



SOCIETY OF ACTUARIES

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The Fellowship Admissions Course focuses on ethics

by Michael B. McGuinness

The Fellowship Admissions Course (FAC) will make its debut in September 1990. It will allow candidates to explore professional ethics issues in depth, along with real-world problems and their relationship to the exam syllabus, and then to gain perspective on those issues from the views and insights of others. This becomes the dramatic last step in a candidate's progress toward full-fledged professionalism.

The FAC offers participants the opportunity to meet and work with their peers and senior actuaries from varied backgrounds. The group is small enough to allow real business friendships to develop over the 2 1/2-day course.

The Society Board directed the E&E Committee to introduce the FAC as the final requirement for attaining

Fellowship starting in 1990. Candidates who complete their exam requirements after the November 1989 exam period will have to attend the FAC before they receive their FSA.

All candidates who complete the FAC will receive their FSA certificates at a graduation dinner in recognition of years of study they have invested.

The first two sessions will be conducted in Toronto on September 16-19 at the Inn on the Park and in Chicago on September 23-26 at Hickory Ridge. Registration, which is restricted to candidates who have completed all exam requirements, will be conducted immediately after the May 1990 exam results are released. Participants will be free to attend the location of their choice unless it is already oversubscribed, or their track is undersubscribed. They also may choose to defer their attendance until a later time.

Each course will start on a Sunday evening with an opportunity for attendees to meet each other and the FAC faculty of senior working actuaries. Throughout the next two days, sessions will focus on professional ethics and integrated problem solving. The case-study method will be used extensively, allowing candidates to participate actively.

The candidates will meet as one group for the sessions on professional ethics. They will be divided into three groups – Group, Individual and Pensions – for integrated problem solving. Candidates do not have to register for the same track in which they completed their examination requirements.

The cost per attendee will be (U.S.) \$500, which will cover accommodation, meals and program costs. Transportation to and from the session will be each attendee's responsibility.

The FAC will be discussed further at the New York Annual Meeting October 22-25.

Michael B. McGuinness is a Vice President of the Society in charge of Education and Examination. He is with Eckler Partners, Ltd.

Research papers for Fellowship credit

by Roy Goldman

The Education and Examination Committee recently awarded 30 Fellowship credits to Gordon Willmot for his paper entitled "A Queuing Theoretic Approach to the Analysis of the Claims Payment Process." This marks the first such award under a new program approved unanimously by the Board of Governors in October 1987. As reported in the May examination results, the 30 credits qualified Willmot for his FSA.

This program may award credit for research papers as described in the White Paper on Future Education Methods for the Actuarial Profession published in March 1987. The program's objective is to encourage the development of research expertise and to foster innovation in actuarial science. Because research is one of the cornerstones of the Society, it was felt appropriate to allow those who demonstrate an in-depth knowledge of a particular topic to receive credits for writing a research paper.

In order to launch and guide the program, the E&E Committee established a Research Papers Committee headed by Roy Goldman. The other founding members are Allan Brender, Stuart Klugman, Ken McFarquhar and Bob Moreen. We have been supported by Wayne Berney and Richard Mattison of the Society staff. Two committee members are in academia, and one is in consulting. Four members have Ph.D.s in addition to FSAs, and one is a former chairman of the Committee on Papers.

According to the Research Papers Committee guidelines, papers should demonstrate the candidate's ability to work independently and creatively on a meaningful actuarial problem. This should involve the appropriate application of both theoretical insight and methodological skill to the examination of a significant actuarial issue. The paper must be a substantial effort, containing a detailed discussion of the problem under investigation and discussion of the published literature on the subject. It must contain some original work. These standards are

intended to be comparable to those required for a significant master's thesis. The paper should be comparable in quality to those published in the *Transactions*, *The Journal of Research and Insurance*, or *The Proceedings of the Conference of Actuaries in Public Practice*.

The Research Paper Committee approves candidates' proposals for papers, selects appropriate reviewers, and determines whether or not final papers are acceptable. The committee also makes suggestions to improve the acceptability of otherwise marginal proposals and papers. In this process, the committee is aided by a supervisor who acts as an overall advisor to a candidate, similar to the role of academic advisors for masters' theses. The supervisor must be an FSA. To avoid having candidates spend numerous hours on a paper that will not be acceptable, the committee first approves an outline of the paper.

To date, the committee has reviewed eight outlines. We have approved three outlines, rejected two,

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Research papers cont'd

and asked for additional information on three others. Final papers have been received on the three approved outlines. As mentioned above, Willmot's has already been approved. His supervisor was Harry Panjer. We would like to acknowledge him as well as the following other reviewers for their help: Sam Cox, Charles Fuhrer, and Stuart Klugman.

The profession faces a number of important questions that demand innovative answers. We want to encourage younger actuaries to consider these questions and contribute to their solutions. We expect that many candidates are developing expertise in specialized areas in which they are working. The committee encourages candidates to put this knowledge in writing for the benefit of the profession. We encourage those Fellows who have students capable of making such contributions to suggest the research paper alternative as a useful and viable option.

Roy Goldman, Chairperson of the SOA Research Paper Committee, is Vice President and Associate Actuary at The Prudential Insurance Company of America.

Early-release copies of TSA papers

The following papers have been accepted for publication in Volume 41 of the *Transactions*. Members who would like to obtain an early-release copy of the TSA paper, before it is published in a preprint, may do so by sending \$5 for each paper to the Books & Publications Department at the Society office.

"Mortality Trends of Males and Females over the Ages," Barnet N. Berin, George J. Stolnitz, and Aaron Tenenbein

"Arbitrage-Free Pricing of Interest-Rate Contingent Claims," Hal W. Pedersen, Elias S. W. Shiu, and A. E. Thorlacius

"A Guide to Quantifying C-3 Risk," John A. Mereu

"AIDS and the Calculation of Life Insurance Functions," Colin M. Ramsay
"The Risk of Asset Default," Irwin T. Vanderhoof, Faye Albert, Aaron Tenenbein, and Ralph Verni

FACTUARIES

by Deborah Poppel

This is another in a series of profiles of members of the Society's Board of Governors.

**Name:** Sam Gutterman.**Birthday:** December 19, 1947.**Birthplace:** Ravenna, Ohio.**Current hometown:** Chicago.**Current employer:** Price Waterhouse.**Marital status:** Married to Peggy.**Children:** Jordan, 17 months; Girl, name not yet reported, minus 3 months.**My first job was:** Greenskeeper for a golf course in Akron, Ohio.**I'd give anything to meet:** Girl, name not yet reported.**I'd give anything to talk with:** My son Jordan.**The number of exams I flunked:** 12 (part 9 CAS, 5 times).**The books I recommend most often:** *The Foundation Series* by Asimov and *Lord of the Rings* by Tolkein.**The last movie I saw:** *When Harry Met Sally*.**Nobody would believe it if they saw me:** Cooking.**The TV shows I stay home to watch:** "Dr. Who."**If I could change one thing about myself, I'd:** Be able to tell a great joke.**When I'm feeling sorry for myself, I:** Buy a CD. (Editor's query - Certificate of Deposit or Compact Disc.?)**My fantasy is:** Being completely up to date in work and professional reading.**The silliest thing I've ever done:** Is run a 100-mile mountain trail race in 29 hours.**If I could do it over I'd:** Have married Peggy sooner.**My proudest actuarial moment was:** Achieving my FSA.**The best times of my life are:** Tied between marrying Peggy and being involved with the birth of Jordan.