

ACTUARY OF THE FUTURE

Published by the Society of Actuaries, Schaumburg, Illinois

Is the Actuary of the Future the Enterprise Risk Manager?

by Timothy Essaye



Tim Essaye explores an emerging career opportunity for actuaries.

Over the last two decades the world's business schools have been teaching a new crop of managers to be more quantitative in their decision making. As managers become increasingly numbers-savvy, they need more and more quantitative information from those supporting them in the organization. The simple MS Excel static budgeting process just will not do anymore. The bar has been raised, and it is up to the firm's quantitative staff to deliver high-quality, meaningful information to senior management to support decision making.

Actuaries have long been tasked with tackling difficult quantitative problems. Loss estimates, reserves requirements, and other quantities have been their traditional domain, but the actuary of the future has an opportunity to broaden his/her scope of knowledge to include other risks facing corporations around the globe. While this may seem like a daunting task at first, the reality is that the skills required to analyze business risks are not a significant stretch of the traditional actuary's background.

Risks Facing the Typical Enterprise

While all organizations are different, they have many risks in common, including financial, credit, operational and hazard. Financial risks include risks arising from treasury operations (capital structure, interest rate risk, hedging, pension contributions and cash management) as well as risks arising from global economic activity and procurement policies (e.g. rising raw materials costs). Credit risks include risks of customer defaults as well as management of the firm's accounts receivable and payable. Operational risks include things like IT failures, supply chain breakdowns, fraud and mechanical break-

CONTENTS

- | | |
|----|---|
| 1 | Is the Actuary of the Future the Enterprise Risk Manager?
by Timothy Essaye |
| 2 | Chairman's Corner
by Andrew Dalton |
| 6 | Our World Is Finite: Implications for Actuaries
by Gail E. Tverberg |
| 10 | Empowered and Powerful—How to Achieve Your Goals
by Sandra Enoch |

continued on page 4

Chairman's Corner

by Andrew H. Dalton

It's hard to believe that nearly a year has passed since I began my term as chair of the Actuary of the Future section. During this short time, your section council has established and tackled some aggressive, forward-looking goals. I shared some of these goals with you in our spring newsletter. I would like to spend much of this article updating you on our progress as a section and as a profession.

This year, we have continued our work with the Personal Actuary Task Force and the Personal Actuary Project Oversight Group. To say the least, it has been an exciting year on the Personal Actuary front. The Project Oversight Group, working closely with Anna Rappaport, completed a market feasibility study of business-to-business opportunities for personal actuarial work. The group is now drafting a report to the Society of Actuaries' Issues Advisory Council with the goal of establishing the development of the personal actuarial market as a strategic issue. This issue promises to spark much discussion.

With that in mind, we will be conducting a session at the Annual Meeting concerning recent developments in the Personal Actuary marketplace. I hope you will join me there. I would like to take this opportunity to thank the Task Force and the Project Oversight Group for their hard work and continued devotion to this important area. I would like to extend a special thank-you to Janet Deskins who has served as the liaison between the Personal Actuary working groups and the Actuary of the Future section council, while also organizing and speaking at several of our continuing education sessions.

We are also continuing our work with the Young Actuaries Network (YAN). Under the leadership of AoF councilmember Joanna Chu, the YAN has really taken off this year. The YAN Web site is up and running (see the link from the Actuary of the Future page on the SOA Web site) and the YAN has recruited a core group of enthusiastic volunteers. The YAN has planned several events for the upcoming months, including a networking event in New York City this fall and a webcast later this year. These events promise to offer important networking and professional development opportunities for new ASAs, FSAs and CERAs, as well as those pursuing actuarial exams.

I am very excited to share with you our progress on our environmental scanning initiative. We have spent a lot of time this year asking ourselves some important questions, such as: What are the emerging nontraditional career opportunities? And, how will we prepare ourselves to compete in those areas? We have established a solid framework for identifying and promoting nontraditional opportunities for actuaries. I am also pleased that we have been working closely with the SOA on this important strategic issue, and will continue to seek opportunities to provide our input going forward. Special thanks are extended to council members Kim Dwornick and Sudha Shenoy for spearheading this work.

