

# ACTUARY OF THE FUTURE

## NEWSLETTER

ISSUE 1

JULY 1993

### Editor's Note: Welcome!

by Linda M. Kahn

Welcome to our new Section! We would like your thoughts and suggestions to help us plan our activities. Please contact any Council member with your ideas.

The ballots of the Actuary of the Future Section election have been tabulated. A total of 62 ballots were received, and on March 1 there were 304 members of the Section. Therefore, 20.4 percent of the Section membership at the time of the election participated. As of June 3, there were 390 members.

As a result of the election, the Council members and their terms are as follows: Linda M. Kahn, Joseph Paesani, and Michael Rosenfelder, three-year terms; Paul Campbell, Selig Ehrlich, and Frederick W. Kilbourne, two-year terms; and Judith E. Latta,

*continued on page 7, column 1*

### How New Actuary of the Future Section Relates to Futurism Section

by Robert D. Shapiro

**Editor's Note:** *This article originally appeared in the March 1993 issue of The Actuary.*

The new Actuary of the Future (AOF) Section was authorized to organize at the October 1992 meeting of the Society of Actuaries Board of Governors. The AOF Section is the successor to the Task Force on the Actuary of the Future/the Future of the Actuary, formed by the Board in 1987. The new Section, which passed the required 200-member mark on January 28, held its first Council meeting on February 23, with Linda Kahn as Chairperson of its Organizing Committee.

Over the past several months, several members have asked about the relationship of this new AOF Section to the

existing Futurism Section. Although both Sections respond to critical concerns of the actuarial profession, they were formed for very different reasons and have very different roles.

#### The Futurism Section

The Futurism Section was formed in 1982 as the successor to the SOA's Futurism Committee. Its stated mission is "to encourage and to facilitate the professional development of its members in the field of futurism through activities such as meetings, seminars, research studies, and the generation and dissemination of literature." Its key activities over the past decade have included contributions in all these areas, enhanced by the periodic publication of an excellent newsletter, *Actuarial Futures*, and the maintenance of a Futurism Library within the Society's library.

#### The Actuary of the Future Section

The task force, forerunner of the AOF Section, was formed in 1987. The task force's defined role was "to work with appropriate Society committees and task forces to develop action plans, in coordination with other actuarial bodies, to prepare members, students, and the actuarial profession for the future roles of the actuary. It also is responsible for initiating discussions on issues related to the future of the actuary within the Society membership." The Board endorsed its 12 recommendations, and the task force completed its work in 1992.

The Actuary of the Future Section was formed in 1992 to carry out the

*continued on page 7, column 2*

### In This Issue

	page		page
4th AFIR International Colloquium in U.S. in 1994 . . .	5	A Case Study in Shaping Critical Emerging Issues: Long-Term Care by Anna Rappaport . . . . .	8
Activities and Plans of the Actuary of the Future Section by Paul Campbell . . . . .	4	Editor's Note: Welcome by Linda M. Kahn . . . . .	1
Actuary of the Future Section Members Enrolled in Other Sections . . . . .	9	How New Actuary of the Future Section Relates to Futurism Section by Robert D. Shapiro . . . . .	1
Actuary of the Future Sessions Set for the Annual Meeting . . .	10	Protecting and Enhancing Our Core Skills by Michael Rosenfelder . . . . .	6
Annual Meeting of the Actuarial Society of Greater New York by Selig Ehrlich . . . . .	10	Results of Section Election . . . . .	4
Areas of Practice of Society Members . . . . .	9	Shaping Critical Emerging Issues by Anna M. Rappaport . . . . .	2
		Upcoming Events . . . . .	10

# Shaping Critical Emerging Issues

by Anna M. Rappaport

**E**merging issues may offer better opportunities for the nontraditional employment of actuaries than many existing areas where there is already established expertise, because:

1. In emerging areas, it is possible to gain credibility by being there early, doing research, publishing the work, and then being available as jobs emerge. From the profession's point of view, if the Society of Actuaries becomes a primary source of research, literature or library services for a subject, more credibility for actuaries will follow. This is particularly true if the potential users of actuaries see the Society's information or information published by actuaries and identified as such.
2. In emerging areas, the ability of actuaries to assimilate information from diverse sources and to build models will be helpful.
3. In many existing areas, gaining entrance may mean displacing another group or showing that we can do something they cannot. That process could be difficult.

Besides nontraditional employment opportunities for actuaries, it is important to deal with emerging issues so that we do not stagnate as a profession and as individuals. If we fail to deal with emerging issues, we will gradually grow more narrow. However, dealing

with such issues raises several questions:

- How do we identify emerging issues?
- How do we decide which issues are important to actuaries?
- What do we do about issues once we have identified them?
- How do we give issues a chance to develop within the profession?
- How do we decide where to invest the resources of the actuarial profession?

