



SOCIETY OF ACTUARIES

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# In the Public Interest

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## LET'S TALK

# INTERVIEW WITH AN ACTUARY IN THE PUBLIC INTEREST

Responses by Anna Rappaport

### WHAT ARE YOU DOING TODAY?

2013 was the 50th anniversary of my fellowship in the Society of Actuaries (SOA). I have been thinking about phased retirement for many years and have used the idea of a “life portfolio” to define my current activities. My current life portfolio is as follows:

- I view myself as a phased retiree. I have stayed very active professionally and hope to continue to do so.
- I seek consulting assignments consistent with my interests.
- Volunteering in areas that I view as important is a good way to give back, while at the same time doing something that I enjoy.
- Research, writing and speaking are all a big part of what I do.
- I am also an artist and have worked to balance my actuarial and retirement system focuses with art.
- I place a high value on family commitments and do not get involved in projects that will create difficulty with other priorities. This is a choice that someone with a regular job often can't make.
- I work regularly to maintain contacts.
- I only do projects that are of interest to me, and which I can do on my own without staff. I may partner with others and have others help me.
- Advisory group roles can fit well into what I want to do.
- I am creative, and seek to apply my creativity in both professional work and art. In my art, I have focused on several areas of innovation. My website describes what I have been doing.
- I want to feel that what I do has value.



P.S.: I believe that each of us should have a life portfolio as well as a financial portfolio. Just as a financial portfolio requires focus and management, so does a life portfolio.

### ARE THERE ANY BROAD GOALS THAT UNDERLIE YOUR ACTIVITIES?

I am still focused on the two goals that I established 20 years ago: to focus on responding to the challenges of the aging society and also to work to build better relationships between actuaries and other professionals interested in retirement security and the aging society. Much of what I do relates to serving the public well and focuses on the public interest.

I remain passionate about creating a better future for older Americans by improving the retirement system in America, and am particularly concerned about the many women who do not fare well at older ages.



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### WHAT IS YOUR SPECIFIC CURRENT PROFESSIONAL ROLE AND HOW DOES IT RELATE TO THE PUBLIC?

After retiring from Mercer in 2004, I established Anna Rappaport Consulting. In my consulting business, I focus primarily on writing, speaking and research on big picture retirement issues. I seek consulting assignments consistent with my interests.

I chair the SOA Committee on Post-Retirement Needs and Risks. The committee focuses on issues related to the individual and is very focused on creating a better retirement future for the public. The committee has developed an extensive set of research on the post-retirement period. Most of the committee's projects have teams that present several disciplines. I have been working on this committee for more than 15 years. A rather long summary of the work of the committee will be published by the SOA as a paper to be included with the 2014 Living to 100 monograph. All of the work of the committee is available on the website.

I also serve on the board of the Women's Institute for a Secure Retirement (WISER). That organization is devoted to better retirements for low- and middle-income women.

In addition, I serve on the Advisory Board of the Pension Research Council, which is connected to the Wharton School. This is a multidisciplinary group devoted to leading-edge retirement issues.

I also serve on the Actuarial Foundation's Consumer Financial Education Committee, which is devoted to helping the public. I am a past chair of that committee. All of these projects are focused on the public and on responding to issues of the aging society.

### CAN YOU DESCRIBE YOUR STYLE?

I always try to do the right thing. I always try to do more than my share. In a team if everyone does 110 percent of their share, things work well. If everyone does 90 percent, it is a mess. I work hard to be collaborative and to value those I work with. Now that I have a choice, if people

are too difficult, I decide to work with someone else.

I believe in networking, and in spreading the word about interesting work.

I am creative, and seek to apply my creativity in both professional work and art. In my art, I have focused on several areas of innovation. My website, [www.annarappaport.com](http://www.annarappaport.com), describes what I have been doing. I want to feel that what I do has value.

