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Who is this Creature Called an Actuary?

by William C. Cutlip

At the Boston Society meeting in 1986, Nancy Austin, co-author of *A Passion For Excellence*, shared concepts and stories which have allowed people to successfully manage for excellence. There was such a ground swell of response that a seminar on the same theme was presented at the Colorado Springs meeting this year.

This "Managing for Excellence" seminar was designed to focus specifically on the needs of actuaries—technically educated professionals who want to expand their horizons and grow to become solid business people and managers.

Good managers have two definite sets of skills: technical knowledge of their field and the ability to get things done by and through other people. Actuaries already are trained in the technical skills. The goal of this and future seminars is to develop those skills which involve other people.

At Colorado Springs, the concept of personality types was introduced. The aim of the seminar was to create for each participant an awareness of his or her own type, how to recognize the knowledge of other types, and then present some tips on how to use that knowledge to get results. The group also considered case studies.

In true actuarial fashion, the session started with a test. It was a modified version of the Myers-Briggs personality type test. Each participant chose from a list of characteristics those twelve which most nearly described him.

Each characteristic was then thrown into a grid which indicated 1) how a person would perceive situations and people, 2) how judgments would be made, and 3) what personal style would be used. These personality traits and the approach to perception, judgment, and style became the focal point for the discussion to help the group understand more about involvement with people.

The approaches to assimilating information and making decisions can be at opposite ends of the spectrum. Perception, the way in which a person finds out what's going on, is

developed through a combination of using the senses and using intuition. *Sensors* prefer to rely primarily on facts or happenings observable through the senses. *Intuitors* prefer to rely primarily on meanings, patterns, or possibilities beyond the reach of the senses.

Judgment describes the process by which people decide things. *Thinkers* make decisions using an impersonal analysis based on logic and cause-and-effect. *Feelers* use a personal analysis based on personal or social values.

Style is measured by whether a person prefers to approach things as an *Extrovert*, focusing primarily on people and things around him, or an *Introvert*, focusing primarily on the concepts and ideas inside his head.

With this information, each actuary knew a little bit more about him or herself. The group then looked at other people's traits and how one could guess what type those people were, how people would act in certain situations at work, and how they might successfully interact with others.

The personality test results were collected from each of the participants so that the information could be used to determine the content of future seminars.

The results were tallied and revealed that the twelve most frequently chosen characteristics of the group were, in order: 1) Intelligent, 2) Analytical, 3) Dependable, 4) Conscientious, 5) Logical, 6) Responsible, 7) Open-minded, 8) Practical, 9) Realistic, 10) Independent, 11) Reliable, and 12) Cooperative.

These characteristics were used to determine the personality type of a creature I'll call the "composite actuary." This composite actuary is one who prefers to approach perceptions of things through the senses, who prefers to make judgments based on *thinking*, and who, stylistically, slightly prefers to do this through *ideas* rather than through *people*. In short—a sensing, thinking introvert,

as would be expected. We hope the actuaries who are of this type will learn to recognize the value of persons who have the opposite characteristics—intuitive, feeling extroverts.

The response to the seminar was overwhelming. It was the most highly attended session at the meeting, indicating that there is a real interest on the part of actuaries to grow and expand from their technical base.

As a result, further management sessions have been planned for the spring meetings next year, both in Louisville and Boca Raton. A session on "Project Management" will be held in Louisville. A session on "Handling Change" will be introduced in Boca Raton. A half-day seminar entitled "Oh How I Hate The Annual Review!" will be offered at both sessions. Watch for your upcoming announcements of the spring programs for a fuller explanation of each topic.

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Society Office Now Has Elizur Wright's Famous Arithmeter

by E.J. Moorhead

In July 1987, one of the few surviving "Arithmeters" invented by our famous Massachusetts forebear Elizur Wright successfully made the journey from New York to our headquarters in Itasca, Illinois, where it is to be suitably encased as a permanent exhibit. This is the story of that instrument.

Elizur Wright (1804–1885) built this machine, mostly, it is said, with his own hands, to expedite the thousands of calculations made necessary by the landmark legislation that he himself had drafted to require that the Massachusetts Insurance Department compute net level premium reserves on all policies in force in