## Identification of Emerging Issues

The following are some of the ways in which we can address emerging issues:

1. Polling of the membership on new issues and what they see coming.
2. Development of environmental scanning programs similar to the Trend Analysis Program, which was sponsored by ACLI at one time. Such programs focus on the review of many publications to identify issues and involve many people in monitoring such publications.
3. Creation of a link to the research management process, which also includes some scanning.
4. Review of the longer-term public policy environment to determine what issues are emerging and which

ones are connected to demographic change and/or financial security.

5. Review of longer-term health-care and employee benefit environments.
6. Development of liaisons with other actuarial groups. For example, the Futurism Section might assist in an environmental scanning effort. Also, the Academy government relations activities could be helpful in identifying emerging hot areas and related key players.

The issue identification/scanning process must be linked to the longer-term planning for the Society of Actuaries. (Note that there are firms that specialize in helping organizations establish and manage environmental scanning programs.)

## How Do We Decide What Issues Are Important and Worthwhile for Investment of Resources?

Many issues may arise, and they need chance to develop before they are discarded. This is tricky within the current professional framework since the established publications of the profession often view such issues as non-actuarial.

It is important that we not discard new issues too soon and that we encourage members who want to explore these

*continued on page 3, column 1*



**ACTUARY of the FUTURE**  
 Newsletter of the Actuary of the Future Section of the Society of Actuaries  
 Issue Number 1 July 1993

Published by the Actuary of the Future Section Council of the  
 Society of Actuaries  
 475 Martingale Road, Suite 800  
 Schaumburg, IL 60173  
 Phone: 708-706-3500 Fax: 708-706-3599

This newsletter is free to Section members. A subscription is \$10 for nonmembers. Current-year issues are available from the Communications Department.

Facts and opinions contained herein are the sole responsibility of the persons expressing them and should not be attributed to the Society of Actuaries, its Committees, the Actuary of the Future Section or the employers of the authors. We will promptly correct errors brought to our attention.

Copyright © 1993. Society of Actuaries.  
 All rights reserved.  
 Printed in the United States of America.

### Section Council

Linda Kahn, Chairperson  
 Joseph Paesani, Vice-Chairperson  
 Selig Ehrlich, Secretary/Treasurer  
 Paul Campbell, Council Member  
 Frederick Kilbourne, Council Member  
 Judith Latta, Council Member  
 Michael Rosenfelder, Council Member  
 Alan Routhenstein, Council Member  
 Leonard Tandul, Council Member

Linda M. Kahn, Newsletter Editor  
 Pacific Maritime Association  
 Sacramento St. Tower, 2nd Floor  
 550 California Street  
 San Francisco, CA 94104-1060  
 Phone: 415-576-3248  
 Fax: 415-989-1425

**Shaping Critical Emerging Issues**

*Continued from page 2*

issues further to do so. *We need to reorient our thinking so that we welcome and cultivate new ideas.*

We also need a way to screen new ideas so that decisions can be made about promotion in some of these areas:

- Becoming the publication media for an area
- Becoming the library resource in an area
- Becoming the research facility
- Getting publicly known as having expertise.

This requires refocusing our thinking about publications and library resources to include *more external outreach* and to seek new ideas. *Contingencies* has been very different from traditional actuarial publications and has had a positive impact in this regard.

**What Do We Do about Issues Once They Are Identified?**

Such issues need a chance to develop, and one approach is to appoint "issue managers" who would function much like product managers in a product-oriented business. Their job would be to see that appropriate resources are made available, that the issue is tracked and publicized, and that we respond appropriately.

At times the Society's Board and Executive Committee have focused primarily on internal issues rather than on external issues facing the profession—both existing and new. It is important that these bodies spend some

time discussing the issues facing actuaries, including emerging issues, and developing issue-by-issue responses.

**How Do We Give Issues a Chance To Be Developed?**

Allowing issues to be developed may be difficult within the traditional operational framework of the SOA. One approach might be to hold regular joint discussions among representatives from research, library, and publications. We need to avoid judging too quickly and to encourage creative thinking. Connections with universities and funding of research would be positive steps in this regard.

Once something is identified as an emerging issue, it should be "protected" and "nourished" for a while. The issues development process will be a major challenge. Our Section may be well-positioned to further refine or, perhaps, help implement many of the actions discussed above. This newsletter or *The Actuary* may be an appropriate vehicle for a regular column on emerging issues.

Examples of current emerging issues include:

- Access to care
- Societal implications of an aging population
- The changing medical care system
- Noninsurance issues related to AIDS
- Financial guarantees other than traditional insurance.