### HAVE YOU SERVED ON ANY GOVERNMENT ADVISORY COMMITTEES?

Yes. Most recently I served on the Department of Labor's ERISA Advisory Council from 2010 to 2012. I currently serve on the GAO's Retirement Security Advisory Panel. I was a delegate to the 1998 and 2002 National Summits on Retirement Savings. I served on the 2003 Technical Panel of the Social Security Advisory Board. My first government advisory role was as a member of the first Advisory Committee to the Joint Board for the Enrollment of Actuaries in the 1970s. All of these roles involve serving the public.

### IS THERE A SPECIFIC ISSUE YOU WOULD LIKE TO FOCUS ON?

Yes, several years ago I became very concerned when I realized that the link between retirement and disability seemed to have been lost when companies began to provide their retirement benefits through defined-contribution plans. This is an issue where the public is poorly served today.

In my 50+ years as an actuary, I have been accustomed to thinking about a variety of risks. For many years, as a defined-benefit actuary, I normally included disability in the discussion, and most plans had the equivalent of a waiver-of-premium benefit included in the plans. That benefit provided for continued crediting of service to normal retirement age, when the pension would start. The pension was designed to work side by side with long-term disability. But when benefits are provided through a defined-contribution plan, there is no similar benefit. Saving

for retirement often stops (at disability), and the lump sum then accrued can be paid out and spent by the individual.

I started writing about this several years ago and also began talking to people whenever I could. I have made several talks on the subject. The articles are in Benefits Magazine, the Pension Section News and the Journal of Retirement.

Within a couple of years after starting down this path, I was appalled when I found out that employers who wanted to include the equivalent of a waiver-of-premium benefit with a defined-contribution plan were faced with regulatory problems and uncertainty. That intensified my interest in the subject.

I am very proud to say that the ERISA Advisory Council took up this topic in 2012. Their focus was on “Disability in an Environment of Individual Responsibility.” The report of this work is on their website. As I worked on this project I learned that there were a number of other problems with disability. Only 31 percent of the civilian labor force has long-term disability coverage. There were some areas that seemed to generate misunderstandings and claim conflicts. I encourage the reader to look at the report or read my articles.

I have been talking to people about this in various settings. Recently, I did a presentation at the International Congress of Actuaries on this topic. I have contacted several people in Washington to discuss the issue. Often, people who are, otherwise, experts in benefits and retirement have not focused on these issues, and they are interested in the information. I was very pleased when I learned that the Treasury Department had issued final regulations clearing up the problem with defined contribution plans. Employers who provide disability protection that replaces the amounts saved during periods of disability will no longer be faced with regulatory uncertainty. Now it is time to shift the conversation to encourage employers to take action and to encourage financial services organizations to offer good product solutions.

I am proud to be participating in this conversation. I believe that my efforts may have helped in moving this issue forward.

### WHAT IS YOUR EDUCATIONAL BACKGROUND?

I became a fellow of the SOA in 1963.

I have an MBA from the University of Chicago. I went to high school in Louisiana. I first attended the University of Chicago as an undergraduate and a math major but did not finish. I was in the business school class of 1985, and had been part of the undergraduate class of 1960, 25 years earlier.

### WHAT IS YOUR PROFESSIONAL BACKGROUND?

I was in the life insurance industry from 1958 to 1976 and then at Mercer from 1976 to 2004. While in the life insurance industry, I was first at New York Life, then at Standard Security Life, and then at the Equitable Life Assurance Society (now AXA). Standard Security was a small life insurance company with a very innovative management. I was one of two actuaries there, and this experience offered me the chance to see how all aspects of the life insurance company fit together. I also had the chance to deal directly with agents. At Equitable, I was involved in research linked to the future of financial service products and their delivery.

I joined Mercer just as ERISA was becoming effective, and was active in employee benefit consulting from 1976 to 2004. While at Mercer, I also participated in intellectual capital development.

After retiring from Mercer in 2004, I established Anna Rappaport Consulting, where I consult on big-picture retirement issues. I do not do anything that requires staying up to date with new legislation and regulations. I do not advise plan sponsors about the funding and financial management of their plans. I wrote about my life as a phased retiree for the January 2013 SOA Pension Section News.

