

Foreword

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This year, as we celebrate the 50th anniversary of the Society of Actuaries, we reflect on the changes in the field of product development. Change continues to occur at an accelerating pace. Products that once had a lifetime of many years now become outdated within a few years. The process of developing products has become more and more sophisticated using the new technology.

We have seen that:

- Spreadsheets have gone from being large sheets of paper with many columns to being computer software programs.
- Products have gone from simple whole life and term to include universal life, variable life, last to die, and more.
- Riders have expanded from waiver of premium and accidental death to accelerated death benefits and now include long-term care and/or critical illness benefits.
- Pricing from simple cell profit studies with single interest rates now relies on models involving the assets and different-interest scenarios.
- Mortality groupings have expanded from using a simple age setback of the male age for females to

separate tables, separate smoker and nonsmoker rates, and different levels of preferred rates based on sophisticated underwriting standards.

In looking back, the Product Development Section Council has selected a number of articles that reflect the forces of change in product development work. We feel these are but a sampling of the many contributions our members have made toward the development of our profession.

Although some industry insiders say that all the significant product innovations have already been thought of and developed, and that the future pace of product development will slow, we believe significant levels of product development will continue to occur, as demonstrated by the growth of alternative investment products and the changing demographics of our consumer during the past decade.

We hope that as you review these articles you too will appreciate the rich history and the rich future of our profession.

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