



SOCIETY OF ACTUARIES

Article from:

Forecasting & Futurism

December 2014 – Issue 10

Five Years Is A Lifetime (Personal Forecasting)

By Doug Norris

My first boss at Milliman had a saying that I've always enjoyed: "In business, five years is a lifetime." The intent behind the saying was that in five years, you can totally remake your career or your business.

My actuarial career has largely followed suit. Five years ago, I spent a plurality of my time helping health insurers implement individual and small group underwriting procedures. Today, the Affordable Care Act has made these strategies largely prohibited in the United States. Five years from now, one of my current specialties (strategies and tactics related to the Affordable Care Act's risk mitigation programs—affectionately referred to as the "3Rs") will no longer be relevant, with transitional reinsurance and risk corridors phasing out, and the overall risk of each market better known. So, how will I be spending my time five years from now?

Many of our business metaphors suggest a certain linear nature to our career paths; for starters, consider the "corporate ladder" that we are expected to climb one rung at a time. This is a comforting association because it suggests that once we've completed step N in our career progress, we can tackle step N+1 (and repeat until infinity, or until gold watch, whichever comes first). It also suggests that if we just put our head down and work hard, great things are destined for our future. The history of our career suggests a trajectory that will continue into the future. The "five years" adage expresses something quite a bit more complicated (and also a bit scarier). Do you mean that we can remake ourselves and that we likely have to remake ourselves?

Five years ago, I had very little knowledge of the Forecasting & Futurism section, which had just been rebranded from the original Futurism section name. However, in October of 2011 I was invited to present (as a pinch hitter) on the topic of complexity science at the SOA's Annual Meeting in Chicago. I had never presented at an SOA function, and had not dabbled in complexity science since my graduate school days. I took the opportunity, and the presentation went very well, but more importantly I found out that there were other actuaries like me out there, who were interested in advancing leading-edge techniques to improve our actuarial pre-

dictions. I was invited to run for section council (and won), which has led to two years (and counting) of great fun. It's been great exposure to new ideas and different practice areas. Plus, it has really broadened my perspective as to what our profession is capable of accomplishing.

The moral of this story? Take advantage of the opportunities that come your way. Be flexible and open to new ideas. Volunteer. Meet new people. Learn something new (even if—or especially if—you're done with actuarial exams). Find new uses for old skills. Surround yourself with people smarter than you, and people who will tell you when you're wrong. Don't be afraid to fail. Expect to fail. Don't be afraid to take a leap of faith every now and again; remember the SOA's slogan: "Risk is Opportunity."

As the new Forecasting & Futurism section chair, I have had the benefit of great role models—both Clark Ramsey and Alberto Abalo have set a leadership example that will be difficult to match, and they have been instrumental in ensuring that we are doing the right things as a section. In addition to Alberto, we have two others whose terms on the section council ended in October: Mike Lindstrom and Ben Wolzenski. All have been valuable members on the council, and their contributions have been both stimulating and numerous (including articles in this very newsletter).

For as long as I've been involved with the section, we have been blessed to have the SOA's Meg Weber and Christy Cook in support roles. We could not have grown our section into what it has become today without their tireless efforts. Both have recently left the SOA for new opportunities, although I'm hopeful that they will remain as "Friends of the Council."

Aside from being one of the best ambassadors for genetic algorithms around, Dave Snell has been the heart and soul of this newsletter for every issue since its inception in 2009, and the results are something to be proud of. He's always looking for new and innovative topics, and if you have an idea for a future issue of the section newsletter, I guarantee that Dave would love to talk with you. We are always looking for new authors.

Where will you be in five years' time? More importantly, where do you want to be in five years (and what can you do today to help get you there)? ▼



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