



SOCIETY OF ACTUARIES

Article from:

# The Actuary

July/August 1990 – Volume 24, No. 7

# THE Actuary

## The Newsletter of the Society of Actuaries

VOLUME 24, NO. 7  
JULY/AUGUST 1990

### Editors responsible for this issue

Linda B. Emory  
and R. Stephen Radcliffe



#### Editor

Linda B. Emory, F.S.A.

#### Associate Editors

Mary Hardiman Adams, A.S.A.

Robin B. Leckie, F.S.A.

R. Stephen Radcliffe, F.S.A.

Irwin T. Vanderhoof, F.S.A.

#### Competition Editor

Charles G. Groeschell, F.S.A.

#### Features Editor

Deborah Adler Poppel, F.S.A.

#### Assistant Editors

Stephen H. Frankel, F.S.A.

Charles Habeck, F.S.A.

Curtis E. Huntington, F.S.A.

David S. Lee, F.S.A.

#### Society Staff Contacts

(708) 706-3500

Cecilia Green

Staff Editor

Judith Bluder

Assistant Staff Editor

Linda M. Delgadillo

Director of Communications

#### Correspondence should be addressed

*The Actuary*

P.O. Box 105006

Atlanta, GA 30348-5006

#### Copyright © 1990, Society of Actuaries

*The Actuary* is published monthly by the SOCIETY OF ACTUARIES, 475 North Martingale Road, Suite 800, Schaumburg, IL 60173-2226.

Allan D. Affleck, President;  
Anthony T. Spano, Secretary;  
Michael J. Cowell, Treasurer;  
Kenneth A. McFarquhar, Director of Publications.

Non-member subscriptions: students, \$5.50; others, \$6.50. Send subscriptions to: Society of Actuaries, P.O. Box 95668, Chicago, IL 60694.

The Society is not responsible for statements made or opinions expressed herein. All contributions are subject to editing. Submissions must be signed.



Donald R. Sondergeld

Executive Vice President  
Mutual Benefit Life  
Insurance Company  
Newark

*Question: When and why did you decide to become an actuary?*

**Sondergeld:** After graduating from Bowling Green State University in 1952 and serving in the Army during the Korean conflict, I enrolled in the University of Michigan with the objective of getting a Ph.D. in mathematics. I roomed with George Andrews, a graduate student in the actuarial program, and through him, became interested in actuarial work. After a year, I received a masters degree in theoretical mathematics, and joined Connecticut General as an actuarial student. However, the year I became an FSA, George received a Ph.D. and currently is professor of mathematics at Oberlin.

*Question: What do you like most about being an actuary?*

**Sondergeld:** Every year I'm involved in something new and different as the business changes, and I like dealing with change. Actuaries are on the leading edge of any change that is occurring within the insurance industry.

*Question: What do you like least about being an actuary?*

**Sondergeld:** Perhaps the jokes about actuaries. Although I do repeat them.

*Question: What are your interests outside of your business and professional responsibilities?*

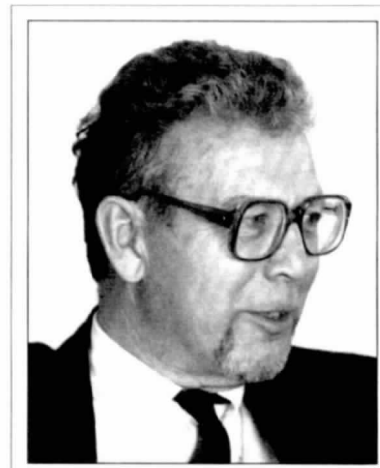
**Sondergeld:** My wife, Mary, and I spend a lot of time with our five children who range in age from 21 to 30. One of them is an actuary. I'm also interested in a number of things like bridge, chess, mathematical recreations, the study of fractals, and I'm an avid skier and tennis player. I should also mention my passion for building rock walls, raising flowers, and feeding the birds.

*Question: Why do you want to be President of the Society of Actuaries?*

**Sondergeld:** I've been in the insurance business for 35 years, and I've always done actuarial work. I've been involved in many different areas of the profession, and I think that I would do a good job.

*Question: How will you balance your responsibilities as President with your business responsibilities?*

**Sondergeld:** I am confident that I can devote the amount of time necessary as President. I've discussed this with my CEO and have his strong support and encouragement.