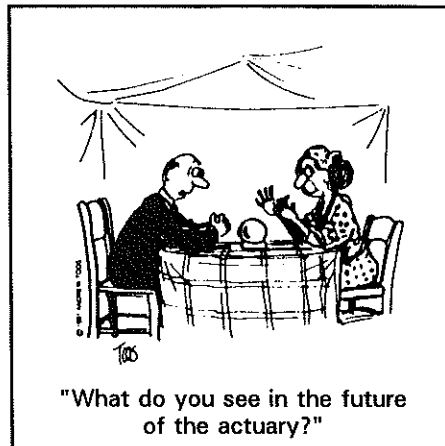
**What Does This Mean for Planning?**

Emerging issues (long-term care or other issues) present opportunities and are an important source for new employment for actuaries. We need to examine the planning process to determine whether there is anything to learn. Some observations are important:

1. We cannot always look at past experience and project it.
2. We could study the development of other issues in the past to see how issues emerge.
3. We need "smart" people to identify which emerging issues will be big and which won't; we need to be able to work with "soft" information as issues emerge. This type of process is uncomfortable for actuaries.
4. Opportunities will be very different if there is heavy government financing versus private. I do not know how we predict that.
5. Either one needs to bet on several emerging issues, or gamble a lot on one or another of them.
6. We cannot work from a base of our traditional jobs and employers to define our role and future.

*Anna Marie Rappaport, FSA, is Managing Director at William M. Mercer Incorporated in Chicago, Illinois.*

**Editor's Note:** *We would like to thank Joseph Paesani, FSA, Assistant Vice President and Staff Actuary at Union Fidelity Life Insurance Company in Trevese, Pennsylvania, for his help in the preparation of this article.*



# Activities and Plans of the Actuary of the Future Section

by Paul Campbell

Dialogues and surveys conducted by the Task Force on The Actuary of the Future/The Future of the Actuary and Focus 2000 sessions led to the disturbing conclusions that traditional actuarial roles have narrowed and that the demand for actuaries has fallen. Among the reasons for this trend are:

- Economic and related industry conditions
- Increased competition from other professions
- Declines in defined-benefit pension plans
- Electronic technology that has taken over actuarial roles
- Product lines having fewer mortality components
- Removal of the corporate actuary position under SBU structure.

Actuaries are no longer assured of job security by having the technical skills and working hard. As companies have downsized, some actuarial staffs have been reduced, as have entry positions.

Responses to the Task Force's surveys included suggestions for broadening actuaries' basic education in scope and syllabus, with wider perspective and methodology. It also was suggested that we work to change how actuaries are viewed: as more broadly based professionals with a strong quantitative base and with problem-solving skills that can be used in an increasing number of ways.

The Task Force therefore recommended the following:

- Development of career-planning prototypes
- Review and modification of the basic/continuing education processes
- Use of symposium for tracking emerging issues and keeping actuaries informed about them
- Review and revision of recruiting pieces and support materials
- Better education of actuaries about their broader potential

- Education of nontraditional employers about the value of an actuary in their businesses
- Initiation of research and papers to establish actuaries as generalists in defining and exploring emerging issues such as long-term care and financial guarantees.

Skills seen as common to actuaries include problem-solving, logic and analysis, model construction, and projections. These skills can be useful in many areas including those not typically thought of as requiring actuarial services.

We need to begin by recognizing how we are perceived. Positively we are good problem-solvers, "bright," skilled and ethical. However, actuaries must acquire or improve their:

- Oral and written communication skills
- Time management and priority-setting
- Conceptualization and synthesis skills
- Strategic and futuristic thinking
- Negotiation and management.

A number of skills that actuaries have can be transferred to nontraditional types of employment, for example:

- Ability to model and analyze cost-benefit scenarios
- Expertise in finance and investments
- Knowledge of financial service industries
- Understanding of financial implications of business risks.

Several important suggestions and concerns were added, based on survey input:

- Do not abandon our traditional actuarial practices
- Focus on applications of our unique skills
- Select transferable core skills such as problem-solving, long-term thinking and risk evaluation
- Start with current or emerging needs

- Increase the awareness of actuaries by nontraditional employers.

In addition, Task Force dialogues and surveys and Focus 2000 sessions produced a number of lists for future investigation:

1. Areas with current needs for actuarial input
2. Areas with unusual potential for actuaries
3. Nontraditional roles in traditional work areas
4. Nontraditional areas for possible actuarial involvement.

For example, the third category includes controller/CFO, product line management, asset/liability management, government relations, chief underwriter, and marketing or agency executive. For each position, the Task Force developed:

- Key job responsibilities
- Valued skills
- Current occupant professions
- Requirements and barriers
- Closest traditional roles.

Similar studies also were prepared for two nontraditional areas: a financial analysis actuary and a specialist actuary. These studies can be used as models for similar studies for any and all of the recommended future positions for our consideration.

Until now, movement into nontraditional roles has been due to an actuary being in the right place at the right time; also, the abilities to enter new territory have been more "personality" than education- or background-driven. Still, pathways to multiple nontraditional roles would need to be brightly lit for most actuaries to follow them.

The task force developed many ideas for marketing the value of actuarial expertise to nontraditional employers:

- Releases about successful nontraditional ventures

*continued on page 5, column 1*

### Activities and Plans of the Actuary of the Future Section *Continued from page 4*

- Research and papers on targeted new areas
- Letters or brochures to targeted nontraditional employers
- Seminars or guest speakers for them.

Educational gaps, even relating to language and jargon, exist for movement into nontraditional roles or areas. Suggested ways to bridge those gaps have included syllabus changes, continuing education seminars, and university business schools.