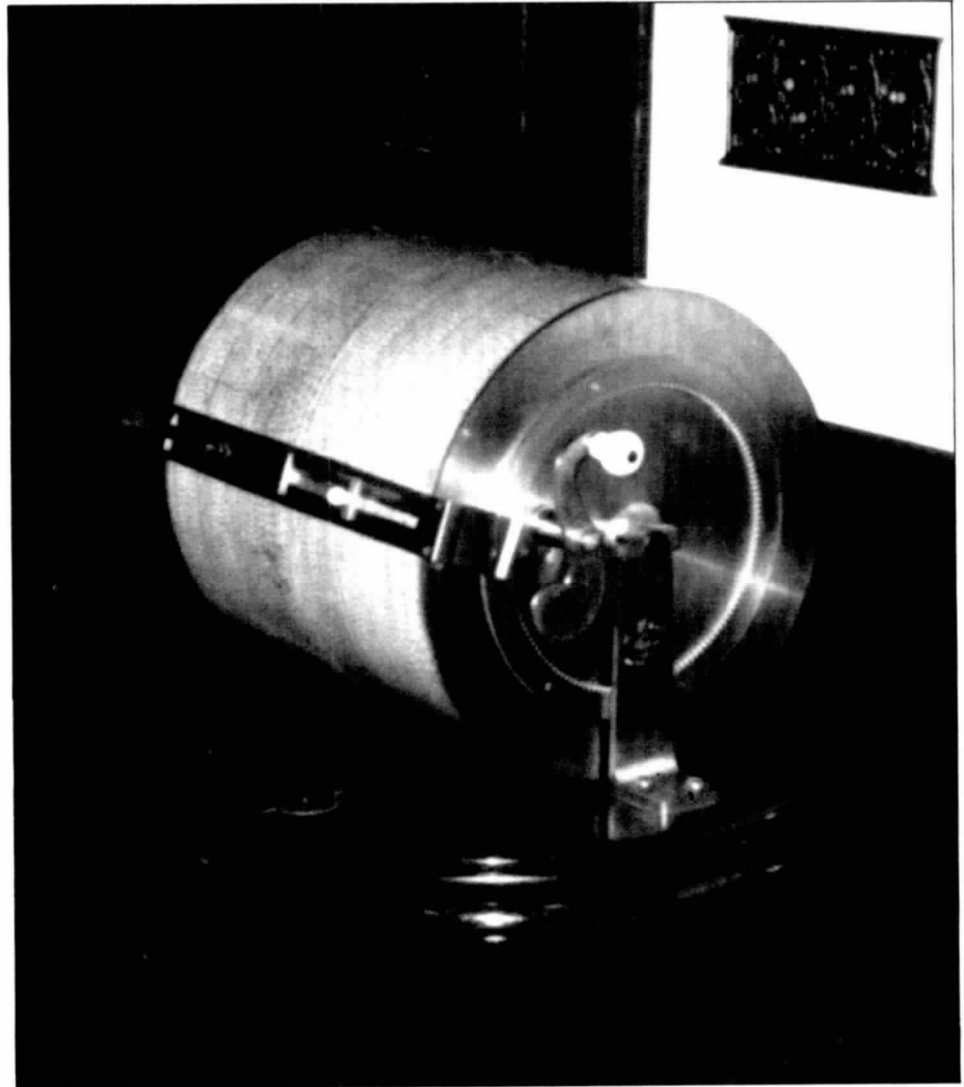
Arithmeter cont'd.

domestic and out-of-state life companies. Wright was Insurance Commissioner from 1858 until his ouster by some of his many foes in 1866.

In 1869 Elizur's son Walter (1846–1917), then actuary of New England Mutual and later a charter member of the Actuarial Society, requested his father to patent the device, and then announced its availability for purchase at a \$600 price. In 1914 Walter Wright remarked that only fifteen or sixteen instruments were ever manufactured and sold; he recollected that the market for Arithmeters was destroyed by the invention of the Arithmometer, which could be produced more cheaply and was a mechanical calculator, as opposed to the Arithmeter's slide rule principle. At least three Arithmeters still exist—one each in the home offices of the New England Mutual and Northwestern Mutual, and now one (#14) in the Society office.

Instrument #14 was owned by Augustus F. Harvey (1830–1900), who was actuary of the Missouri Insurance Department from 1870 until his death and was elected a member of the Actuarial Society in 1890. In 1914 his son, Julian C. Harvey, F.A.I.A., gave the machine to the then president of the Actuarial Society, James M. Craig, Actuary of Metropolitan Life, who immediately stated his intention of presenting it to the Society. This gift seems not to have been formally made at that time; though the Arithmeter remained at Metropolitan Life, it was identified as Society property.

Physical transfer apparently took place in 1940 when the Society office was at the home office of the Equitable Society, 393 Seventh Avenue, New York City, but the Society's one employee did not welcome it; she is reported to have moaned, "I don't know what we will do with it!", and left it unprotected on top of a bookcase. Metropolitan Life's actuary, Horace R. Bassford, kindly solved that problem by offering to house the artifact in the planned Craig Memorial



Library at Metropolitan Life. Actuarial Society Secretary Walter Klem obtained authorization for this friendly loan, as reported in the Society Council minutes of October 29, 1940, "until such time as the Society might provide a suitable place of its own."

The successive actuaries and curators at Metropolitan Life have kept splendid care of this artifact, which one of them in 1940 described as "this museum piece, the historical starting-point of the mechanization of the American life insurance business."

Today's Society headquarters provides indeed the suitable place that was forecast nearly half a century ago.

Three descriptive pieces on just what functions the Arithmeter was designed to perform and in what manner it worked are known to exist. They will be summarized in a subsequent issue of *The Actuary*.

E.J. Moorhead is a Past President of the SOA. He is presently working on a comprehensive history of the actuarial profession in North America to be published in conjunction with the 1989 Anniversary Meeting to be held in Washington, D.C.