*Question: Do you feel that the Society has the right balance of professional staff and member volunteers?*

**Sondergeld:** Probably not. One of the things I changed when I was chairman of the Individual Product Development Section was to structure that organization to build more continuity. When we have transient, part-time leaders with one-third of the Board and half the officers changing every year — it's

difficult to react quickly and to have continuity of purpose and direction.

**Question:** *How should the Board and members best interact?*

**Sondergeld:** That's a tough question which the Board has been addressing. Some people don't think the Board listens, and sometimes it doesn't. I know the Board is attempting to open up a dialogue with our members. A number of steps already have been taken to improve that relationship, such as articles by the President in *The Actuary*, letters from members that appear in *The Actuary*, and direct contact between Board members and Society members. One experiment, which I supported, was the "Meet the Board" sessions held at the spring meetings. At the Hartford meeting, only three people came to the "Meet the Board" session and there also was a small turnout in Dallas. That doesn't mean we shouldn't have "Meet the Board" sessions; they may simply need further promotion. We must continue to seek ways to open up effective communication between the Board and the membership. Membership surveys could prove helpful.

**Question:** *What do you feel is the greatest strength and greatest weakness of the Society's Education and Examination system?*

**Sondergeld:** One of the greatest strengths is a modern syllabus that is now subject to more frequent revision. Associated with that is the existence of specialty tracks which will likely increase in number. The fact, as well as the perception, that the examinations are fairly graded with consistent high standards also is a strength. A major weakness is that we don't have enough academics involved in our educational system. I chaired the Task Force on Strengthening the Relationship between the actuarial profession and the universities in North America. I expect a long-term benefit of that activity will be more utilization of educators to help shape our syllabus and to improve the education process in ways acceptable to our membership.

**Question:** *Do you favor continuing education requirements for Society members?*

**Sondergeld:** I strongly favor some form of continuing education requirement or recognition. I still serve on the initial Committee of Continuing Education of the Conference of Actuaries in Public Practice, which was

the first actuarial organization to institute a program of continuing education recognition. All actuarial organizations in North America should focus on a common standard of continuing education requirements, rather than each organization either having its own standards or having no standards. The public's perception of a professional is not enhanced when it learns that an actuary need only pay dues to remain an actuary.

---

*"One area I would focus on is the planning process — how to plan for change (in leadership and volunteers) and how to respond to change — so the Society can move faster than it might otherwise."*




---

**Question:** *What form of continuing education do you think is the most valuable?*

**Sondergeld:** Continuing education can be achieved by various methods. Reading material, seminars, and tapes are all acceptable. One area of disagreement is whether a Dale Carnegie course or a course in communications should count towards continuing education. The Conference committee debated this subject some years ago, and it felt that continuing education requirements should initially be restricted to technical actuarial matters. I believe such courses should qualify towards continuing education, provided a minimum standard on technical actuarial topics is required.

**Question:** *Are you satisfied with the Society's current level of research activities and their financial support?*

**Sondergeld:** The Board is now unanimous in its commitment to devote more effort to research. Research is necessary for every profession. The funding of research is a major issue that has been and will continue to be discussed by the Board. By strengthening the relationships between universities in North America and the actuarial profession, we will stimulate more university-based research. This will be helpful as the actuarial profession changes and is modernized in the years ahead.

**Question:** *What should the profession's approach be to principles, standards, and discipline?*

**Sondergeld:** It's tough to answer that question without talking about the subject of unification. It's also related to the responsibilities for different functions that the Society of Actuaries and other actuarial organizations are discussing today. My long-range view is that if we continue to have the Society of Actuaries, which is more

---

education, theoretical, and research oriented, separate from the Academy and CIA, which are related to practice, then it makes more sense to have discipline, standards, and also principles in the practice bodies, rather than in the degree-granting or educational bodies.

**Question:** *What do you think the Society can do to increase public recognition of the actuarial profession?*

**Sondergeld:** Public relations is a function that seems to be moving from the Society to the Academy and CIA, yet the Society is clearly interested in improving public recognition and prestige together with a positive perception by its members. Over time this will become more of an Academy and CIA issue than a Society issue. It's important that we have standards of conduct and it's also important that we have member discipline.

The actuarial profession must have high standards of practice and should discipline its members when they are not meeting those standards. This will enhance the recognition of the actuarial profession as a profession in North America. Public recognition would also be improved if we had fewer actuarial organizations rather than the six we currently have in

*Continued on page 10 column 1*

### *Sondergeld interview cont'd*

North America. Having six actuarial boards debate issues and reaching compromises suggested by the Council of Presidents is not necessarily in the best interests of the SOA, which has the largest membership.