#### A New Section— The Actuary of the Future

The Organizing Committee's established plan was to:

- Elect an initial Section Council
- Create a Board of Advisors to the Section
- Utilize our high-quality staff members for help and liaison
- Work on how we can improve perception of actuaries
- Develop plans for identifying role models
- Identify appropriate research projects in new areas

- Set up networking, training, and liaison arrangements
- Define a framework for managing critical issues, such as financial guarantees of institutions.

The Section also will attempt to interface with regional actuaries' clubs. One presentation is planned for the September 28 meeting of the Actuarial Society of Greater New York; one theme under consideration is the future of actuarial opportunities in major SBU segments.

The Section Council's Advisors Group is impressive and energetic: Gary Corbett, Jim Murphy, Anna Rappaport, and Bob Shapiro have all participated extensively in Task Force activities.

We need to find ways to reach those in "miscellaneous employment." We plan to build a database and network to:

- Recruit volunteers for Section activities
- Interact with other Sections and Committees
- Establish contacts with nonactuarial professionals and nontraditional employers

- Find nontraditional actuaries willing to contribute their experience and join the Section.

The initial newsletter will be sent to all Society members. We hope it will be an interactive medium of information and that it will solicit member feedback.

Many activities that will be responsive to the surveys and the Task Force recommendations include:

- Conducting ongoing surveys
- Recruiting champions of nontraditional directions
- Developing synergies with the "Ask an Actuary" program
- Exploring possible future involvement with education and seminars
- Creating joint involvement with the Committee on Career Encouragement
- Initiating outreaches to nontraditional employers and professionals.

In summary, this is a highly motivated group and we intend to carry out our mission with enthusiasm. That's very important to me, since my son is one of them . . . and I am too!

*Paul A. Campbell, FSA, is Director—Actuarial Studies at the University of Hartford in West Hartford, Connecticut.*

## 4th AFIR International Colloquium in U.S. in 1994

April 20-22, 1994  
Orlando, Florida



The 4th AFIR International Colloquium is scheduled for April 20-22, 1994, at the Buena Vista Palace in Orlando, Florida. The Colloquium will be held in conjunction with the Society of Actuaries Spring Meeting and cosponsored by the Casualty Actuarial Society. AFIR (Actuarial Approach for Financial Risks) is the investment and finance section of the International Actuarial Association (IAA). It addresses financial issues and risks that concern actuaries, and it promotes the exchange of ideas between the actuarial profession and other financial experts.

The 4th AFIR Colloquium seeks papers emphasizing scientific contributions from academicians, both actuaries and nonactuaries, and from other professionals employed in the financial services industry. For more information about the Colloquium or the submission of papers, please call Colleen Fiore at the Society office, 708-706-3547.

# Protecting and Enhancing Our Core Skills

by Michael Rosenfelder

The "Actuary of the Future" can indeed bring skills to bear and make important contributions in new areas not generally thought of today as being major users of our skills. However, in our enthusiasm for developing such new opportunities, we must concurrently protect and enhance our "core" skills in the life insurance and employee benefit fields. There is some evidence that our roles and contributions within such core areas are contracting, perhaps in absolute terms and also relative to other professional groups.

In parallel with the studies of newer fields for the Actuary of the Future, a subgroup comprising a number of members of our task force reviewed this issue, and the conclusions of this subgroup are summarized below.

## What Has Changed That Could Have Caused This Contraction?

1. Hiring of more capable professionals from other disciplines (for example, accounting, investments, marketing).
2. Advances in technology and the proliferation of software packages that have removed some of the mystique of actuarial calculations.
3. Shifting of focus to:
  - Management skills to produce a "product" at the lowest cost and quick turnaround time with quality being a "given"
  - Business perspective and creativity to differentiate the good from the mediocre
  - Timeliness, responsiveness and good communication skills.
4. In life companies, decentralization and the formation of SBUs have meant that there is no longer a centralized actuarial hierarchy.
5. De-emphasizing traditional life insurance products and the decreasing importance of "actuarial" elements (for example, mortality) in life companies, which have reduced the importance of traditional actuarial skills. A parallel trend in the benefit consulting field is the

growing importance of such areas as health care and compensation.

6. Increased competition among benefit consulting firms and increased proliferation of client census information in machinable form, which have heightened clients' awareness that the technical actuarial requirements can be satisfied adequately by a large number of benefit consulting firms.
7. Increased government legislation, regulation and other compliance requirements have limited the creativity that can be exercised in the design and operation of qualified pension plans and increased their ongoing administrative costs without adding value. An example is the bias in recent pension legislation in Canada, moving sponsors away from defined-benefit toward the simpler defined-contribution plans. In general, companies are consolidating and streamlining their pension plans, thereby reducing the total need for actuaries.