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My professional actuarial goal has been to make a difference, and I feel that I have been able to do that. ...

Volunteer work is not new to me. I served as president of the SOA in 1997-98, was on the board in the '60s, '70s, '80s and '90s, and have been an active volunteer for most of my 50+ years as an actuary. I have participated in many committees within the SOA, and have also volunteered in the American Academy of Actuaries and the Actuarial Foundation.

#### WHAT PREPARED YOU MOST FOR YOUR PROFESSIONAL ROLE?

Several things were important. My parents taught me to work very hard. My father was very focused on aging society issues and spent his professional career in government service in health and human services. My mother was a math teacher. There was a strong tradition of mathematical interest in my family. The actuarial examinations gave me a very good overview and grounding. There was only one set of examinations with no specialization when I took them. I think the examinations taught me to think through how a system worked, where the money went, and what risks were involved. I had an outstanding mentor at Standard Security. He encouraged me to volunteer and get involved in SOA activities.

#### WHAT HAS BEEN IMPORTANT IN HELPING YOU FOCUS ON THE PUBLIC INTEREST?

My parents get the top billing. My father was extremely devoted to public service.

A focus on how the systems we work with affect people was second. My career and activities have helped me understand diverse stakeholder perspectives. My experience and activities provide a good understanding of a range of stakeholder perspectives. During my service at Mercer (from 1976 to 2004), I played a variety of roles. For the largest part of the time I was at Mercer my focus was on employer-provided retirement plans, where my perspective was that of an actuary and consultant for those plans. During the last few years I served the U.S.-based retirement practice and was focused on current issues and making the system better.

I also focused heavily on the perspective of the individual and have been working within the actuarial profession to understand individual perspectives and needs. I was a major contributor to and am very proud of the SOA publications "Managing Post-Retirement Risks: A Guide to Retirement Planning" and the 11 decision briefs focused on retirement decisions.

This interest in the consumer and the individual also goes back to the earlier part of my career. From 1958 to 1976, I was in the insurance industry and focused on the roles of the insurers and the people who represented them, providing advice to individuals. I also worked directly with agents, and that was very helpful. In 1974 I authored a paper "Consumerism and the Compensation of the Life Insurance Agent," published in the *Transactions of the Society of Actuaries* (TSA, January 1974).

#### WHAT ARE YOU MOST PROUD OF?

I take a lot of pride in both my art and my professional work. Some years ago, I was asked whether I color inside or outside of the box. My response was that I define my own box. One of the hallmarks of my artwork is a series of mixed media collages that focus on movement, color and texture. I photograph surfaces, plants, clouds and buildings to get interesting reflections, textures and colors, and put bits of these photographs into some of the collages. I work with watercolor, ink, oil pastel, pencil and collage. See my website for examples of my art. I participated with other actuaries in the "Artuaries" group. We pooled our art and produced greeting cards with images produced by actuarial artists. ACTEX supported the project, and we sold the cards and donated the profits to the Actuarial Foundation.

My professional actuarial goal has been to make a difference, and I feel that I have been able to do that through the work of the Committee on Post-Retirement Needs and Risks, and through the relationships I have built with a range of people. The Post-Retirement Needs and Risks work

regularly gets press coverage. I also have been able to help a number of people.

I am very proud of my writing and have a number of articles published. Some of my best articles are in *Benefits Quarterly*, a publication from the International Foundation of Employee Benefit Plans. In 2013, I was awarded the Practitioner Thought Leadership Award by the Retirement Income Industry Association for my paper “Insights to Support Better Retirement Planning: Implications of and Key Findings from Recent Society of Actuaries Research,” published in *Retirement Management Journal*. I also won an award in a 2013 essay contest sponsored by the SOA Pension Section. The title of my essay is “Measuring Success to Improve Long-Term Economic Security when DC Plans are Primary.” This paper has been published in the *SOA Pension Section News*.

