

SOCIETY OF ACTUARIES

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EDITORIAL

MOUTHPIECE

"The job of U.N. Ambassador is to represent the policy of his/her government without qualifications or ambiguity, to do it as persuasively as possible.... (But) I am not a professional diplomat. I haven't signed over my conscience and intellect. If I didn't feel in good conscience I could represent the policies of the Reagan administration and the State Department, then the appropriate course would be to resign."

> -Jeane J. Kirkpatrick, delegate-designate to the U.N., quoted in The New York Times, Jan. 12, 1981.

A FTER pausing to admire Mrs. Kirkpatrick's graceful description of how she sees her task, we turn to the question whether the role of an actuary who is appointed to an NAIC advisory group is expressible in parallel terms.

It seems that, to do so, we must make up our mind on three fundamentals:

First, whether such an actuary thinks of himself as an advisor in any broad sense—or whether he comes to the meeting with prior instructions, bent upon striking the best bargain he can in the narrow interests of his own company.

Having seen actuaries in action on this front, we conclude that in many cases closer attention to the meaning of that adjective "advisory" is called for.

Second, whether actuaries tend to be of greater use to the NAIC when they come to such meetings as appointed representatives of the Society or Academy rather than of a company association.

An actuarial observer, whose judgment we think warrants confidence, has said that he detects a material difference. When the actuaries are speaking for our profession the working relationship, says this commentator, "tends to generate a clear expression of the problem and to progress toward a solution consistent with the best deal for the public."

Third, how the actuary's behavior is affected by the presence, becoming more and more common, of committee members from outside the industry.

Beyond doubt their presence compounds the difficulty of the task. The actuary has to be sure to listen carefully, to expel jargon from his own discussion, and to give the so-called public interest member the benefit of the doubt when judging his motives and competence.

To the extent that an actuary in any of these forums must, like Mrs. Kirkpatrick, present "as persuasively as possible" the views of his own company people back home, surely he should limit himself to voicing supporting arguments that are tenable when subjected to the reasoning that his professional training enables him to apply.

Actuarial Nomads

(Continued from page 1)

lyst, a theatre manager, a plumbing supply wholesaler, and a retirement fund administrator.

Mr. Fitzhugh comments that these eleven are mostly people who tried being actuaries, and didn't like it. These nevertheless have kept their Society membership; it would be interesting, said he, to interview some of those who left the Society, if they could be found.

Verdict: "Helpful"

This group of nine are mostly in investments, banking and finance, and perhaps are typical of a substantial number of us in those fields. They tend to see MBA's as their competition. Mr. Fitzhugh sees possibilities for syllabus changes that would increase its value for their successors. Indeed, the British experience where many F.I.A.'s and F.F.A.'s get into the investment field, appears woth examining.

Verdict: "I Needed That"

Here we find five members performing traditional jobs in non-traditional places. Four are in government, engaged in such as model office studies for FHA and reviewing private pension and insurance programs. The fifth is a selfemployed Associate who calculates retirement plan shares upon marriage dissolution in a community property state.

The Special Cases

Two of the Subcommittee's quarry turned out to be chief executives of conglomerates that include insurance companies. Says Fitzhugh, "These men rose to the top of the ladder by climbing the actuarial rungs." One of them went beyond the fabric of the questionnaire to wax enthusiastic about the value of actuarial training to those who may eventually be picked to manage a broad enterprise.

We observe with interest that this newsletter's Competition Editor was somehow caught in the Fitzhugh net. The Subcommittee classified our Charles Groeschell in the "It Was Helpful" category because he responded that in preparing himself for the C.E. job, actuarial exams helped him to be patient and competitive, but a sense of humor had to be acquired elsewhere.