Finally, I want to publicly recognize the hard work your Actuary of the Future council has put in over the past year. Chris Raham has had the duly challenging role of serving as both Treasurer and Secretary of the section. Manish Patel has served as our newsletter editor for both editions of our newsletter this year, and is responsible for coordinating the interesting, informative articles in the following pages. Pritesh Modi has spearheaded our work on the Actuarial Pioneer initiative—this initiative is responsible for identifying and publicly featuring the innovative actuaries you frequently read about in this newsletter, in *The Actuary* and at www.imageoftheactuary.org. Last but not least, I want to thank Sue Sames for serving as



vice chair of the section council. The role of vice chair is an especially demanding task, since it involves quickly getting up to speed on all of our initiatives while working closely with the SOA on important profession-wide strategic issues.

I believe you will find this installment of our newsletter an especially interesting one. While providing the usual content on networking opportunities and continuing education, we are also examining in-depth one particularly exciting emerging opportunity for actuaries—risk management in the energy industry and the closely linked field of environmental risk management. I hope the articles give you a flavor for how actuaries are expanding the traditional boundaries of our profession.

It's truly been a pleasure serving as the chair of this section for the past year. I've worked with a lot of great people and heard some very encouraging stories about actuaries evolving into new and exciting roles. I've met actuaries who live the brand ... Risk is Opportunity. I am very excited for the Actuary of the Future! 🚀



Andrew Dalton is an Actuary in the Wayne, Pa. office of Milliman, Inc. He can be reached at andrew.dalton@milliman.com

**... ACTUARIES
MAY HAVE AN
ADVANTAGE IN
MANY SITUATIONS
WHERE A LARGE
PART OF A FIRM'S
OVERALL RISK
ARISES FROM
PENSION
ACTIVITIES OR
OTHER MORE
TYPICAL
ACTUARIAL
RISKS.**

downs at plants. Hazard risks can include traditional insurable risks like catastrophe and product liability, as well as risks like stakeholder litigation.

What do all these risks have in common? They can be evaluated using quantitative methods, and their impact on firm profitability is understood when evaluated appropriately. Many of these risks are currently analyzed on a stand-alone basis by specific groups, and evaluated using some variation of probability/severity framework. Only a few organizations that I am aware of actually aggregate this information up to the enterprise level to measure the impact of interrelationships between risks, but this is changing as more quantitatively minded managers ask more difficult questions. Actuaries usually have experience with a subset of the risks mentioned above, but with a little work and some creative thinking actuaries can broaden their scope of responsibilities to include many of the other risks and also create a role for themselves in the interpretation of this information at the enterprise, or portfolio, level.

The "Typical" Enterprise Risk Manager

The typical risk manager in many non-financial corporations comes from one of three backgrounds: the insurance sector, the financial sector (e.g. corporate treasury), or industry (e.g. engineers). It should be no surprise that all three are quantitative disciplines, as these are quantitative problems. These backgrounds share a detail-oriented approach to solving problems that makes them well-suited for the role. Actuaries share these skills, but often lack the experience elsewhere in the organization to convince others that they would make a good enterprise risk manager.

Potential Roles for Actuaries

Much of enterprise risk management has its roots in portfolio management and corporate finance. The concepts of trading off risk and return and benefits of diversification are well understood and articulated in both the actuarial and economics fields, so I don't believe there are significant knowledge gaps preventing actuaries from contributing to the field. In fact, actuaries may have an advantage in many situations where a large part of a firm's overall risk arises from pension activities or other more typical actuarial risks. A few areas where actuaries could immediately contribute to an ERM process include:

1. Statistical analysis and modeling of historical market prices: Actuaries should be quite comfortable in this area given their quantitative training, but the application may be slightly different. Rather than just estimating potential variation in market conditions and how they impact pension financials, modeling here would likely be broader and include time series from both the revenue and cost side of the business. Correlation between risk factors is important, so it is necessary to do the analysis jointly and consistently.
2. Analysis of operational risk events: Actuaries are used to analyzing events that occur infrequently but have a high potential impact. The goal of this work is often to estimate the appropriate price for insuring against these events or to calculate reserve requirements to protect against losses. Actuaries have an opportunity to leverage these same skills throughout corporations by analyzing similar risks and determining their potential impact on corporate profitability. Obvious examples include some of the operational risks mentioned above, but there are likely many more in the average corporation.
3. Forward-looking estimates of business risks using stochastic modeling: This is where the previous work is brought together in a common language—dollars at risk. The concept here is that corporations are limited in their ability to take risk, and that in order to optimally allocate risk-taking capacity, one must know how each risk contributes to the company's overall risk profile. For example, one company might choose to evaluate all risks in the context of earnings per share (EPS). In this example, each risk factor would have some expected contribution to EPS and would also contribute to potential EPS volatility if that expectation were not realized. The amount that the different risk factor contributes to EPS volatility would be its contribution to EPS at risk. Bringing together the risks identified above into a common denominator allows management to make proactive decisions about risk taking. Imagine the value created by giving a CFO the ability to choose between increasing his P&C insurance coverage, contributing more to the pension plan, or hedging his raw materials