## What Has Been the Result for Actuaries?

1. Actuaries can no longer progress by moving up in a purely actuarial hierarchy; rather, they must progress within their business units or consulting groups.
2. Job security for the actuary is no longer assured by hard working and solid technical skills. Actuaries are at risk unless they have good management skills and/or a good business perspective that leads to increasing the breadth and scope of their activities.
3. As firms "rightsize," actuarial staffs are reduced and every actuary is re-evaluating his or her net worth based on the new set of requirements.
4. The CFO role in life companies (however titled) is increasingly being performed by nonactuaries.
5. Actuarial services and consulting are not the dominant lines of business in the benefits consulting field any

longer. The growth rates in other areas surpass the growth rate in actuarial services.

## How Might the Actuarial Profession Improve These Results?

1. Attract a different type of actuarial student—business oriented, good communicators, and so on, rather than limited to good mathematical skills.
2. Broaden the basic education of actuaries in a number of ways:
  - Scope, syllabus (more business related, management and communications courses, and so on).
  - Ensure that syllabus changes keep up with developments in the real world, rather than lag behind them.
  - Wider perspective, such as
    - Macro versus micro product pricing
    - More market-oriented outlook
    - Broader "financial" training.
  - Methodology
    - Case studies versus solitary study
    - Make greater use of existing or specially designed university courses
    - Add additional "tracks" similar in concept to the financial track
    - More continuing education after qualification.
3. Change how actuaries are viewed within a company or consulting practice, not as technicians but as broader-based managers or consultants with a strong quantitative base and problem-solving skills that can be used in a variety of ways.
4. Convince management that they can use actuaries profitably in broader areas, and that they are not a unique, scarce resource that must be kept for technical work that nobody else is capable of doing.

*continued on page 7, column 1*

## Protecting and Enhancing Our Core Skills

*continued from page 6*

### Conclusion

The profession must address the four possible strategies just discussed: (1) more selective recruiting of new entrants; (2) broadening of basic education; (3) changing how they are viewed by their employers; and (4) convincing managements of their wider skills. In coming to this conclusion, the group is assuming there is indeed agreement with its earlier analysis of what has caused the contraction in the role of actuaries and the results of this trend. Some solutions will lie in basic education, some in continuing education, and others in public relations.

*Michael Rosenfelder, ASA, is Vice President and Corporate Actuary at Confederation Life Group of Companies in Toronto, Ontario.*

### Editor's Note:

#### Welcome!

*continued from page 1*

Alan J. Routhenstein, and Leonard E. Tandul, one-year terms.

The newly elected officers are Linda Kahn, Chairperson; Joseph Paesani, Vice-Chairperson; and Selig Ehrlich, Secretary/Treasurer.

*Linda M. Kahn, FSA, is Director of Program Management at the Pacific Maritime Association in San Francisco and Acting Chairperson of the Actuary of the Future Section Council.*

## How New Actuary of the Future Section Relates to Futurism Section

*continued from page 1*

member-driven tasks needed to bring task force's recommendations to fruition. The Section's mission is "to identify and develop nontraditional roles and future opportunities for actuaries."

The Section's major activities include:

- Identifying Society members with special experience who can help develop new roles and opportunities
- Working with these resources to develop needed showcase illustrations, career path plans, white papers, and research
- Providing liaison with the Society's basic and continuing education activities to ensure that these functions reflect the emerging needs of new actuarial roles and employers
- Defining and recommending desirable research projects
- Encouraging papers and articles to educate both actuaries and nontraditional employers on potential new roles and opportunities
- Providing networking and mentoring opportunities for actuaries interested in nontraditional roles and opportunities
- Encouraging the development of specific programs within the Society to motivate and train people to move into nontraditional roles.

### Importance of Both Sections

The Actuary of the Future Section and the Futurism Section are crucial to the actuarial profession as it seeks to fulfill its potential. However, as you can see, the two Sections' goals and planned activities are different. The Futurism Section focuses on the theory and application of the "science/art" of futurism. It emphasizes the futurism process and its applications. The AOF Section seeks to provide a forum for defining and developing nontraditional roles for actuaries and for interface between actuaries who have been in such roles and those who seek them.

Because the two Sections' goals and activities are very different, many actuaries should consider joining and contributing to both Sections. In its own way, each Section can help an actuary understand and influence the future of his or her company and career.

*Robert D. Shapiro, FSA, is a member of the Society's Board of Governors and was Chairperson of the Task Force on the Actuary of the Future/the Future of the Actuary. He is President of The Shapiro Network, Inc. in Milwaukee, Wisconsin.*

# A Case Study in Shaping Critical Emerging Issues: Long-Term Care

by Anna Rappaport

This issue is emerging in response to the aging society and the ability of medical science to keep people alive longer, but often with chronic illnesses and activity limitations. These issues apply not only in the U.S. but also in countries like the U.K. and Canada.

Long-term care is an issue where the profession has an opportunity to *define* whether it wishes to approach the subject broadly or narrowly and, because it is a developing area, to make a place for itself.

