



SOCIETY OF ACTUARIES

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Leadership Interview Series:

James Glickman

By Sophia Dao

Interviewer's notes: This article features Jim Glickman, who has one of the most impressive résumés I have ever seen! He has a long list of accomplishments, and below are just some of the highlights:

- *Founded LifeCare, a market-leading reinsurer and administrator of long-term care insurance (LTCI) products in 1988. Jim is the creative force behind LifeCare's innovative approach to LTCI product design.*
- *Led the effort to form the Society of Actuaries' Long Term Care Insurance (LTCI) Section and was its chairperson for its inaugural year in 2000, as well as his final year on the council in 2004.*
- *Led the effort to develop the annual Intercompany Long-Term Care Insurance (ILTCI) Conference, serving as chairperson for the first four conferences, and as president/board member for the non-profit association that runs the conference. He was presented with a "Lifetime Achievement Award" at the Fifth Annual ILTCI Conference.*
- *Member of the Society of Actuaries' board of directors from 2005 to 2010 (serving as vice president of the board from 2008 to 2010).*

I am honored to interview Jim, who, despite his busy schedule, has been very generous with his time. I hope you enjoy this interview as much as I did.



James M. Glickman
FSA, CLU, FLMI

Jim Glickman is president and CEO of LifeCare Assurance Company. He can be reached at *Jim.Glickman@LifeCareAssurance.com*.

WHAT IS YOUR GREATEST ACCOMPLISHMENT?

Guiding LifeCare Assurance Company from a startup with \$3 million of borrowed funds into a company with over 200 dedicated employees, nearly \$2 billion in assets and \$375 million of annual revenue. LifeCare has been profitable for 20 consecutive years, operating exclusively in the LTCI industry, an industry that has faced many challenges over the years, including carriers exiting the business.

WHAT IS THE MOST DIFFICULT THING THAT YOU HAVE HAD TO DEAL WITH IN YOUR CAREER? WHAT HAVE YOU LEARNED FROM THAT EXPERIENCE?

Building a company from scratch, no matter how strong a business plan, is a series of ups and downs that need to be navigated. In 1991, about three years after the company started, we had burned through \$2 million of the original \$3 million of capital. After three years of losses, it was necessary to change our fee structure with one of our partner companies. We discussed what minimum amount of business they needed to produce, and by having them guarantee that production, we made their program more successful for both sides.

The basic lesson from this experience, one that is often repeated in all aspects of life, is that working (or negotiating) with others is not a zero-sum game. It is a mutual evaluation of what each party needs and values, in order to maximize both sides' positions.

HOW HAS YOUR VOLUNTEER EXPERIENCE HELPED YOU DEVELOP AS A LEADER?

In 1998, I attended the SOA annual meeting in NYC, and, much to my disappointment, there were no educational sessions regarding LTCI. It was at this point that I realized there was a need for an SOA long-term care (LTC) section, and set about recruiting other LTC actuaries to assist in forming it and getting the SOA board's approval.



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CONTINUED ON PAGE 24

Once formed, the LTCI Section set about developing a national conference that would provide networking and education for the LTCI industry. The LTCI Section became the first section to promote widespread non-actuarial participation, and then successfully convinced the SOA board to empower those non-actuarial participants by allowing non-actuarial council members. Both the LTCI Section activities and the LTCI annual conferences were accomplished with volunteers dedicated to making the LTCI Section and the LTCI industry better every year.

I found that to get and keep volunteers engaged, you need to organize activity around the strengths and the interests of those volunteers, and perhaps most importantly, lead by example, as well as continually strive to develop the next generation of volunteer leaders. I am convinced that in private business, these same leadership qualities are just as important. A leader must provide the vision and find the best people to execute that vision, keeping employees engaged and developing the next generation of leaders.

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WHAT ADVICE DO YOU WISH SOMEONE HAD GIVEN YOU EARLY IN YOUR CAREER?

In stressful situations, it is extremely important to remain calm and controlled, gather all of the available information, and reason out the best solution. Inevitably, an emotional response will not succeed.

DO YOU HAVE ANY TIPS THAT YOU WOULD LIKE TO SHARE ON HOW TO CONTROL YOUR EMOTIONS IN STRESSFUL SITUATIONS?