Tim Essaye is a senior consultant with Towers Perrin's Enterprise Risk Management practice.
timothy.essaye@towersperrin.com





costs. Most CFOs don't have all of the information they need to make that decision now, but if ERM practitioners are correct, that will soon change.

An Actuary's Next Steps

The most common complaint that many corporate managers have about actuaries is that they don't understand the business itself. Most banks had the same complaint about finance quants in the 1980s, and now these same folks drive most of the innovation in the financial markets. That being said, it is incumbent upon the actuary to get involved in the business as best he/she can. Continuing education also provides an opportunity for actuaries to broaden their knowledge base. MBAs from quantitative programs or Masters degrees in financial engineering or financial mathematics are some of the most common degrees in the field, and either one will provide the actuary with additional skills and practical experience in the field.

If continuing education is not an option, try courses to improve communication and presentation skills. Many of the topics we deal with are

quantitative and difficult to explain to non-experts, so communication skills are invaluable if the work is to be taken seriously by senior management.

Higher standards of corporate governance coupled with a quantitative focus in MBA programs are forcing corporations to become more rigorous in their decision-making processes. Corporate finance practitioners have firmly held beliefs about how best to deal with uncertainty in capital budgeting, but they are not the only ones who know risk. The actuary of the future must close the gap between the actuarial and quantitative finance fields, and earn himself/herself a broader mandate than currently exists. The emergence of enterprise risk management provides an excellent opportunity for actuaries to do just that. It will require some work, but the rewards are potentially well worth the price. 🏠



Our World Is Finite: Implications for Actuaries

by Gail E. Tverberg



Editor's Note: This article represents an update of an article published in the May 2007 issue of Contingencies.

We all know the earth is finite. The number of atoms in the earth is finite; the number of molecules of a given type can change over time, but is always finite. Our actuarial models, however, seem to assume an infinite world, one where investments compound indefinitely into the future, and other factors—mortality, morbidity, accident frequency, trend rates—follow patterns that are similar to the past, without reaching any limits.

Evidence is building from the physical sciences that we are starting to reach some of earth's limits. Unless we can find some technological solutions, once these limits are reached, we can expect to see a very changed world. Instead of having constantly increasing resources available to us, we can expect ever-decreasing resources to be available. Instead of seeing year after year of growth, increasing longevity and improving morbidity, we can expect the opposite.

Some of the places where we may be reaching barriers to growth include oil, natural gas, fresh water and climate change. The first three present depletion issues; climate change represents something very different. Since the world is finite, climate is affected by our activities, particularly the burning of oil, natural gas and coal.

What's the chance of a technological solution? It's not clear. If we need to make a very major change—such as producing electricity primarily from nuclear energy, for example, or transporting

people and goods in battery-powered or solar-powered cars and trucks—the change would take massive investment and at least 20 or 30 years to implement. At this point, we don't even have a clear idea of what might work. Some things being tried—such as ethanol from corn—look to be very partial solutions at best. And the shortages of oil, natural gas and fresh water may be only a few years away.

Oil Depletion

In any single location, oil production typically rises for a number of years. Then, without warning (except through mathematical models), it begins to decline. Figure 1 illustrates oil production for the original 48 of the United States, for Alaska and for the North Sea. All show the pattern of rising production, followed by decline. The highest year for oil production in the United States was 1970. Eventually, we can expect that world oil production will begin to decline as well.

