

COMMITTEE ON KNOWLEDGE EXTENSION RESEARCH

The purpose of my brief presentation is to make the actuarial research community more aware of the Committee on Knowledge Extension Research (CKER) and the role it plays both within the Society of Actuaries' research functions and with other actuarial organizations, particularly the Actuarial Education and Research Fund (AERF)..

When the Society restructured along practice lines, it established research committees for each of the four specific practice areas (viz., Committee on Life Insurance Research, Committee on Retirement Systems Research, Committee on Health Benefit Systems Research and Committee on Financial and Investment Management Research).

To provide coverage for basic research and to cover any remaining areas not covered by the four practice area research committees, the Society established CKER (pronounced "seeker") with the charge to "initiate and manage research for the Society beyond the scope of currently recognized major practice areas."

For most of the research performed with Society support, the project identification typically comes from members who propose ideas to a practice committee which in turn refers them to a research committee. For purposes of this presentation, we will characterize this as "demand driven" research.

The CKER has responsibility for research of a very general nature, and, perhaps not surprisingly has not been particularly successful in generating ideas through the "demand driven" process used by the other research committees. General research, by its very nature, is more likely to be more successful by using a "supply driven" mechanism for project identification.

The Actuarial Education and Research Fund (AERF) uses such a "supply driven" mechanism through its grant application procedure. Through this procedure, researchers with ideas and activities that require funding apply for and request funding. The members of CKER believe that the AERF mechanism is appropriate for most, but not for all, of its research identification and has decided to follow this mechanism in the future.

Since most of the projects funded by AERF in the past have involved researchers from the actuarial academic community, the very people who attend the annual Actuarial Research Conferences (ARC), CKER has decided to use ARCH and the ARC to notify its research community of how it seeks to identify research opportunities.

We believe that an AERF-type approach will be more friendly to the research community and we plan to participate with AERF, albeit as a separate entity, when research grant competitions are undertaken by them each spring.

One of the significant benefits to the research community of such an approach is that CKER is independently funded by the SoA. Although there is an over-all research budget component of the SoA budget, there is a separate line item exclusively for CKER research activities. The other four practice areas must share one budget, while CKER has had its own budget (totalling \$170,000 for the period 1993-95).

There is a Committee on Research Coordination, chaired by Warren Adams. The Chairperson of the four practice areas are on this Committee, as well as the Chairperson of CKER, a representative from the Casualty Actuarial Society and a representative of AERF. The purpose of this Committee is to coordinate the practice research function for the Society. Part of this coordination also means allocating the budget amongst the research proposals of the practice areas. CKER participates actively in this component of the coordination and may, if the occasion warrants, allocate some of its budget dollars towards projects that have been identified by the practice areas, particularly when the projects cover general subjects. At the same time, CKER may seek additional funds for some of its own research projects when they can be shown to be beneficial to the aims of one of the practice areas. In other words, there is "coordination."

The bottom line message is simple. For those of you who have research interests that are of a general or basic nature, consider CKER for funding of your proposals. The CKER Committee meets once a year, in person, at the annual ARC, so there should be an opportunity of discussing your research ideas with them in the informal setting provided by the ARC. Other meetings occur during the year by means of tele-conferencing. At the same time, CKER will be working closely with AERF to consider research proposals generated by that source. Together, we hope to make a difference.

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Chairperson
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