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Chairperson's Corner

by Mark W. Bursinger

The growth and value of our profession is dependent on the ability of our members to stay current and evolve as the financial services industry and world changes around us. The Investment Section is designed to help this cause. Our mission is to facilitate the professional development of our members in regard to the investment of institutional funds, especially insurance company and pension fund assets and in the measurement and management of those assets in relation to the institution's liabilities. To date, we have worked to accomplish this mission in a number of ways, including:

- Development of investment-related sessions at SOA meetings
- Sponsorship of seminars such as the Investment Actuary Symposium, Beginner and Advanced Risk Management Seminars and the Stochastic Modeling Symposium
- Publication of our newsletter *Risks and Rewards* (articles are always welcome)
- Provision of grants for investment-related research and awards for investment-related publications
- Sponsorship of events to broaden our experience

There are other groups within the SOA that also serve to develop and advance our members, like practice areas and exam committees. The Board of Governors recently approved a motion designed to improve the SOA's responsiveness to its members. A response to this directive is well underway and will likely result in significant changes in the SOA structure of sections and practice areas. A large number of volunteers are working to identify what is important to our members and how best to deliver it.

But are we doing enough? I'm certainly not suggesting that the already dedicated volunteers aren't giving enough of their time. Are we doing the right things to position our profession for growth and prosperity, particularly in the field of risk management and investments? My personal view is that we could do more.

I find it surprising that there is a debate about the inclusion of financial economics in the required material for the new exam syllabus. I think many companies wished their actuaries had known a little more about pricing equity-related options before they developed guaranteed minimum benefits on variable products. Perhaps there would be less confusion on fair value of liabilities if we all used the same valuation paradigm and were only left to debate the assumptions. There are many other examples of where a better understanding of financial theory would have been beneficial to our work.

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While we are busy debating the necessity of studying some material most of us didn't know existed when we took exams, some other risk management organizations have emerged recently with rapidly increasing membership—namely, the Global Association of Risk Professionals (GARP) and Professional Risk Management International Association (PRMIA).

I doubt these organizations will create professionals to compete with our traditional actuarial roles, but they may compete for new opportunities that actuaries could be well qualified to fill. (Hint: include financial economics in the syllabus). Given the rapid growth of these other professional organizations, we risk missing out on opportunities that could be very beneficial to our profession. It takes years to establish a profession, but once established, the barriers to entry are large. We need to make sure we aren't watching from the sidelines as someone else scores the points.

There is one positive event worth mentioning. The Risk Management Section was formed recently. This new section will increase the SOA's ability to develop our members in broader areas of risk management that the Investment Section hasn't historically addressed. The Investment and Risk Management

Sections will coordinate their activities to make sure we are not duplicating efforts. I'd encourage our members to join the Risk Management Section, if you haven't already done so.

Developing and growing the actuarial profession is no small task. I'm reminded of a scene from the movie, "Finding Nemo." It's difficult for an individual or even a few to change the fortunes of our members. But if we all believe in the same cause and swim in the same direction, we can break out of our traditional net releasing us to explore new opportunities. 🐟



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