



Article from

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# WHAT WOULD YOU DO? A Fresh Perspective?

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Here is our next entry in the “*What Would You Do?*” series.<sup>1</sup> Write to me at [SteppingStone@JHACareers.com](mailto:SteppingStone@JHACareers.com) to tell me what you would do. In the next issue, I’ll compile the responses received (preserving your anonymity, of course), along with what actually happened in the real-life situation.

Help me craft future case studies. Write to me about your own challenging, surprising or nightmarish situations involving business, leadership, management or any of the topic areas covered by *The Stepping Stone*, and what lessons you learned from them. I’ll collaborate with you on turning your situation into a simple case study, being careful to ensure no one is identifiable. Share your own thoughts (pro and con) on the series as a whole at [SteppingStone@JHACareers.com](mailto:SteppingStone@JHACareers.com).

## A FRESH PERSPECTIVE?

Central Life’s chief actuary, Tom, is a disability actuary with many years of experience in the business. He has noticed a disturbing trend in their disability experience that makes him wonder if reserve strengthening may be needed in the near future. They do not currently have a robust administrative system for that line, and simply rely on running totals of year-by-year premiums and losses to assess its performance. Standard demographic data (issue age, etc.) is completely absent. Consequently, Tom doesn’t believe there is enough credibility to the data to justify such a significant action.

Walt is the head of Central Life’s actuarial department, reporting to Tom. He has been thinking about ways to enhance the data produced to support all of the product lines, and particularly disability, but has so far received a lukewarm reception due to the effort required.

James is corporate actuary of Central Life’s parent, also with many years of disability expertise. He’s seen the same trend, and is concerned that Tom is not taking action. It feels like Tom has a laissez-faire attitude toward the issue, and James and another actuary very familiar with Central Life’s operations come down to assess the situation.



All four sit in a conference room to look at what data exists, what conclusions can be drawn, and whether it is time for action. After much discussion, Tom states the same argument he has made many times, that the data doesn’t yet justify any action, and that they simply need to wait for more experience to develop. He insists that no action can be taken until at least the following year.

James has a thought: Why not build an entirely new database, linking data from new business applications to premium/loss data that already exists? This would require a team to dig into tens of thousands of manual applications to key the data, and it isn’t clear to him where those resources would come from.

If you were James, would you bring this up? When and how? Or would you address the issue some other way? ■



John Hadley is a career counselor working with job seekers frustrated by their search and professionals struggling to increase their visibility and influence. He can be reached at [John@JHACareers.com](mailto:John@JHACareers.com) or 908.725.2437. Find his free *Career Tips* newsletter and other resources at [www.JHACareers.com](http://www.JHACareers.com).

## ENDNOTE

- 1 Past issues in the series have considered whether to demote or fire a difficult employee; performance reviews and their aftermath; interview challenges from both sides of the desk; evaluating job offers; a difficult product decision; how to build connections with the home office; and career decisions. To catch up on the entire series, which started in May 2013, check out back issues of *The Stepping Stone* on the Leadership & Development Section website at [www.SOA.org/ld](http://www.SOA.org/ld).