**Question:** *How can the Society best support the Academy and the Canadian Institute in their efforts to carry out public interface responsibilities for the profession?*

**Sondergeld:** Work is being done on that with a working agreement being developed by the Council of Presidents to see how some structural and committee changes could be made and to determine who's responsible for what. Getting agreement on those items will be a step forward. I feel strongly that we should have another go at unification, but that is something that the membership and Board must agree to. Until that happens, I fully support the steps now being taken.

**Question:** *If you are elected President of the Society, what one issue or task would receive your greatest attention?*

**Sondergeld:** The area I would focus on is the planning process — how to plan for change and how to respond to change — so the Society of Actuaries can move faster than it might otherwise due to changes in leadership and the excellent but part-time volunteer organization we have. We need a planning document that is subject to change, but one we can follow from year to year. Clearly, related to that process is the unification issue, which pops up and then dies down. To some extent, it seems like each time we have a new President we have a new issue endorsed by that President. I would like to put in place a process that would move the Society and the profession forward faster in spite of whoever happens to be President.

**Question:** *Is there anything else that you would like to comment on or emphasize?*

**Sondergeld:** I have a different background than the other candidates, having worked for an insurance company my entire career in three major capacities. I started the group pension operation at the Hartford Insurance Group back in 1967, but I was always either chief actuary or chief financial officer involved in corporate matters. I think I have a

broad view of the different activities actuaries are involved in. My management style is to ask questions and then listen. I think that style will help focus the Board on the issues that we face.

### *Watson interview cont'd*

to anything else. We should want to encourage diversity and flexibility and to make sure that we avoid the danger of research being oriented only towards practical, immediate needs.

The Actuarial Education and Research Fund has been a very useful means of putting money into areas which don't have that sort of practical focus. Unfortunately, the Fund has never had much money. Being on the Board of the Fund, I'm undoubtedly biased in this regard, but I think one useful place for the Society to put some of its money is support of the Fund. Some of its projects are extremely exciting and could help to expand the scope of the profession in a way that might not come about within a more formal approach.

One concern I have is that, if research is done through encouraging actuarial science programs at the universities, this encouragement should not be limited to a few well-known and well-established colleges and universities. We don't want to starve the other programs.

We need to encourage our employers and our members to give money to support research. I think the insurance companies and consulting firms have for many years been living off actuarial research and actuarial knowledge and have not been encouraged enough to pay for them. We haven't made the case why it is in their interest to do this, and I think we can and we should.

**Question:** *What should the profession's approach be to principles, standards, and discipline?*

**Watson:** We need discipline and our code of professional conduct. We need to have that code policed and enforced. We need to have better disclosure of the fact that we are policing and enforcing it. There must be situations that we have not adequately policed, or there will be some. We must minimize this.

We need standards of practice because we have a lot of members in small firms and companies who need the support of the Society. More situa-

tions will develop in which our members will need our support. That means having standards and being willing to advertise and enforce them.

**Question:** *What do you think the Society can do to increase public recognition of the actuarial profession?*

**Watson:** A recent report by the Crawford Committee in Canada calls for the rededication of the Canadian Institute to the concept of public service. I think that sort of rededication is exceptionally important for the actuarial profession — here, just as much as in Canada. If we orient our activities towards that end, we will do a much better job of making people pay attention to us. We need to speak out a lot more than we have on matters that are important, for example, statements on social programs, statements on what we think should be done in the insurance area. I realize there are problems here. One can never get 100% agreement on anything.

**Question:** *How can the Society best support the Academy and the Canadian Institute in their efforts to carry out public interface responsibilities for the profession?*

**Watson:** As a profession, we are small and without many members, and we need to have a fairly united front. We shouldn't look like a group of people talking in four or five different ways. We need to cooperate and to rationalize our activities. We shouldn't have a multiplicity of committees doing similar things and ending up saying different things. It means that we need to define the role of each organization and defer to that organization in that role. That doesn't mean we can't give advice to them.

The CIA is largely the Canadian counterpart of the Academy, but it's different in that it has educational responsibilities in Canada. It has to ensure that persons authorized to function as actuaries in Canada have an adequate training within the Canadian system. Therefore, there is an overlap with the Society and with the Casualty Actuarial Society because Canadian content is addressed in both sets of exams. But I think we can cooperate and define what each one does and support each other.

**Question:** *If you are elected President of the Society, what one issue or task would receive your greatest attention?*

**Watson:** I think there is a danger that, if one picks out specific issues in advance, one can get a sort of