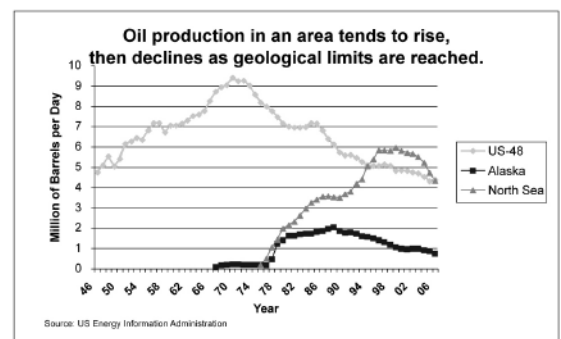


Figure 1

The reason production first rises, then declines, is that the available oil in a given location is being removed. To date, technology doesn't seem to



improve this situation. Instead, new technology seems to allow oil companies to remove oil faster, so that newly drilled sites empty more quickly.

The United States, Europe and Australia have now all reached irreversible decline in oil production, barring some major technical innovation. Mexico recently announced that Cantarell, its largest field, is exhausted, so its production can be expected to decline. Exports to the United States are expected to decline even faster, since Mexico, like other oil exporters, satisfies its own oil needs first.

Because oil is a finite resource, we know that even with technological improvements, eventually world production will begin to decline. How soon this will occur is subject to debate. Some believe the worldwide decline in oil production has already begun. According to data of the U.S. Energy Information Administration, the highest month of world crude oil production was May 2005. Production since then seems to be trending slightly lower, even though oil prices are high by historical standards.

Others are not convinced geological constraints have yet been reached, but are concerned about the fact that oil production is not rising, despite high prices. The U.S. Government Accountability Office in March 2007 issued a report called, "Crude Oil: Uncertainty about Future Oil Supply Makes it Important to Develop a Strategy for Addressing a Peak and Decline in Oil Production". The U.S. Energy Department asked the National Petroleum Council to look into the situation. Its report is called "Facing the Hard Truths about Energy" and includes forecasts by peak oil groups. The Association for the Study of Peak and Gas-USA forecasts a peak in world oil production between now and 2015.

Natural Gas

Natural gas is similar to oil, in that production in an area begins to decline once geological limits are reached. It is different from oil in that it is difficult to transport. For this reason, the North American natural gas market tends to be separate from that of the rest of the world.

For the United States, the highest year of natural gas production was 1973. Since then, a variety of measures have helped keep supply and demand in

reasonable balance. Once supply started declining, the price of natural gas rose, and many industrial users moved their operations to other countries, where supplies were less expensive. Alternative sources (including coal bed methane) were found, and imports from Canada were increased.

Now, even these measures are beginning to fail; Canadian production is declining, and some of the alternative sources are reaching their limits. At the same time, demand is increasing. New gas-fired electrical plants have been built, and most of the new ethanol plants use natural gas. In Canada, the facilities that process oil sands are large users of natural gas.

To make up for the projected North American shortfall, the current plan is to import more liquefied natural gas (LNG) from overseas. It is doubtful that this plan will work because not enough LNG plants are being developed overseas to cover the gap. Countries are showing increased interest in keeping natural gas for themselves since gasoline is in short supply, and compressed natural gas can be used to power automobiles.

Fresh Water

Fresh water is needed for drinking and irrigation, but here too we are reaching limits. Water from melting ice caps is declining in quantity because of global warming. Water is being pumped from aquifers much faster than it's being replaced, and water tables are dropping by one to three meters a year in many areas. Even some rivers, especially in China and Australia, are close to dry because of diversion for agriculture and global warming. While one could theoretically increase the fresh water supply through desalination, this is an energy-intensive process, so oil and natural gas limitations become important.

Climate Change

For many years, researchers thought that climate change was likely to be a very slow process, with minimal change expected for the next 100 years. Recent research has shown that climate change isn't linear. Instead, there can be long periods with little change, followed by "tipping points," with changes of as much as 5 degrees Celsius (9 degrees Fahrenheit) possible in as few as 10 years.

continued on page 8



Such a change may make much of the world uninhabitable. Some predictions indicate that with a 5 degree Celsius increase, sea levels can be expected to rise and deserts can be expected to spread across much of the central latitudes. The remaining habitable land would be primarily in Russia and Canada.

We don't know enough about climate change prediction to know how close we are to a tipping point. We do know, however, that the pace of climate change seems to have increased in the past few years, with larger increases in temperature and stronger hurricanes and typhoons.

Can Technology Help?

While we've been trying to come up with solutions, success to date has been limited. There have been some successes in oil; deep water drilling, for example, has added some new production in recent years. But the new techniques haven't stopped, or even significantly slowed, the decline in older fields, and have had at most marginal impact on the percentage of oil in place that can be produced.

