

The Work of the SoA Research Effectiveness Task Force and Your Input

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The primary purposes of this presentation are to provide background on the work of the Research Effectiveness Task Force (RETF) and to present the current status of that work in order to set the stage for breakout sessions during which you will have an opportunity to provide input to the SoA research effectiveness review.

Background

The obvious first question is "Why RETF?" The simple answer is that research is an important part of the SoA mission, as evidenced by the 1996-97 Mission and Vision Statement which includes "to advance actuarial knowledge and to enhance the ability of actuaries to provide expert advice and relevant solutions for financial, business and societal problems involving uncertain future events." A particular concern that led to the formation of the Task Force was concern about the relation of research spending to tangible research results. Finally, it's just good business to review programs periodically, especially those to which a significant amount of volunteer, staff and financial resources have been allocated.

The charge to the Task Force was to design and conduct a comprehensive review and evaluation of the effectiveness of SoA research project activity - as distinct from the ongoing experience studies, which a different Task Force had recently addressed. We are, however, getting comments regarding the ongoing experience studies in response to the survey that was distributed. The Task Force consists of six members of the SoA Board. Norm Crowder, SoA Vice President for Research, chairs the Task Force. Other members of the Task Force are Dave Becker, Donna Claire, Phil Polkinghorn, Arnold Shapiro and Mike Sze. Other active participants include Sam Gutterman, SoA Past President, and SoA President-Elect Anna

Rappaport. Judy Yore, SoA Research Management Coordinator, and I provide staff support.

There are a number of related current activities. During the last year or so, there has been an effort to identify all SoA programs and the associated costs. Budgeting for the 17-month period August 1, 1997 through December 31, 1998 (which includes a 5-month transition period as the SoA changes to a calendar year fiscal year) has taken into account the Board's ranking of the importance of the programs relative to costs. Also, the Strategic Planning Committee, chaired by President-Elect Rappaport, has conducted a number of surveys and focus groups to aid in the planning process. Finally, the Education and Research Section Council has been considering recommending enhancements to the current academic initiatives program which now has been in existence for approximately seven years.

Status of the work of the Task Force

The two major activities underway are a survey and peer review of selected recent research project activities.

The many objectives of the survey include obtaining input with respect to: respondents familiarity with, and perceived value of, the current SoA research project activity; ideas about important research issues and topics and future directions; and opinions regarding SoA support of academic research and how to improve that support. In part because of the many objectives, three survey forms were used: the "General" form was sent to approximately 2400 individuals; the "Research" form was sent to approximately 2400 individuals who had recent involvement in some aspect of the SoA research project activity process; and the "Leadership" form was sent to approximately 200 SoA Board and Section Council members. All three forms included a specific section of questions relating to the relationship of the actuarial profession with the academic community.

The other major activity underway is peer review and evaluation of recent research project activities. Task Force members, other Board members who volunteered and two other SoA members participated in the review of documentation for 29 research project activities. Although the evaluations are not yet all in, it's fair to say that the review and evaluation process has proved informative to the reviewers as well as valuable to the work of the Task Force..

The goal is to have a preliminary report to the Board at its meeting in September and a final report to the Board in January 1998.

There are at least two additional ways for you to provide your input. First, in a few minutes we will have breakout sessions for about half an hour and then reconvene for brief reports and discussion. Anna Rappaport, Curtis Huntington and I will serve as facilitators. The first task for each group is to identify a recorder and a reporter. Then we would like each group to address three questions:

What is the SoA doing well with respect to research?

What is the SoA not doing well with respect to research?

What suggestions do you have for improving the SoA research efforts?

Another way to provide your input is to contact any SoA Board member, any member of the Education and Research Section Council, or any member of the SoA research department staff with your suggestions.

(Note: the following gives a summary of the reports of the three breakout groups. There were approximately 50-55 attendees. Approximately 80% of the attendees were academic faculty.)

What is the SoA doing well with respect to research?

Items noted by two of the groups (in no particular order)

1. Ph.D. Grants program (some concern was expressed about the fact that the program received a relatively low ranking by the Board)
2. *NAAJ* (although concern was expressed over the level of support provided)
3. Actuarial Research Conference (one group particularly noted an improvement in quality, but there was some concern regarding the lack of non-academics in attendance)

Other items

Other items noted included: CKER grants, communication with academics, academic initiatives program, use of POGs, use of conference calls, identification of projects, and interaction between academics and non-academics.

What is the SoA not doing well with respect to research?

Items noted by at least two of the groups (in no particular order)

1. Encouraging academics and industry actuaries to participate in joint projects; also expressed as: linking the academic community and the business community; communicating tools and methods to practitioners; and bridging the gap between academic research and practical applications.
2. Timing of RFPs, both with respect to when distributed (preferably for research during summer) and with respect to the amount of time to respond.
3. Allocation of resources to “bottoms up” or “supply/researcher driven” research; i.e. research

that is determined by the research interests of the researchers; also expressed as lack of funding for unsolicited projects.

Other items

Other items noted include: not enough people involved, linking to academics in other countries, linking to other disciplines, linking to other actuarial organizations, limitations on seminar participation, not addressing current industry problems, research too narrow, and not focussing on nuclear risks.

Suggestions for ways to improve the SoA research effort

Ideas for ways to address the problem of bridging the gap between academics and non-academic actuaries included:

1. academics spending sabbaticals in industry position (although one industry actuary noted the difficulty experienced in trying to recruit an academic to such a position),
2. allowing academics to attend seminars on industry issues at a reduced or no fee basis so they can become familiar with the issues and potentials areas of research,
3. adding academics to practice area research committees,
4. adding more non-academic actuaries to the CKER,
5. creating a list of academic actuaries interested in working with non-academic actuaries on specific projects and match that with a list of non-academic actuaries and specific projects they have identified for research (similar to the resume matching service),
6. create an award for the best actuarial practice oriented paper by an academic presented at the annual actuarial research conference with the prize including an expense-paid trip to an SoA Spring meeting to present the paper,

7. greater emphasis on development of annotated bibliographies (similar to PASGs) as a way for both academics on non-academics to become more familiar with the literature,
8. recognizing that non-academics need a different level of understanding of theoretical issues than academics and have less time to devote to such an understanding,
9. developing a way to follow up with non-academic researchers on academic research projects,
10. teaching sessions at meetings with emphasis on practical applications of research, and
11. E and R Section liaisons to practice areas (e.g practice advancement committees).

Other suggestions included:

1. providing additional funding for researcher driven research,
2. free access to data,
3. more emphasis on the WEB as a research tool (e.g. obtaining data) and a communication media (for RFPs, reports, etc), and make greater use of list servers
4. more research seminars, and
5. using government agencies, foundations and other professions as benchmark for approaches to research
6. pre-notification of upcoming RFPs