



SOCIETY OF ACTUARIES

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What Happens in Indy ...

By Nathan Worrell

Editor's note: The SOA asked young actuaries to provide feedback from the September Valuation Actuary Symposium in Indianapolis. Nathan Worrell kindly shared his views with us below. For more of Nathan's actuarial humor, take a look at his blog <http://www.betweenthespreadsheets.blogspot.com/>

This was my first symposium experience, so I had no idea what to expect. Would I be bored out of my mind? Would I be able to take something useful back to my job? What actually happens when you throw 800 actuaries in a hotel?

Reflecting on the experience, I realized that I learned a lot, made some great connections, and caught a good buzz (and that was before the reception!).

7:00 a.m. - Day 2

Off to a bright and early start. I came in too late for registration and events last night. I'm a little bummed I missed out on all the events that the consulting firms and software vendors were hosting. Right away, I can tell this will be a great conference. Reason? Freebies. I snagged a squishy Indy race car and SOA branded notepad. I'm a sucker for giveaways.

After getting my pastries, fresh fruit and coffee, I went to find a place to sit. To my amusement, almost every table had a lone actuary staring down at his breakfast, Smartphone, or newspaper. Occasionally there might be a pair of actuaries eating together and talking, but they were likely coworkers and already knew each other. I happen to be an extrovert, so I plopped down at the closest table and made my first new actuarial friend.

8:00 a.m. - Day 2 – Session 5: Asset Modeling Concepts

It's my first presentation. The room fills quickly, there's probably close to a hundred people here. Right on schedule, the presentation starts.

With each presentation, I find myself drawn to the subject matter, even if it is not directly applicable. Actuaries work on a lot of cool stuff.

I also have to confess that a good graph will get me just as excited as a free toy. There were some awesome 3D charts of asset payout structures under the New York 7 scenarios that I would love to hang in my cube.

I was pleasantly surprised that a third of the session had a Long Term Care (LTC) focus, which is one of my lines of business. It was great to hear some other ideas about how to approach the asset side of the business.

10:00 a.m. - Day 2 – Session 12: GAAP Hot Topics

Moving from session to session reminds me of high school or college. There isn't much time to linger after sessions are over, which is somewhat disappointing. If you're not first in line to talk with a presenter, you might not get a chance to meet them. Thankfully, we live in a world with LinkedIn and other tools to connect.

This session again features a three-speaker format. I'm a fan of this style. It breaks up the pace and tone.

The Hot Topics included: International accounting standards, low interest rates, and purchase GAAP accounting. Pretty scandalous stuff.

Sarcasm aside, the session really underscored the amount of judgment that actuaries are required to use every day. There is a lot of ambiguity in guidance, practice, and what's going to happen in the future. The session is the first part, and is a high level exposé on the issues. I'm intrigued to see how things play out in the follow-up workshop tomorrow.

I also have to say that during the session on PGAAP, a point of emphasis was what to do with a negative VOBA. While I took some notes, I also thought that if someone overheard actuaries talking about their VOBA's, they might think we were actually at a Sci-Fi conference of some sort.



Nathan Worrell, FSA, MAAA, is staff actuary at Ameriprise Financial. He can be reached at <http://www.linkedin.com/in/nathanworrell>.

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11:45 a.m. - Day 2 – General Lunch

The lunch itself was typical mass produced cater fare: slightly seasoned chicken, on top of potatoes, with a side of veggies. The dessert was interesting though, as it was sprinkled with gold flakes.

The main speaker, James Surowiecki, author of *The Wisdom of Crowds*, did a fantastic job. His material was relevant and thought provoking. He told a few great stories, and instead of reiterating them, I'll just recommend that you check out his book or spend some time at a horse race track.

1:30 p.m. - Day2 – Session28: Current Topics in Mortality

Again, we enjoyed a full room and prompt start. Also, another focus on LTC, this time in the context of combination products. There was a lot of great food for thought in this presentation. The second presenter brought up the issue of post-level term and what to do with managing the jump/cliff.

After hearing the presenter discuss his method for modeling excess lapses, I have a strong urge to name my next dog Dukes MacDonald.

3:00 p.m. - Day2 – Session 40: Policyholder Behavior

Confession time. In addition to freebies and informative graphs, I also get jazzed when I have an opportunity to meet an actuarial author. So far in my actuarial journey, I've met Sam Broverman, Stuart Klugman, and Mary Hardy. This session added another to the list,

Louis Lombardi. Louis Lombardi wrote *Valuation of Life Insurance Liabilities* and was a presenter of the Policyholder Behavior study.

I am really looking forward to the final report when the SOA publishes it. There will be interesting outcomes. Specifically, they gleaned insights outside of the insurance industry, including banks and a retailer.

A big takeaway for me was to try and view policyholders in the context of their life situations. Looking at things contextually has started to appear as a general theme of the sessions I've been to thusfar.

9:00 p.m. - Day 2

Back to the hotel room, feeling pretty tired and satisfied after a full day. The reception after my last session was nice. Decent appetizers, and free drinks (yay!). I also mingled with a few new people and ran into some blasts from the past. Then I went out with my coworkers to enjoy the beautiful night in downtown Indianapolis.

7:45 a.m. - Day 3 – Session 53: Gross Premium Valuations

Now, I get to be a presenter. I was recruited a few months ago by my boss to present on this topic. I jumped at the opportunity. I had spent the past couple years in Toastmasters and was eager to apply the concepts I learned in a professional setting.

The mood was set perfectly as our moderator flubbed my introduction. I made a reference to my blog *Between The Spreadsheets* in my bio, and he mistakenly called it

“Between the Sheets.” It woke up the audience and ignited a round of laughter. I appreciated the levity because I wanted to inject humor in my presentation.

The presentation itself felt like a blur. I tried to be mindful of my speaking rate, my clarity, my humorous anecdotes, but I really got caught up in the moment. When I looked down, 25 minutes were gone, and my part of the session was over. I just hoped that I didn’t speak too fast and that someone got something useful out of it.

9:45 a.m. - Day 3 – Session 57: GAAP Hot Topics Workshop

As much as I enjoyed the presentations, the workshop was a breath of fresh air. Here, moderators facilitated discussion between actuaries. The dialogue and interchange was really exciting and dynamic. As I had mentioned before there is a ton of judgment and ambiguity in our practice, and it can be really useful to look at a problem from several different angles.

There was a wide array of experience, company/product representation, and even geographic dispersion.

11:30 a.m. - Day 3 – Session 72: Avoiding Statistical Pitfalls

Let me start out by saying that I feel sorry for anyone who has the last slots at a conference. People are checked out mentally, and physically. Intellectual fatigue is setting in.

The presentation was unique in that it was a father/son duo. Additionally, it was an interactive session, in that I was able to participate via a polling device. The audience polling was a great technique to keep folks engaged.

1:00 p.m. - Day 3

It’s over, at least for me. A few others are sticking around for a forum, but I’m done. The symposium quietly dissolves. No fanfare or grand farewell, just a smattering of actuaries catching cabs to the airport.

I’ve collected my materials, the business cards from the other actuaries I met, and depart for home. I am looking forward to getting back and sharing what I’ve learned.

I am also looking forward to the next symposium to see what other free handouts I can acquire, more dramatic ways to graph actuarial data, exciting topics I can learn new things about, and meeting other actuaries who get as excited about those things as I do. ■