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Public interface vital to profession

by Allan D. Affleck

When I first became a member of the Society of Actuaries, I used to enjoy hearing, or reading, the Secretary's summary of the "non-routine" business transacted by the Board. In those days I wondered how one determined what was "routine" and what was "nonroutine." Somehow even the "nonroutine" often seemed pretty "routine!" With the benefit of more than a few years in the profession, I have come to understand that it takes an issue of substantial importance for our membership to view it as other than routine, even though our Board might define it otherwise.

I want to say a little bit about an issue that many members may label routine but that is of real importance to all of us. The issue is public interface and, related to that, the role of the Society of Actuaries in supporting the Academy and the recommendations of the Task Force on Strengthening the Profession.

For the moment I am focusing on the situation in the United States, since the Canadian Institute has already developed a significant public interface role in Canada.

Public interface is probably the most important activity the profession undertakes. Why do I say this?

- To be recognized and to be successful as a profession, we must serve our publics.
- In order to stay relevant we must serve our members.

Both these steps require the profession to interact with our various publics to a considerable extent.

In the long run, serving the public will lead to a strong actuarial

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Nankai actuarial program suspended by prodemocracy movement

by Harry Panjer

The SOA-sponsored actuarial program at Nankai University in Tianjin, China, has been temporarily suspended as a result of the effective shutdown of Chinese universities during the prodemocracy demonstrations in May 1989. The program, which began in September 1987, was staffed by volunteer university professors from North America. The first three instructors were Dr. Kailin Tuan of Temple University, Dr. Eric Seah of the University of Manitoba and Dr. Beda Chan of the University of Toronto. I was teaching the fourth course, Actuarial Mathematics, at the time of the demonstrations.

When I arrived in China on May 7, I was aware that student demonstrations and a student strike had followed the death of former Chairman Hu Yaobang on April 15. Student representatives were not

allowed to attend the funeral of Hu, considered a hero by students. On May 6, the press reported that students had agreed to return to classes on May 8, my scheduled date to begin teaching.

My class of 17 men and one woman had studied English extensively and had developed fairly good listening skills although their spoken English was weak. All had undergraduate degrees in mathematics and had come from seven different Chinese provinces to study in the Department of Finance at Nankai for a master's degree with a specialization in insurance and actuarial science.

The first week of classes went quite normally. However, on May 14, Mikhail Gorbachev arrived in China. The students in Beijing had already organized to hold a prodemocracy

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profession. Placing our own interests first, or simply failing in our efforts to meet the needs of our publics, will lead to a weaker profession.

The Strengthening Task Force reached a similar conclusion. Since the Academy takes the lead role in the United States in carrying out the profession's public interface role, one could ask why the Society of Actuaries President is so concerned about it. My reason is that I believe the Society has a significant role to play in helping the profession succeed in its public interface role, since our main purposes, education and research, are critical to the success of the profession's ability to serve the public.

If the task force, our Board members, and leaders such as myself think this is so vitally important, why do so few actuaries attend Society meeting sessions where this is the topic? Less than five people in Chicago, less than 10 in Vancouver. The task force has concluded that our members are apathetic on this issue and just do not care much about it one way or another.

In spite of the conclusion one could draw from the attendance at these workshops, I think many actuaries are indeed concerned about the role the profession has taken in the past and the need to strengthen it in the future. For example, the warm reception given to Dave Carpenter's comments in Vancouver (chiding the profession for not having been proactive in some areas in the past and encouraging us to be more so in the future) is a demonstration of that. In one sense, members are apathetic — everyone is busy enough with day-to-day job responsibilities that we do not take the time to communicate on issues such as this. I believe our members want the profession's leadership to move ahead unless they let us know otherwise. I do not believe they are apathetic about the issue or disagree with the task force recommendations.

What has to be done? The report suggests that the Academy needs to be strengthened. That process has already begun with a reorganization of its committee structure, the addition of a person specifically assigned to the government relations role, and discussions of ways for the Academy to be more effective in its public interface role. The other organizations within the profession must be increasingly supportive of the Academy, and

in particular the SOA and CAS must design our education and research programs to support the broad direction the Academy, and the profession, is taking.

Our Society of Actuaries programs need to be relevant to the issues of the day, and our leadership needs to work with the Academy leadership to develop a coordinated approach that makes sense for the profession. If the profession decides that health issues are a priority, the Academy needs to focus its energy there, and we need to support it by offering more education related to healthcare financing and by undertaking research projects related to health issues. Only by pulling all the resources of the profession together do we have a chance to be effective.

The major areas where we are working to improve our profession-wide public interface are in the health insurance and pension areas. Many SOA members I talk to are concerned about these issues and are asking for more support from their professional organizations.

I agree with what Ian Rolland said a year ago, "The actuarial profession today is strong. And we are well-positioned to deal with our future. Our growing need is to interface with the world outside the profession." During my term as President, I hope to do my part in helping the profession strengthen its ability to communicate to the public on current issues. I can do this in two ways. One is by helping the Society of Actuaries make its education and research programs more related to the current public issues. This is a general goal that applies to both Canada and the United States, as our SOA education and research activities must be relevant to actuaries in both countries, and we need to support the Canadian Institute in the same way we support the Academy. The second is by working with the leaders of the other organizations within the profession to bring a more organized and cohesive approach when the profession responds to a particular issue. I will assume that you, the readers who make up our membership, are comfortable with this direction unless I hear otherwise. I invite you, pro or con, to let me have your comments on this view of an important, and arguably "routine," issue.

Allan D. Affleck is SOA President-Elect and a Consulting Actuary at Milliman & Robertson, Inc. He will take office as SOA President at the New York Annual Meeting October 22-25.

Subcommittee crafts specialty guides

How does an actuary keep up to date in an ever-changing field? How can we learn a new specialty, particularly when motivated by changing work responsibilities? What is generally considered basic knowledge and expert knowledge in our actuarial specialties?

These are some of the challenges that a new SOA continuing education subcommittee is now addressing. The Professional Actuarial Specialty Guides Subcommittee, chaired by Jim Lewis, was created to oversee the formation of a series of actuarial specialty guides. The goal is to prepare guides for all major actuarial specialties. Each will include introductory material and a "roadmap" that will organize the actuarial specialty into topics, followed by brief descriptions of carefully selected papers, articles and books. The subcommittee will be seeking help from the sections and from individuals.

The objective is to provide all actuaries with personal continuing education opportunities and to help each gain and maintain expertise in a given specialty through a self-study process. Since our profession is changing rapidly, these specialty guides will be updated frequently.

The first specialty guides will be:

- Mergers & Acquisitions
 - Life Insurance Companies
 - Employee Benefit Aspects
- Federal Income Taxation of Life Insurance Companies in the U.S.
- Federal Income Taxation of Life Insurance Companies in Canada

The subcommittee plans to use experience gained in crafting these first guides in the development of future guides.

Review classes

Temple University and the Actuaries' Club of Philadelphia will conduct an intensive review class on Course 151 on October 13 and 14. A class on Course 161 is scheduled October 28. For more information, contact Bonnie Averbach at 215-787-8153.