When you sense yourself getting angry or annoyed, develop a habit of detaching yourself from the situation. When successful, which is not always the case, this gives you the time to calmly consider the situation, gather more information, and then respond in a logical manner.

WHAT ARE SOME OF THE THINGS YOU HAVE LOW TOLERANCE FOR IN YOUR ORGANIZATION?

I have a very low tolerance for wasteful spending,

especially under the guise of it won't matter much, or it is not worth the effort. Throughout our organization and starting at the top, everyone embraces and is rewarded for maximizing value and minimizing cost. When we first started our company, this approach was a necessity, but now it is just part of the company culture. Surprisingly, it takes only a small amount of effort from each person, in each situation, to have saved millions of dollars over the years.

WHAT QUALITIES DO YOU THINK A SUCCESSFUL LEADER SHOULD HAVE?

- a. A leader needs to have a vision of where the organization is headed and successfully communicate that vision throughout the organization.
- b. A leader needs to empower those in the organization to succeed in executing that vision.
- c. A leader needs to provide those within the organization the opportunity to shine and advance.

WHAT IS ONE MISTAKE THAT YOU WITNESS LEADERS MAKING MORE FREQUENTLY THAN OTHERS?

The mistake I see most often in leaders is living by a different standard than they espouse for the rest of the organization. This breeds contempt, and encourages others to carve out their own silos with special rules that only apply to them.

CAN YOU EXPAND ON THE ABOVE?

To me this represents the concept of leading by example, and not having different sets of rules for the leaders, versus the rest of the organization. Often, an objective analysis can readily reveal when a leader operates under a different set of rules than the rest of the organization. Yet, this will only work if the leader wants to be objective. It is far too easy for leaders to rationalize that the different rules are worth the "extra cost" since the leader's "time" is so much more valuable.

WHAT ARE A FEW RESOURCES YOU WOULD RECOMMEND

TO SOMEONE LOOKING TO BECOME A GOOD LEADER?

Perhaps the most important resource is to develop a mentor relationship with a leader you currently know. This type of relationship is often as satisfying for the mentor as the mentee. It only takes the effort, willingness and bravery to make that contact.

WHAT PARTICULAR CHALLENGES, FROM YOUR PERSPECTIVE, DO ACTUARIES USUALLY FACE AS THEY TRY TO BE SEEN AS LEADERS?

As technical specialists, often with skills that those in other parts of the organization do not possess, actuaries can become boxed into their specialty, since they are not necessarily required to network or to communicate with non-actuaries. Because of this reality, actuaries must make an effort to seek out these opportunities for interaction and communication, both to broaden their perspectives and to become visible as leaders outside of their technical actuarial roles.

IN YOUR OPINION, WHAT ARE THE BIGGEST OPPORTUNITIES AND THE BIGGEST RISKS IN OUR INDUSTRY?

The insurance and pension industries are exposed to risks that were never envisioned prior to the financial crisis, mostly due to the low interest rate environment, and its indefinite continuation by the government.

Perhaps one of the biggest industry opportunities exists in those product lines where the interest rate environment now makes them seem the most precarious. Currently, LTCI has just gone through that type of perfect storm, where originally unanticipated low lapse rates together with low interest rates have created what in property and casualty (P&C) terms is called a “hard market.” This phenomenon, which occurs regularly in the P&C industry after its catastrophic events, causes new business premiums to skyrocket as companies seek to replenish their surplus, while other carriers just choose to exit.

For the LTCI industry, this same phenomenon has occurred recently, with LTCI new business pricing

now being about double what prices were in the late 1990s, for products with the same benefits. When new carriers choose to go against this tide of negative sentiment and enter during a “hard market,” they often find themselves making outsized profits. In particular, for carriers who lack any legacy issues associated with having previously been in the LTCI market, the opportunity to achieve both better-than-expected profits together with substantial growth makes this one of the biggest opportunities in the insurance industry today.

WHAT SHOULD ACTUARIES DO TO STAY COMPETITIVE AND RELEVANT?

I believe that actuaries need to make a concerted effort to reach out to non-actuarial constituencies in their area of practice, both to learn from them, as well as using their actuarial expertise to become an unbiased teacher. This is especially important in situations where political motives may encourage the non-actuaries to believe what they want to be true, rather than looking for the objective solutions.

If you would like to recommend someone to be interviewed for this series, please contact Sophia Dao at sophia.dao@alico.com.

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