Some of the questions we should be asking today are as follows:

*How do we want to position the actuarial profession?*

There are several options here:

1. We can be experts on long-term-care insurance pricing and reserves.
2. We can be experts on long-term-care insurance-related issues and continuing care retirement community actuarial studies.
3. We can be experts on the broad spectrum of issues including those mentioned above, but also including all types of long-term-care data, public policy in this area, options for care-giving, and so on.

*What types of information resources should we provide?*

- For our members?
- For the public at large?
- For some other audience?

The critical issue here is that if we establish ourselves as an information source for the public, people will think of actuaries in connection with long-term care to a much greater extent than if we do not.

*What types of data should we collect and analyze?*

*Where and how do we want to publicize SOA efforts?*

*Does the actuarial profession want to get involved in supporting the development of public policy? How? Through research? Through data collection?*

A difficulty in dealing with an issue like long-term care is that the research and foundations that will pay off later must come before the time they seem to be commercially attractive to the mainstream of the profession.

## Spectrum of Possible Positions on Long-Term Care

In light of the aging population and increasing life spans, there is a major national issue of how long-term care will be provided to the American population. Similar issues exist in other countries, such as the U.K. and Canada. Sidney Benjamin (a leading British actuary) was involved in the issue in the U.K. during his life.

At present, most care is provided at home by informal caregivers, but there are significant numbers of people in nursing homes. More and more services are being provided for home care. Continuing care retirement communities provide an option that combines living arrangements and care. Nursing home care is financed primarily by the individual and Medicaid. There is an emerging long-term-care insurance market. Some employers are offering long-term-care insurance as an employee benefit. This has become a major public policy issue.

This is a very interesting area. The method of financing care is likely to influence the patterns of care that will emerge in the U.S. Poorly designed financing mechanisms could have severe adverse consequences.

Some of the questions from a national perspective are as follows:

- How should long-term care be provided?
- Should there be public financing, and for whom?
- How should eligibility for benefits be determined?
- Should insurance coverage be encouraged?

## Data Issues

Various types of data are available on different portions of this issue, but there is a great need to collect data and build databases. Some of this data is insurance related, but much of it is not.

In total, over time, very large amounts of data will be developed. Some will come from public sources, but much will not.

## Scope of SOA Activities

The Society of Actuaries could define the role of the actuarial profession as relating to support for:

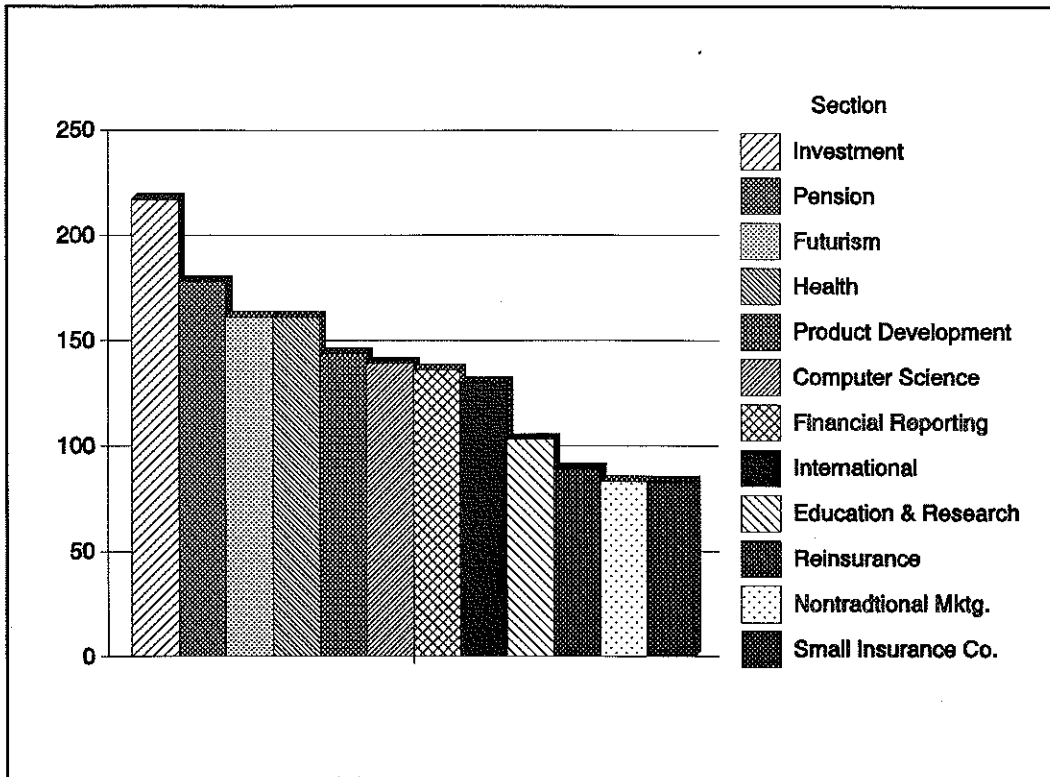
- Long-term-care insurance pricing and reserving
- Long-term-care insurance pricing and reserving, plus CCRC pricing and reserving
- Long-term-care issues generally
- Public policy development.