I am also very proud of the work I have done to invite people from other professions to work with actuaries and to include them in SOA projects. For the last 15 years, the teams working on the Committee on Post-Retirement Needs and Risks’ projects have been multidisciplinary. This has improved our projects greatly and given us many more ideas.

Others have also recognized my work. See my website for a discussion of several awards.

### ARE THERE ANY OTHER ACTUARIES THAT WORK DIRECTLY IN THE PUBLIC INTEREST THAT YOU ADMIRE?

Carol Bogosian and Cindy Levering have been major contributors to the Committee on Post-Retirement Needs and Risks and the Pension Section.

Steve Siegel of the SOA staff has been a major contributor to these research projects.

Steve Vernon is doing wonderful work at Stanford and in writing for the public.



### WHAT ARE SOME WAYS YOU HAVE BEEN ABLE TO STAND UP FOR THE PUBLIC INTEREST?

- I was president of the SOA in 1997-98 and served on its board for a total of 14 years, spanning four decades. During that time, I focused on being sure that pension matters were thought about from a big-picture perspective. During my presidency, I focused heavily on the aging society and how actuaries in many disciplines could contribute to building better solutions for the challenges of aging. This was a heavily public-service-oriented mission. I have continued on this mission.
- My government advisory board service and my “campaign” on disability are mentioned above.
- I have served as a member of the board of WISER.
- I have been an active member of the Joint Task Force on Issues of Women as They Age for the Chicago Bar Association and Women’s Bar of Illinois.

[As] president of the SOA ... I focused heavily on the aging society and how actuaries ... could contribute to building better solutions for the challenges of aging.

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There is an opportunity to have an impact by picking an issue or two and then focusing on them, and spreading the word.

- While serving on the Actuarial Foundation Consumer Financial Education Committee, I made the initial contacts that enabled the Actuarial Foundation to work with the Department of Labor in Taking the Mystery Out of Retirement Planning, and I was a very active participant in that project.
- I have given presentations on women’s retirement issues to various groups in my local community and nationally.
- I have participated in several Capitol Hill briefings, working with the American Academy of Actuaries. The briefings on SOA research were organized by the Academy and sponsored jointly by the Academy and the SOA.
- I have served on several American Academy of Actuaries task forces or committees, including one focused on public retirement plan issues.
- Prior to serving on the ERISA Advisory Council, I testified at the council in 2007, 2008 and 2009.
- I was a delegate to the 1998 and 2002 National Summit on Retirement Savings.
- I previously served on the boards of the Actuarial Foundation, the National Academy of Social Insurance, the Profit Sharing Council of America, the SOA, the Metropolitan Chicago Information Center, the Chicago Network, and the American Academy of Actuaries.

### WHAT WAS YOUR MOST REWARDING JOB?

Each job had features that made it rewarding. During my tenure at New York Life, I passed my exams and got into the actuarial profession. At Standard Security I had a chance to understand how the total insurance enterprise fit together, and I learned to work with a wide variety of people. I learned a great deal there. At the Equitable, I had the opportunity to focus on big-picture is-

sues that would affect the future of financial services. My interest in the aging society has strong roots in the time I spent at the Equitable.

At Mercer, I got to work on a variety of different projects with great people and clients. I had the chance to influence my job responsibilities and projects.

I would not pick one as “most” rewarding.

### DO YOU HAVE ANY THOUGHTS TO SHARE WITH CURRENT AND FUTURE ACTUARIES WORKING IN PROFESSIONAL ROLES HAVING A DIRECT IMPACT ON THE PUBLIC?

For me, women’s issues have become important in recent years. In spite of women’s growing role in the workforce, there are still huge differences in retirement security by gender. There is an opportunity to have an impact by picking an issue or two and then focusing on them, and spreading the word.

I think for most people it is a good idea to balance a focus on the big picture with a focus on details in a specialized area.

The issues related to the aging society are growing more important each year. This is a big opportunity for actuaries. A multidisciplinary focus is best.

My public service focus has mostly been through my volunteer work and not through my day jobs. 