the ERM Symposium, our yearly flagship event. As I am supporting other sections, I can leverage ideas seen elsewhere and suggest them to the council.

What do I see in the industry? We are clearly experiencing a growing maturity in the role of risk manager. Risk appetite/tolerance/metrics/dashboard/culture ... are concepts that have been around for more than a decade now. Most, if not all, organizations have a CRO and have implemented an ERM program. Of course, not every corporate employee will know the differences between appetite, tolerance and limits and general education remain important. But after the initial push by rating agencies, then by the regulators, risk management is at a crossroads. There are some aspects that are clearly gaining traction, like formal model validation. But the role of risk manager has to be justified over and over, running the risk of being pushed aside



as a compliance function during the ORSA season. And the role of actuaries within the risk management team, has to be justified when compared to other professions. While we definitely know the liability side of the balance sheet, we need to be relevant on the asset side, understand operational risk and understand the broader business impact of the risk the organization is taking. Cybersecurity, predictive analytics, the Internet of Things, and Department of Labor rules are challenges on which risk managers need to know enough to ask the right questions in order to kick the tires.

“None of us is as smart as all of us,” says the Japanese proverb. Please let me know if you have any suggestions that could help risk managers, any ideas to bounce off or any interest for volunteering. I am always ready to take a cup of coffee and discuss. Look forward to hearing from you. ■



David Schaub, FSA, CERA, MAAA, AQ, is staff fellow, risk management at the Society of Actuaries. He can be reached at dschaub@soa.org.