*Anna Marie Rappaport, FSA, is Managing Director at William M. Mercer Incorporated in Chicago, Illinois.*

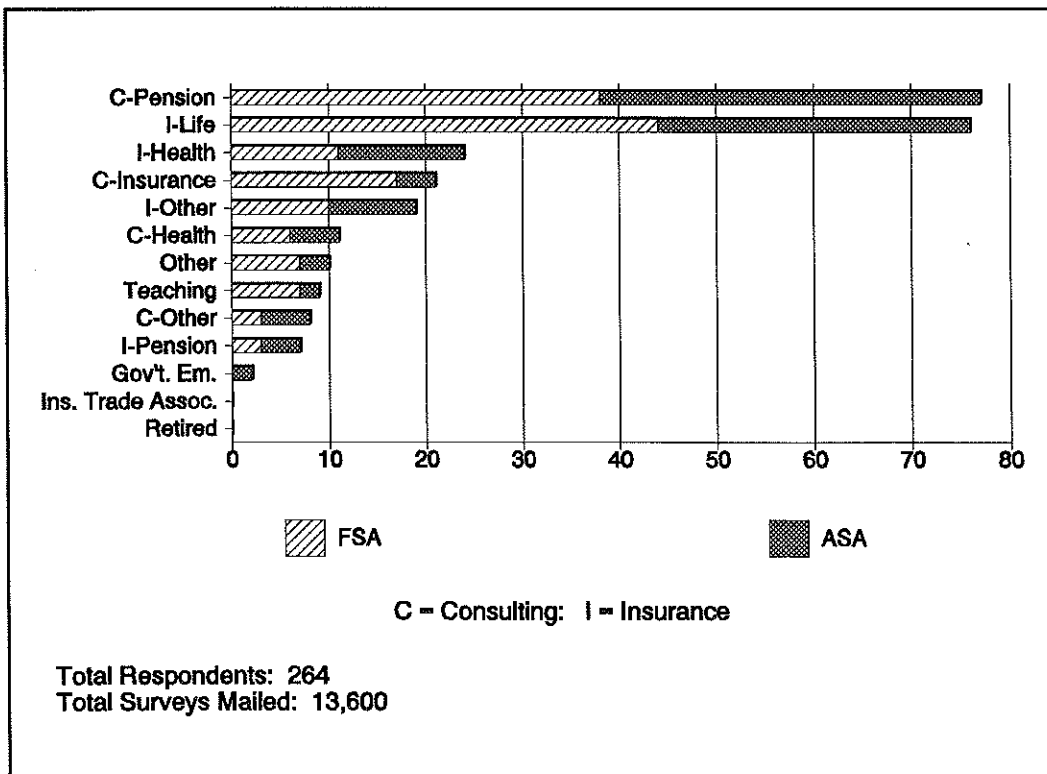
**Editor's Note:** *We would like to thank Joseph Paesani, FSA, Assistant Vice President and Staff Actuary at Union Fidelity Life Insurance Company in Trevese, Pennsylvania, for his help in the preparation of this article.*



**Actuary of the Future Section Members  
Enrolled in Other Special Interest Sections**



**Areas of Practice of Society Members**



## Annual Meeting of the Actuarial Society of Greater New York

by Selig Ehrlich

The theme of this year's Annual Meeting of the Actuarial Society of Greater New York, scheduled for September 28, 1993, is "Preparing for the Year 2000." Topics currently scheduled to be covered include: The U.S. Economic Outlook, Hillary's Health Plan, Insurance Distribution, Mergers and Acquisitions, Technology, and others.

The role of the actuary in shaping and adapting to the host of changes predicted for the balance of this decade is also expected to be featured through two sessions sponsored by the Actuary of the Future Section, entitled "Positioning the Profession to Respond to the Needs of the Future" and "Actuarial Careers."

The first will be a panel discussion, addressing the life insurance, employee benefits and health insurance arenas. The second, in roundtable format, will feature a handful of actuaries currently in "miscellaneous employment" roles. Each of these individuals will briefly describe how he or she came to be in the job and the particular challenges and rewards offered. Then the session will be opened up to questions.

Hope to see you there!

*Selig Ehrlich, FSA, is a Senior Consultant at Coopers & Lybrand in New York City.*

## Actuary of the Future Sessions Set for the Annual Meeting

October 17-20, 1993  
New York City

Tuesday, October 19

10:30-12:00 noon  
42(O)F Crossing the Line

The goals of the session will be to:

- Visit and learn from actuaries in nontraditional roles
- Provide insight into how to pursue nontraditional opportunities
- Offer face-to-face access to individuals with actuarial nontraditional experience

4:30-6:30 p.m.

80(SM) Actuary of the Future Section Meeting

Come to meet the Actuary of the Future Council members and share your ideas about the Section's direction.