When we have tried to find substitutes, we've mostly managed to trade one problem for another:

- **Ethanol from corn.** As currently produced, uses large amounts of natural gas and fresh water to produce a surprisingly small amount of ethanol (20 percent of U.S. corn production to replace 2.4 percent of gasoline energy). Because of limitations on natural gas, fresh water and suitable land, production cannot be expanded significantly, and may need to be scaled back.
- **Oil from oil sands or oil shale.** Requires large amount of energy inputs, currently from natural gas, as well as large amount of fresh water inputs.
- **Coal to liquid and coal substitution for natural gas.** Likely to exacerbate global warming and raise pollution levels. If used to replace both oil and natural gas, coal is likely to deplete in less than 50 years.
- **Deeper wells for fresh water.** Requires more energy to pump the water farther. In locations that use aquifers that replenish over thousands of years, the available water will eventually be depleted.

There are a number of promising technologies—including solar, wind, wave power and geothermal—but the amount of energy from these sources is tiny at this time. Nuclear power also seems to have promise, but has toxic waste issues and is difficult to scale up quickly.

What's Ahead?

If we're not able to find technological solutions, the world may change very radically, very quickly. The following are some hypotheses regarding the kinds of changes we may see:

- **Lower economic growth rates and possibly long-term negative economic growth rates.** With fewer resources, economic activity is likely to decline. There will be a need to find replacements for many products simultaneously—heating fuel, transportation fuel, plastics, synthetic fabrics, fertilizer (currently made from natural gas), and asphalt, among other things. Living standards are likely to drop, because we don't have infinite resources for replacing all the things that are declining in availability.
- **Collapse of debt-based economies.** We are already experiencing a decline in credit availability. What happens if there is a long-term decline in economic growth as well? Once lenders realize the downturn is long-term, how many will be willing to make 10-year or 20-year loans? Our monetary system is based on debt—the continued contraction may overwhelm the system.
- **Failure of economic assumptions to hold.** In a world of constant shortages, an increase in demand will no longer result in an increase in supply. Substitutes may not be available. Oil producers may not willingly sell oil at any price—some may choose to keep oil in the ground to get a better price later, or may sell only to allies. Rationing may be necessary.
- **Increasing mortality and morbidity.** In the natural sciences, researchers often talk about "overshoot." Overshoot occurs when the population of a given type (deer, yeast, ants) grows rapidly in the presence of a limited resource, but then uses up this resource. One example is ants with a pile of sugar; another is yeast in a bottle of grape juice, which eventually becomes wine. Once the limited resource is used up, the population can't be maintained at its high level, and rapid population decline occurs.



Gail Tverberg is
President of Tverberg
Actuarial Services, Inc.
in Kennesaw, Ga.
She can be reached
at gailtverberg@
comcast.net.

World population has grown rapidly in the presence of fertilizers made from natural gas, irrigation from non-renewable aquifers, and inexpensive transportation to bring food to market. Once these become less available, it's not clear that the world can maintain its current population level. Some forecast a decline to about 2 billion.

- *Climate change.* This is the wild card. If water levels rise significantly, coastal cities may be inundated, forcing large populations to abandon their homes and move inland. If deserts expand and aquifers deplete, large areas of the world may become uninhabitable. Fighting may occur over the limited resources that are available, further reducing population level.

Implications for Actuarial Assumptions

If the above hypotheses hold, there are clearly serious ramifications for the insurance industry. A collapse of debt-based economies could mean the end of insurance companies, at least until alternative non debt-based currencies can be established.

A somewhat more favorable scenario might occur if governments intervene and guarantee historical debt. But even this scenario wouldn't be very favorable for insurers, because massive inflation would likely take place as the result of more and more dollars being available to purchase fewer and fewer resources. Consumers would soon learn that a dollar today could be expected to purchase significantly less tomorrow. As a result, they would tend not to purchase long-term coverages such as whole life or long-term care. Furthermore, rampant inflation would make pricing and reserving a huge challenge for actuaries.

The pooling of risk on short-term contracts, such as health insurance, term life insurance, homeowners insurance and auto insurance may continue in a highly inflationary economy. Even for these coverages, though, significant changes are likely. For example, multiple families may move into a single house, to save on heating costs. This could leave other homes vacant, and more prone to vandalism. As noted previously, mortality and morbidity may increase, making past benchmarks less useful. Auto insurance may have better-than-expected results, because of declining auto usage.

