



SOCIETY OF ACTUARIES

Article from:

Health Watch

May 2012 – Issue 69

Recently Adopted Strategy Charts a New Course for SOA Research

By Steven Siegel

Exciting things are happening with Society of Actuaries research! This article provides an overview of the new strategy that the SOA has adopted for future research. I have included excerpts from the official Board of Directors report and other documents. As a health actuary, you are an important part of this strategy. We would like to hear from you with ideas and suggestions for taking advantage of newly available resources and funding.

Strategic Approaches to Research

During 2011, the Board of Directors reviewed the research strategy for the SOA. This was part of a multi-year strategic effort to review the role of the SOA in the creation of intellectual capital on behalf of the profession.

The research strategy embodies three primary approaches to research: advancing knowledge, expanding boundaries, and intellectual capital research.

Advancing knowledge research ensures that the SOA continues to broaden and deepen actuarial science and its applications. Examples include research done by academics and others working in the pure science and its application.

Expanding boundaries research renews, strengthens, refocuses and rethinks the roles that actuarial science and actuaries play. It can include research that supports or expands the boundaries of existing practice, research that promotes the interest of society and research that has a strong public policy aspect. Examples include work related to health care reform legislation.

Intellectual capital research is best defined as common tools used by actuaries. The best example and one that members consistently cite as high value is experience studies. Other examples include software for calculating incurred but not reported reserves through innovative techniques and advanced methodologies for health risk assessment.

These approaches are not mutually exclusive and may have been used in combination to help optimize

the impact and value of any particular research effort.

At its October 2011 meeting, the Board authorized a revised research strategy that focused on increasing the amount of expanding boundaries research produced by the SOA (defined as research that expands actuarial practice, supports public policy and/or serves societal interest).

As part of this strategy, additional funding was approved to support expanding boundaries research in 2012 and 2013. Another of the goals was to encourage the development of more multi-year, multi-stage projects with a broader, deeper focus.

Research Executive Committee Mission

To move this work forward, the Board authorized the establishment of a research oversight committee (dubbed the Research Executive Committee) to support the sections, research committees, and other groups actively involved in research, set agendas and budgets, and provide a review of the research function on behalf of the Board.

Based on the October 2011 Board report, the duties of the Research Executive Committee are expected to include the following items:

- Set a research agenda and recommend research budgets based on input from the research committees, sections and other groups working on research
- Recommend project funding and formulate strategies for timely project completion
- Set and monitor acceptance criteria for research project funding and quality standards for published research. Establish and implement evaluation standards and process for research grants made by the SOA
- Assist with the topic-specific research committees, sections, and other groups as needed to



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- identify and develop new projects to address unmet needs
- Set overall strategy for distribution and communication of research results
- Monitor the success of research projects, in terms of the awareness and use by members and other stakeholders and other impacts of results
- Make recommendations to the Board as necessary for any significant changes in research strategy or research budgets
- Evaluate whether practice boundaries have been successfully expanded through the operation of the SOA's research function and provide periodic reports to the Board on the same

Next Steps

As of this writing, the committee is currently in formation. Among its first actions will be laying the foundation for how newly available funding will be accessed. In this regard, your thoughts for broader, deeper projects for health related research for the coming years will be invaluable. We look forward to hearing from you. ■