



SOCIETY OF ACTUARIES

Article from:

The Actuary

April 1993 – Volume 27, No. 4



The Newsletter of the
Society of Actuaries

VOL. 27, NO. 4
APRIL 1993

THE Actuary

New ASA requirements go into effect in 1995

by Walter S. Rugland
SOA President

At its January 1993 meeting, the Board of Governors approved the strengthening of educational requirements for the Associateship level from the current 200 credits to 300 credits. The change will take effect in July 1995. Anyone who has earned the ASA designation before then will not be affected. Although not required, candidates who anticipate completing ASA requirements before July 1995 may elect to qualify for Associateship under the new requirements, which allow credit for an expanded list of elective courses.

Requirements for Fellowship will not change.

Details of changes

The additional 100 credits required for ASA come from the current core Fellowship exams — 200, 210, 220, and 230. Adding these courses to the Associateship syllabus means that candidates will not only be well grounded in mathematical methods but also will demonstrate an understanding of a range of basic practice-based courses in financial security programs, financial management, and general actuarial practice. In addition, while courses totaling 155 credits currently required for Associateship will remain in place, the options available for earning the 45 elective credits will more than triple. Candidates should find these changes particularly attractive, since they will allow candidates to gain exposure to the more practical aspects of actuarial practice early in

continued on page 3 column 1

Reflections on leadership

by David M. Holland

*"Would you tell me, please, which way I ought to go from here?
"That depends a good deal on where you want to get to," said the Cat.
"I don't much care where —," said Alice.
"Then it doesn't matter which way you go," said the Cat.*

Alice's Adventures in Wonderland

Going from where you are to where you want to be is the challenge of management; leadership involves bringing others with you. Leadership should not be a random walk, but a carefully planned journey. As the Cheshire Cat reminds Alice, the way you should go is dependent on where you want to get to.

A leader should have a vision of how things should be. Contrary to Alice's wanderings in Wonderland, someone who takes the responsibility of leading others should care passionately about the ultimate destination.

"Before I draw nearer to that stone to which you point," said Scrooge, "answer me one question. Are these the shadows of the things that Will be or are they shadows of the things that May be, only?"

A Christmas Carol

A leader's sense of vision shows the things that will be if certain paths are followed. That vision of the future may not be pleasant. Scrooge's glimpse into the future convinced him to change his course to change his destination.

continued on page 2 column 2

In this issue:

New ASA requirements Walter S. Rugland _____	1	The complete actuary — Demand better results and get them Leonard E. Tandul _____	7
Reflections on leadership David M. Holland _____	1	'Ask an Actuary' carries well-received message Cecilia Green _____	8
Editorial — Broader horizons Barbara J. Lautzenheiser and William C. Cutlip _____	2	Dynamic Solvency Task Force report available Godfrey Perrott _____	9
What leadership and management skills do actuaries need? Sue A. Collins _____	4	Donations needed for minority students Edward John Mullen _____	10
What are companies looking for in today's actuaries? Terri Michalewicz _____	5	Chief Actuaries Open Forum Richard L. Mucci _____	11
Leadership and management skills A. Haeworth Robertson _____	6	Factuaries _____	12
Why should I vote? Daphne D. Bartlett _____	6	Transactions authors profiled _____	12
		Letters to editor _____	15
		Actcrossword _____	16

THE Actuary

The Newsletter of the Society of Actuaries

VOLUME 27, NO. 4
APRIL 1993

Editor responsible for this issue

Barbara Lautzenheiser



Editor

Linda B. Emory, FSA

Associate Editors

Mary Hardiman Adams, ASA

Barbara J. Lautzenheiser, FSA

Robin B. Leckie, FSA

Michael B. McGuinness, FSA

Anthony T. Spano, FSA

Puzzle Editor

Julian Ochrymowych

Features Editor

Deborah Adler Poppel, FSA

Assistant Editors

Peter J. Bondy, FSA

William C. Cutlip, FSA

Charles Habeck, FSA

Curtis E. Huntington, FSA

Eric P. Lofgren, FSA

J. Bruce MacDonald, FSA

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© 1993, Society of Actuaries

The Actuary is published monthly

(except July and August) by the

SOCIETY OF ACTUARIES,

475 North Martingale Road, Suite 800,

Schaumburg, IL 60173-2226.

Walter S. Rugland, President

Diane Wallace, Vice President

James F. Reiskytl, Secretary and Treasurer

Fran Lemery, Director of Publications

Non-member subscriptions:

students, \$6.00; others, \$15.00. 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.

♻️ Printed on recycled paper

Editorial

Broader horizons for extended impact

by Barbara J. Lautzenheiser
and William C. Cutlip

Venture capitalists tell us that people with good ideas are a dime a dozen. It's the people who can carry out those ideas — who can provide the leadership and management skills to get them accomplished — that are valuable and worthy of their investment.

The actuarial profession's foundation — the quality that makes us unique — is our technical expertise. Our exam syllabus gears us to handle complex mathematical and technical situations. We must be able to use that expertise to implement and produce results.

The future of our profession will take us into some jobs with nontraditional roles. Our traditional work also will see dynamic change. The strong foundation of our problem-solving, mathematical, statistical, modelling, risk selection, and legal and economics education position us to do excellent work. When you add to that a set of well-developed personal/

management/leadership skills, you'll be positioned to do that work with excellent results.

For the past three years, *The Actuary* has featured a recurring set of articles under the banner, "The complete actuary." This series, developed by the SOA Committee on Management and Personal Development, has presented discussions on a variety of subjects to help you develop these skills. This issue contains another article in this series.

Other special articles in this issue give you a perspective on how some have used these skills or why they are needed. These perspectives are shown from several vantage points: a CEO, an international consultant, a recruiter who has heard what employers expect of actuaries, and a public servant.

We hope these articles will stimulate you, lead you to act on improving and developing your skills, and help to broaden your horizons, expand your impact, and take leadership roles.

Reflections cont'd

Goal setting is a way for the leader to define a vision of the future as it should be. Plans then have to be made to achieve those goals. With training to model the outcome of future contingent events, the actuary is well equipped to be a major participant in management and leadership planning. Although there are often jokes about the actuary as cartographer, understanding the map is often the key to getting from here to there.

The management planning process is consistent with the analytical skills inherent in the actuary's training and experience. Consider the following process:

- Set goals of where you want to be.
- Develop projections of where you will be if you follow your current course.
- Consider various scenarios to determine what changes have to be made

to reconcile your current course with your desired destination.

- Test the sensitivity of underlying assumptions to evaluate potential risks of various courses of action.

Although this may be simple in theory, implementation in practice often is a real challenge.

As a final allegory on leadership, I recommend the recent movie,

Homeward Bound, The Incredible Journey. Shadow, who became the leader, had a nobility of purpose and a clear vision of what his mission should be. Although he could have had greater depth in planning, he met the one real qualification of leadership — followers.

David M. Holland is president and chief executive officer at Munich American Reassurance Company, Atlanta.