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Leader Interview

With Catherine Murphy-Barron

Catherine Murphy-Barron, FSA, MAAA, is a principal and consulting actuary with Milliman Inc. in New York, where she focuses on health insurance and managed care consulting. Cathy is a long-time volunteer and former vice president, Health, with the American Academy of Actuaries. Greg Fann, FSA, FCA, MAAA, conducted the interview.



Catherine
Murphy-Barron

ON BEING AN ACTUARY

Health Watch: How and when did you decide to become an actuary?

Catherine Murphy-Barron: I grew up in Ireland, where actuarial work was not a common profession, so I actually didn't know what an actuary was until I was in my early twenties. By then I had come to the U.S. and was working as a bookkeeper for an insurance agency in Omaha, Nebraska. I was trying to find a career that would be more fulfilling, when a co-worker said in passing that she thought I would make a good actuary. I did some research, talked to a friend of a friend who was an actuary at one of the Mutual of Omaha companies and decided this was the career for me!

HW: What other careers did you consider? Or if you have had other careers, can you describe them?

CMB: I'm not sure that you would call them careers, but right out of college I worked as a travel agent. This was in Ireland and at the time, with a 25 percent unemployment rate, I was lucky to have a job. About nine months into the job, the bookkeeper at the travel agency quit and they asked me to fill in, which made sense given my business degree. After I moved to the U.S. I was able to get a job as a bookkeeper for an insurance agency, since I had the prior experience.

HW: What was your favorite job before you became an actuary?

CMB: I didn't particularly enjoy any of the jobs I had before becoming an actuary. I really struggled to figure out what I wanted to do. Actuarial work appealed to me because I loved the idea of using mathematics to predict the future, but my big concern was, what if I spent years taking my exams, finally got a job as an actuary and hated it, after all that work and money? On the first day of my first actuarial job I sat in the weekly staff

meeting while they discussed the various upcoming projects and all I could think was that this had to be the coolest job on earth. I came home that night and I was on cloud nine! I still feel that way today, twenty-five years later.

HW: What has been most crucial in your development as an actuary?

CMB: I think for me it's been learning to see the big picture. As actuaries, we start out as mathematicians. Early in our careers we are building the models, working with equations, and we can miss the forest for the trees. We have to learn to look up. Why are we creating this model? What is it that we are trying to prove? As actuaries, our natural tendency is to play with the numbers. If we don't look at the big picture then we get pigeonholed as technicians, when we actually have the ability to help people identify the larger potential risks underlying their actions and the consequences of those actions.

HW: Looking at your career as an actuary, do you see any important learning milestones or turning points in your career?

CMB: About 10 years after getting my FSA, I decided to get an MBA. It was something that I had been thinking about for a while. At work, I was interacting with company leaders, CEOs, CFOs, boards of directors, and while I understood the actuarial side of the business, I wasn't sure I understood everything that these leaders think about. What kept them up at night? I decided an MBA would give me that insight. I have to say that I found the experience very satisfying. It gave me a perspective that I didn't have before. We see the actuarial and financial side of our client's business, but we don't often get involved in the bigger picture. I feel my MBA has given me another way of looking at my world, and that, combined with my actuarial viewpoint, is valuable to my clients and my staff.

Another important milestone for me was the realization that things don't always turn out the way you expect them to, and that's OK. My approach has always been to determine my career goals, make a plan, and then work hard to reach those goals. But sometimes things don't go as planned. I started my career as a life insurance actuary but switched to health simply because we moved to a new city. That move changed my direction and my goals. The big surprise was that the result was much better than anything I had dreamed of.

HW: As an actuary, what keeps you awake at night?

CMB: I work in health care, so there's a lot that keeps me up at night. I came to the U.S. when I was 22, and America has been very good to me. After I got my FSA I decided that I wanted to give back to this country that has given me so much, so I joined the American Academy of Actuaries Uninsured Workgroup.

I wanted to participate in an effort to bring health insurance to those who were unable to get it. This desire hasn't changed. As an actuary, dealing with health care reform in the last few years has been both exciting and terrifying. On the one hand, here was an opportunity to make some real headway. On the other hand, the resulting uncertainty and constantly changing rules have meant that the reform has not entirely achieved the objectives intended by its creators.

I worry about the risk to the U.S. health care system as a whole and the risk to the actuarial profession. Actuaries are trying to do quality work in a very volatile environment while at the same time trying not to get caught up in the politics of the reform. Given that we now have a new administration which will likely bring even more change, it's likely to be a while before I get a good night's sleep. Even so, I wouldn't want to be doing anything else.

ON BEING A LEADER

HW: How much did your actuarial training prepare you for this role? What additional training—formal, informal or otherwise—did you need to be successful?

CMB: Taking actuarial exams and going through that process was about learning to be an actuary, not a leader. And I think that's appropriate. I learned how to be a leader from my co-workers and mentors, from watching those around me. I am lucky enough to work at Milliman, a highly regarded actuarial consulting firm, and I have worked with some really dynamic and creative consultants over the years. I see how they lead, how they interact with their clients and staff, and I try to incorporate that into my approach. That said, you can't just copy what others do; you have to make it your own. Put your own voice to it.

I also read a lot of self-help books. My husband always jokes that when I want to learn something new, the first thing I do is go out and buy a book. My approach has always been to figure out where I want to go next in my career, determine what skills I need to get there and then figure out how to learn them.

HW: What are the most important lessons you've learned in your role?

CMB: I think the most important thing I learned is to let go. There is more than one way to approach a problem, and just because someone approaches a problem differently, that doesn't mean their approach is wrong. I have found that the best way

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to get results is to give your people the project/task, make sure they understand what we are trying to achieve and then get out of their way and let them do it. More often than not you won't be disappointed.

HW: Let's say you're hiring your successor. If you're presented with two actuaries with equivalent experience and training, what characteristics will help you choose one over the other?

CMB: With respect to leadership, I want someone that our people trust. Someone who leads by example and lets their people shine. Give the staff the opportunity to accomplish the task and, when they do, give him or her the credit for doing so. I also want someone that recognizes that, when push comes to shove and something has to get done, he or she is willing to roll up their sleeves and jump in to help out, no matter how menial the task.

HW: Describe the biggest one or two challenges that you have faced in your role.

CMB: I think my biggest challenges have been managerial. In the beginning I had a hard time letting go. It's hard to give up control of a project. I had to force myself not to micromanage. The other challenge I had to overcome was how to manage relationships—you can't really be a friend as well as the boss. There may be times when you have to make difficult decisions that you don't want to do to a friend but ultimately, you have to. It's your responsibility to the company.

HW: What advice would you give to another actuary going into a leadership position for the first time?

CMB: It can be very fulfilling and fun. Just remember to trust that you have hired the right people and let them do their thing. ■