Social Security and other government-sponsored retirement programs will need to be reconsidered in light of the declining resource base. With a declining base, there may be barely enough resources for those who are working, leaving little to spare for retirees and the disabled. Also, people will tend to have fewer children, once they realize how little promise the future holds. All these issues will make programs such as Social Security more difficult to maintain. If these programs remain at all, we might expect them to provide very limited benefits, applicable only to people at advanced ages.

What Can Actuaries Do?

The first step is to educate ourselves on the topic. Panel discussions on this topic can be added to actuarial meetings. There is much information on the Internet. I am on the staff of a Web site called TheOilDrum.com, which discusses "Energy and Our Future."

Another thing actuaries can do is look at our own actuarial models in light of some of the issues discussed in this article. If nothing else, this analysis may help us realize that predicting the future based on the past is much less certain than it was a few years ago.

We can also question current economic thinking. People expect that price signals will occur enough in advance of shortages so that adequate substitutions can be made. In fact, lead times of 20, 30, or even more years are needed, and the market doesn't come close to signaling needs that far in advance. Some other issues: Can economic growth be expected to continue in an era of reduced resource availability? Does the widespread use of debt continue to make sense? Does globalization make sense when transportation costs are very high?

Finally, actuaries can work to get governments (federal, state and local) to start addressing these issues. Even though the likely future decline in oil and gas production has been known since the days of Jimmy Carter, little has been done to address this issue since he left office. Actuaries can work to see that this changes. 🗳️



Empowered and Powerful—How to Achieve Your Goals

by Sandra Enoch

You have a career goal in mind. You know what is expected of you, what you have to do, what you need to do and what you should do. What's next? STOP. The track you are on will take you somewhere, but is it really where you want to go? On the way, will the effort be rewarding and, dare I say, fun? When the going gets tough, what will keep your momentum going?

As a coach, I don't provide the answers to these questions to my clients. They find those answers within themselves when I ask two very simple and empowering questions.

First, *what do you want?* Make sure you honestly answer that question. Often we pursue goals that we inherit from somewhere—or someone—else. Perhaps this inherited goal is a worthy one. Great! Adopt it. What will it take for you to make it your own? What moves it from being a “should” or “need to” to a “want to?” Make that realignment; then, it's your want. It gains a presence within you.

Be scrupulous with yourself. Are you saying “want” while really meaning “should” or “need to” or “have to?” Beware of deceiving yourself. Look for the camouflage—for the “should” in “want's” clothing.

For many high achievers in our society, expressing wants is uncomfortable at best. We have been trained to identify problems and be expeditious about resolving them. Wants are defined as unnecessary clutter. That is certainly valid in many situations. Not here. Go beyond this habit.

Expressing a want may make you feel vulnerable. You may ask questions like, “Will I seem needy?” “What if I cannot get my want; will I look like a failure?” Be aware that vulnerability is not always a bad thing. Think of the tightrope walker. If he doesn't feel vulnerable, he is more likely to lose his edge or break his concentration. The ensuing tumble is almost inevitable.

On the other hand, expressing a want may be empowering to you. You have reached a deeper level of self knowledge in the very mining for your want. You've been brave. In my experience, far from making me seem needy or weak, when I've articulated a want others see me as more powerful. In environments where the word “want” is rarely

used, its introduction shifts the dynamic. Empowered and powerful is a great place from which to achieve your goals.

Now, what will cause you to persevere in your effort when it gets difficult or boring? What will make the journey toward the achievement of your want fun? Try anchoring your goal—your want—to your essential personal values. Ask yourself the second big question, *What's important about that for me?* Get past the analytical. Get down to what matters in your life.

Here is an example. An actuary is considering a nontraditional career move. She is educated and skilled. She is prepared. She is enthused. And then things become difficult and scary. To prevent playing it safe and retreating from the dream, she asks, “Now, why did I decide to embark on this? What is so important about pursuing this objective?” Pay and advancement opportunity, while good things, aren't the energizing anchors she wants to turn to now. She considers that this opportunity will allow her to live in a place where she can be near family or ski or play with a noted orchestra or whatever it is that fulfills her. Having multiple stakes in the ground—some related to the career opportunity itself and some related to the rest of the person—will hold her firm in her resolve. 🚀

Try this approach with the tool kit below to get you started:

The Question

Making it Yours

What do I want?