## Upcoming Events

When	September 28, 1993	October 19, 1993	April 20-22, 1994
Where	New York Marriott East Side 525 Lexington Ave. New York City	New York Marriott Marquis New York City	Buena Vista Palace Orlando, Florida
What	Annual Meeting Actuarial Society of Greater New York	Society of Actuaries Annual Meeting	Society of Actuaries' Spring Meeting/4th AFIR International Colloquium
Topics/ Theme	Preparing for the Year 2000	Ask An Actuary— Nontraditional Opportunities	Investments



ACTUARY OF THE FUTURE SECTION  
MEMBERSHIP SURVEY  
SUMMER 1993

**PLEASE TELL US ABOUT YOURSELF!** The Actuary of the Future Section Council is trying to serve you well. Please take the time to answer this questionnaire and return it to Judy Yore, Section and Research Coordinator at the Society of Actuaries.

Male       Female

Age:     <30       30-44       45-60       >60

How many years have you been a member of the Society of Actuaries?

<5       5-10       11-15       16-20       >20

Are you currently employed?     Yes       No

Country of primary employment     U.S.       Canada       Other

Industry of employment:

- |  |                                      |
|--|--------------------------------------|
| <input type="checkbox"/> Life insurance    | <input type="checkbox"/> Investments |
| <input type="checkbox"/> Health insurance  | <input type="checkbox"/> Academia    |
| <input type="checkbox"/> Pensions          | <input type="checkbox"/> Regulatory  |
| <input type="checkbox"/> Employee benefits | <input type="checkbox"/> Other _____ |

Employer:

- |  |
|--|
| <input type="checkbox"/> Insurance Company |
| <input type="checkbox"/> Consulting Firm   |
| <input type="checkbox"/> University        |
| <input type="checkbox"/> Government        |
| <input type="checkbox"/> Other _____       |

Years of professional experience:

<5       5-10       11-15       16-20       >20

Your position title is: \_\_\_\_\_

Number of employees in your company \_\_\_\_\_

How many years have you been employed at your current company?

<5       5-10       11-15       16-20       >20

Has your professional success to date been consistent with your abilities and experience?

less successful       as I expected       more successful

Are you satisfied with what you are doing professionally?     yes       no

If not, why \_\_\_\_\_

If you were selecting your career today, would you choose to become an actuary?     yes       no

How prepared is the actuary to compete in today's employment market?

very prepared       somewhat prepared       unprepared

Rate the opportunities you have with your current company

Excellent       Good       Average       Poor

Rate the opportunities you have within your current industry

- Excellent
- Good
- Average
- Poor

Rate your future career opportunities as an actuary

- Excellent
- Good
- Average
- Poor

Within the next 5 years, do you expect to: (check all that apply)

- be promoted
- change job function
- start own company
- change companies
- change profession
- retire
- change industries
- make a lateral move
- no change expected

What key concerns do you have about your career?

---



---



---

What three services could the SoA provide that would best support you in your career? (check your top 3 choices)

- Comprehensive program to create career opportunities in nontraditional markets (e.g., banking, environmental management)
- Research that applies actuarial science to selected current social and public policy issues
- Professional Development Program that prepares actuaries for the changing requirements of the business environment
- Basic research to enhance and further develop the theory and application of actuarial science
- Environmental scanning and forecasting service that would identify and communicate emerging issues and trends affecting the profession
- More practice-related research that can be used in the day-to-day work of the actuary
- Providing networking and mentoring opportunities for actuaries interested in nontraditional roles and opportunities
- Encouraging the development of specific programs within the Society to motivate and to train people to move into nontraditional roles
- Other \_\_\_\_\_

What do you feel are the primary obstacles preventing actuaries from developing a presence in nontraditional environments?

---



---



---

List 3 skills you think actuaries need to develop or improve upon to enhance their ability and potential in nontraditional environments? Why?

---

---

---

Give an example of an industry/role/discipline (traditional or nontraditional) in which actuaries can or should make an immediate contribution.

---

---

---

How should/can the profession position itself to make such contributions?

---

---

---

What nontraditional business problems have you helped solve using your actuarial knowledge and experience, either within your company/firm or in other industries?

---

---

---

Within your company/firm, list examples of nontraditional business problems where actuaries should have been asked to participate and were not.

---

---

---

In what areas do you think the Actuary of the Future Section should be concentrating its efforts?

---

---

Can you suggest any:

- a. actuaries currently employed in nontraditional roles, or
- b. non-actuaries (e.g., lawyer in employee benefits, medical director evaluating morbidity tables, etc.) who use actuaries in their specialty, or
- c. non-actuaries in nontraditional businesses who are aware of the actuarial profession and can address what an actuary can bring to that specialty (e.g., banker quantifying C-1 risk)

who might be willing to speak to, work with, or be interviewed by, the Section? Please provide name, title/position, company and phone number so that we may contact them.

---

---

---

---

---

What topics would you suggest for

- a. the newsletter

---

---

- b. meetings/forums/seminars

---

---

Please complete and return this survey to:

**Judy Yore**  
**Section and Research Coordinator**  
**Society of Actuaries**  
**475 N. Martingale, Suite 800**  
**Schaumburg, Illinois 60173-2226**