



SOCIETY OF ACTUARIES

Article from:

# Actuary of the Future

May 2009 – Issue No. 26



# Actuary ISSUE 26 | MAY 2009 of the Future

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## Blue Ocean Strategies

by Brent Jackson

I've had the privilege of participating in the recent study entitled, Blue Ocean Strategies in Technology for Business Acquisition by the Life Insurance Industry Using the Delphi Method. Sponsored by the Futurism, Marketing and Distribution and Technology Sections of the SOA, the study involved a number of participants from leading insurance carriers with the goal of defining future strategies to create an uncontested market space for growth. The thoughts and concepts range from what most would consider predictable, given today's technology advancements, to the radical.

The study looked at the evolutionary impact that technology plays in business and how it creates opportunities both within our current market structure as well as through insurance globalization. A basic premise was to identify potential technological strategies that could be developed and employed for use within the next 10 years. In looking at feedback, the objective was to deliver insight into how the use of technology may impact the design, marketing, sales, underwriting and/or processing of insurance.

Technologies in use today that can be further exploited include paperless environments, use of imaging technologies, optical recognition software and biometrics. These technologies will become more mainstream as processing speed, access and consumer acceptability increase much the same as cell phones, personal digital assistants and other handheld tools have become commonplace. In some instances these technologies have overtaken their non-digital counterparts, much like cell phones have replaced land lines.

One area that may be further developed for the insurance market within the next five to 10 years is the use of medical testing devices. From pin pricks similar to those used in

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# The 2009 SOA Annual Meeting is Just around the Corner!

**T**he 2009 SOA Annual Meeting is Just around the Corner!

This year's Annual Meeting & Exhibit will be held October 25-28 at the Boston Marriott Copley Place and Westin Hotel Copley Place in Boston, Massachusetts. We invite you to join the Actuary of the Future Section as we offer opportunities to:

- Learn more about our Section's key initiatives and provide input on potential future efforts while enjoying a hot breakfast.
- Sharpen your networking skills during our Speed Networking reception.
- Fine-tune your business skills for recessionary times.
- Gain insight into how the latest stimulus package, the increasing number of entities that are government-owned and other recent events affect you as an actuary. ☆

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diabetic testing, to heart rate and blood oxygen monitors, to other health-related testing equipment, use of these devices will speed the turnaround times, accuracy, efficiency and consumer-directed applications. Some may be used with paramedical vendors and others could be sent directly to the consumer for use in the insurance application process. This technology will help insurance companies compete, but will also be a potential threat as non-insurance organizations enter aspects of the insurance industry, if not in direct competition. The breadth of the industry and the potential markets will expand from the current forms both within the U.S./North American markets as well as globally.

Technologies that will be used in the future include the use of holographic technologies, more widespread use of laser and radio wave technologies and enhanced artificial

intelligence, in addition to concepts still on the drawing board or in the minds of future generations.

With the use of technology, there will be many issues that need to be addressed. Issues include privacy concerns, identity theft, fraud, state and federal regulations, foreign regulations (if operating outside the United States), consumer education, ease of use, intellectual rights (for use in hardware and software), etc. These will continue to be important issues until risk, regulation, affordability and consumer acceptance add up to allow the markets to expand and the marketplace to blossom for new "blue ocean" opportunities. New "blue ocean" opportunities will allow any one company to create a market in which they control a niche area long enough to maximize profit potential. ☆

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