



SOCIETY OF ACTUARIES

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EXCERPTS FROM ACTUARIAL LITERATURE

Somewhere in the actuarial literature of an earlier time, we came across the following:

This is the sort of statement which I could now imagine myself making to any expert young mathematician who might present himself as having actuarial work in view.

"You must excuse me if I seem to discourage you. Your credentials are excellent, and a young man of your appearance and address, and with the capacity and education indicated by your papers, ought to be able to make a success of anything he undertakes, provided he has the requisite industry and patience.

"I am bound to tell you, however, that the number of good places is smaller in the actuarial profession than in almost any other calling upon which you might possibly think of entering. Excuse me: what were you going to say? Yes, it is a very common opinion that mathematicians who become actuaries receive greater compensation than most college professors; but there are hundreds, if not thousands, of teachers of mathematics in this country, while there is only a small number of highly paid actuaries. This disproportion alone, when you give your mind to it, will go far to dispel the idea that your speediest road to a competence lies in our line of life.

"You must not suppose that every good mathematician can make a good actuary. This is no more true than it is that every capable actuary would make a good college professor.

"Now let me tell you about the difficulties. You must do your studying while actually employed in actuarial work. I have no time to go into the reasons for this, but you must take my word for it. If you once get into employment you will find the work arduous and possibly exhausting. This work will continue daily, six days in the week, with perhaps some shortening on Saturday afternoons, and it will continue during fifty weeks of the year. If you are fortunately placed, you may learn something from the work you do.

Most probably, however, that work will be sheer drudgery, almost of a mechanical sort. You will have to find time alongside of this work to make yourself acquainted with the principles and practice of actuarial science, so as to fit yourself for passing the examinations. In short, you must 'scorn delights and live laborious days', and you must have an exceptionally favorable physical and mental constitution if you are to carry it through successfully. It will require not only strength and intelligence but also unending perseverance, close attention to details, constant alacrity, quickness to see opportunities and promptness in taking advantage of them, and along with all this, much of that uncommon sort of patience which enables a subordinate to work on without weariness when his superiors forget to reward or praise him, as well as to abstain from taking offense where no offense is intended.

"To begin with, it is not easy to get a foothold in a life insurance company, even at a nominal salary. For instance, there is no room for you in my company. We do not need men of your special talent, except for some special branches of work which do not employ, even in a large company, more than two or three men, and in this company we have already as many men of your class as we need.

"What you have first to do is to find some office which happens just at this time to want a young man just like you. Whether there is anywhere just now an opening of that sort can only be found out by diligent personal inquiry. As a rule, wherever and whenever such a vacancy occurs, those who enter young have always the first chance. There is, in short, just a bare chance that you may at this time find a place in one of the companies. If you find it and make the best of it, and you are able to put into your work the qualities which I have indicated as requisite to ensure success, then you will make your mark in the long run.

"Do not suppose that I am encouraging you to enter this line of life. I say only that if you have it in you, and if you once get a start and persevere, you may probably, almost certainly, sooner or later receive due recognition, though the chances are that it may be later rather than sooner. I will add just this:

A Summer Thunderstorm

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Part 5, unfortunately, was another story. Here 60 candidates, some 10% of the Part 5 total, were led by the reported grade to believe that they had been successful when, in fact, they had failed. Correction notices were in the mail by July 8, but these 60 were clearly hurt, psychologically if in no more serious way, by the erroneous information initially reported.

In the aftermath of the storm, the E&E Officers, the Exam section in the Itasca office, and indeed the top officers of the Society itself, have been busy doing what they can to repair the damage. To all of the 60 who could be reached by telephone, apologies have been extended for the error that all agree should never have occurred. A serious effort has been launched to determine exactly what did happen, and how this or similar errors can be prevented in the future. Although the current data processing system, in effect since 1981, had previously produced 130,000 grades without error, what occurred this summer shows once again that human beings, and any systems, are potentially fallible, and must be examined continually for what might go wrong.

As one small action, the Society has decided to waive the examination fees for these 60 students, as they retake Part 5 in November. □

that actuaries as a class are men not only of capacity and experience, but also, so far as my knowledge goes, unusually free from jealousy, and ready to give a helping hand, whenever possible, to every clear-headed and single-minded aspirant to a place in their profession."

Editor's Note: Presumably most readers will not recognize these quotations. They are significant excerpts from the Presidential Address of Emory McClintock, delivered at the meeting of the Actuarial Society of America. The year was 1897! Our thanks to Linden Cole, who called *TASA V* to our attention. □