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The Zen Actuary Installment 2: "Be Authentic"

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Authenticity is more about the process of becoming rather than a final destination.

*Author's Note: This is the continuation of a series¹ adapted from the book *Awake at Work* by Michael Carroll, covering the application of Buddhist teachings to situations encountered in a modern corporate workplace setting. This series addresses challenges frequently encountered by practicing actuaries.*

The word "authentic" has a powerfully positive feel to it. Authentic objects (e.g., works of art) are often sought after and highly valued. Authentic people are usually highly respected and appreciated for their abilities. The word itself means "conforming to fact and therefore worthy of trust, reliance, or belief."

Authenticity is at the core of all professions. When choosing a professional, whether auto mechanic or physician, one is always searching for indicators that determine that the professional in question can be trusted and relied upon. Such characteristics are the foundation of the actuarial profession. The question then is: How do we determine the authenticity of the practicing actuary?

The actuarial profession is renowned for its rigorous set of examinations and other accreditation requirements. The exams test a comprehensive set of skills needed for career success, and the competition for achieving fellowship is fierce. One potential definition of an authentic actuary is therefore one who has received the fellowship designation. But is this a sufficient or even absolute requirement for authenticity? Even with today's expanded non-exam requirements, it is possible to achieve fellowship without having "hands-on" experience. On the other hand, there are many highly respected actuaries in all tracks of actuarial practice who are not fellows, including some who never will be.

It seems then that using fellowship as the barometer for authenticity may be flawed. What about using length of service as the measure? Maybe, but where do we draw the line? And not everyone develops their actuarial acumen at the same pace. What about titles? Maybe all company officers are authentic

actuaries. Some brief thought shows this to be an even more capricious measure than fellowship or length of service. How about polling an actuary's closest colleagues? Or maybe appoint a panel of judges; we could call it "Actuarial Idol," but without the singing and obnoxious commentary. Are these any more objective? Clearly trying to determine what makes an actuary objectively authentic is a challenging exercise.

Reflecting on my own career has helped shape my thinking on the issue. While I have experienced many notable moments over 26 years, no single moment stands out in such a way that I can say that I crossed some magic line at that point in time. Rather my own authenticity has developed over time, with my own "feel" for being an actuary honed by study, experience, and further shaped by a series of excellent mentors and colleagues. As one of those mentors often told me, we learn by doing. And doing provides experience and insight into what worked versus what can be done better. And experience and insight breed confidence and well-being in taking on the next set of challenges.

My conclusion is that:

1. Authenticity is not an absolute condition but rather one of degrees, and
2. Authenticity is more about the process of becoming rather than a final destination.

The more relevant question for the actuary to consider is how to further develop that sense of authenticity. For the early-career pre-associate, the primary path is further education and ultimately achieving associateship or fellowship. In addition, actuarial aspirants working in those formative years will want to team with seasoned actuaries in applying their knowledge to practical business problems. Recent fellows with a solid technical foundation will want to begin venturing into less-technical areas and developing a sense for the bigger picture as it applies to their clients and employers. In addition, they will want to begin cutting their teeth in managing pre-fellows; one of the best ways

of developing and testing one's own authenticity is to explain how to think about applying actuarial principles to a given problem.

More seasoned fellows will want to deepen their authenticity through continuing education and taking on increased and diversified responsibilities. They will want to expand their influence, requiring both significant depth and breadth of authenticity. Hopefully this will evolve into leadership roles where being an actuary is the core strength, accompanied by the development of "soft skills" that help the actuary communicate technical insights clearly to non-actuaries.

Actuaries practicing today in the 21st century are blessed with many tools for professional development. There is a plethora of educational materials in terms of books, newsletters, study notes, study aids, meetings, webcasts, standards of practice, and the code of conduct. We have access to technology that allows us to explore solutions to problems unimagined just a few decades ago. And the intellectual capital available to assist us in our journey is substantial and growing.

Making judicious use of all such resources can and will aid the sincere practitioner on the path of actuarial authenticity. But no amount of studying or practice is a guarantee of future actuarial success. Neither is an esteemed job title and lucrative pay package. We can receive accolades and assurances from friends and colleagues about our actuarial expertise, but that can only provide us temporary solace as we contemplate the problems on how to keep that next project moving forward.

Ultimately the actuarial practitioner must rely on his own internal code for true authenticity of his skills. He knows whether he is prepared to take on the next challenge and what additional knowledge gaps must be filled to achieve success. Only the actuary knows whether this year-end's valuation work was completed in the spirit of the applicable actuarial standard of practice, or if all of the key risks were properly assessed and measured in the pricing of a new product. The actuary must determine if he is qualified to practice in a particular area; the code of conduct and standards of practice can only provide guidance in making such a determination.

Actuarial authenticity means bringing a risk management mindset to the task at hand. It is about



being risk aware, not risk averse. It is about more than quantifying risk. It is about translating the risk assessment into a straightforward message that is couched in the context of the risk appetite of our employers and clients, and priced for appropriately. It is about considering the value of mitigation alternatives rather than just minimizing risk.

Developing this inner knowing and professional poise takes a lot of hard work and practice. Such hard work can be enhanced by taking some time each day to quiet the mind. Finding a quiet place to simply sit or take a walk and just be for a few minutes can help to refresh the mind and slow down the barrage of endless thoughts. Once the mind is quiet, we can begin to contemplate what we are working on, what our near-term goals are, and how we can best serve our clients and employers. We get back in touch with our actuarial core and re-energize that sense of wonder and intellectual curiosity that attracted us to this wonderful profession in the first place. It is coming from that place of oneness with the principles and purpose of being an actuary that quietly manifests in our professional authenticity. ●

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ENDNOTE

¹ Part 1 of the Zen Actuary series, "Balancing the Two Efforts," was published in the November 2013 issue of *The Stepping Stone*.