Notice if it is truly a want, or is it a should, need to, or have to in camouflage. Say it to yourself. Say it to a person you trust.

What is important about that to me?

What other parts of my life does this desire support? How does this choice demonstrate who I am and my values?



Sandra Enoch, BA, MA, CPCC, has had a lengthy and successful career in sales, sales support, sales leadership, sales operations and learning. She supplements her corporate career with a coaching practice in which she has coached executives, sales leaders, entrepreneurs, professionals and managers. She can be reached at mycoachsandra@yahoo.com



Younger Actuary Network

Mentoring Update



The Younger Actuary Network (YAN) is currently recruiting mentors in all actuarial areas of practice.

The YAN, a subsection of the Actuary of the Future Section, has developed a mentoring program that offers its members opportunities to foster trusting relationships for networking, coaching, counseling and teaching life's lessons. Being a mentor is a great way to share your knowledge, experience and expertise with those seeking a role model.

The YAN believes it is important that younger actuaries have a mentor who can serve as a counselor, advisor and confidant to turn to with questions and concerns about personal growth in the actuarial profession. The interaction also promotes educational and networking opportunities in the actuarial profession.

The YAN's 'IDEA' approach to a mentoring program is four simple steps toward achieving personal satisfaction not only for the younger actuary, but also for the mentor. A simple example of how the IDEA program works as follows:

Interest: An actuarial student contacts the YAN. The YAN helps the student select a mentor in accordance with certain profile matching criteria.	Direction: The mentor initiates the first meeting/call with the protégé to understand his or her interests so that the mentor is able to set the right direction for the protégé over a period of time.
Education: The mentor educates the protégé about the different arms of the SOA and CAS, the exam structure and other pertinent information so that the protégé can remain competitive	Action: The mentor and protégé develop a plan together to fulfill the protégé's objectives.

A database, or network, of mentors is currently being created to assist in the matching of a protégé to his or her mentor. We are developing two levels of mentors to establish a wider range of interest:

1. Experienced FSA/ASA mentors for those at the ASA level and above, or
2. Recent FSA mentors for those below the ASA level and college students.

If you are interested in learning more about being a mentor please contact Troy Holm, ASA, MAAA, at troy.holm@trustmarkins.com.

You could be holding the key to somebody's future success!

ACTUARY OF THE FUTURE

Issue Number 23 • November 2007

Published by the Actuary of the Future Section
Council of the Society of Actuaries
475 N. Martingale Road, Suite 600
Schaumburg, IL 60173-2226

Phone: (847) 706-3500

Fax: (847) 706-3599

World Wide Web: www.soa.org

This newsletter is free to section members. Current-year issues are available from the Communications Department. Back issues of section newsletters have been placed in the SOA library and on the SOA Web site: (www.soa.org). Photocopies of back issues may be requested for a nominal fee.

2006-2007 SECTION LEADERSHIP

Andrew H. Dalton, Chairperson
Susan R. Sames, Vice-Chairperson
Christopher G. Raham, Secretary/Treasurer
Joanna Kam-leng Chu, Council Member
Younger Actuaries Network
Janet G. Deskins, Council Member
Personal Actuary TF
Kimberly J. Dwornick, Council Member
Pritesh Modi, Council Member
Manish Patel, Council Member,
Newsletter Editor
Sudha Shenoy, Council Member
Frank Sabatini, Board Partner

Manish Patel, Editor

Ameriprise Financial Inc.
1200 Abernathy Road, Suite 1700
Atlanta, GA 30328
PHONE: 770.551.8198
E-MAIL: manish.x.patel@ampf.com

Julissa Sweeney, Graphic Designer
E-MAIL: jsweeney@soa.org

Susan Martz, Project Support Specialist
E-MAIL: smartz@soa.org

Glenda Maki, Senior Communications Associate
E-MAIL: gmaki@soa.org

Meg Weber, Staff Partner
E-MAIL: mweber@soa.org

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 © 2007 Society of Actuaries.
All rights reserved.

Printed in the United States of America.



SOCIETY OF ACTUARIES

475 N. Martingale Road
Suite 600
Schaumburg, Illinois 60173
Web: www.soa.org