



SOCIETY OF ACTUARIES

Article from:

The Actuary

February 1995 – Volume 29, No. 2

The Actuary

The Newsletter of the
Society of Actuaries

Vol. 29, No. 2
February 1995



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The Actuary is published monthly
(except July and August).

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Nonmember subscriptions: Students, \$6; Others,

\$15. Send subscriptions to: Society of Actuaries,

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Printed on recycled paper in the U.S.A.

EDITORIAL

The adaptability of actuaries

by William C. Cutlip

Although it's obvious the world is changing, too often we presume that this applies only to the next person and not to each of us. Most of us think, "I can see change coming. I can handle it when it gets here." But are you really ready for it?

Our actuarial world is on the move. Once, most of us worked for insurance companies or for consultants serving insurance companies. Talk about job insurance...we had it. Nothing could ever replace actuaries.

And, yet it has. Computers can handle complex calculations that only actuaries understood a few years ago. Financial measures of the future and their present economic impact are being studied and used by others outside the profession. Pricing can be done by models that give a good picture of profit results under a variety of change scenarios.

Does all this mean the profession is doomed? Definitely not. Nontraditional opportunities are emerging for us. Some of these will come through calls from others for actuaries. In many cases, we will make our own future by selling others on the kinds of unique contributions actuaries can make.

We will each need to develop additional knowledge and new skills to adapt to this change. Our foundation in actuarial science gives a firm footing in the understanding of the financial evaluation of risk. This becomes the springboard for extending these concepts both within and beyond the insurance fields in which we've traditionally worked.

The key is education. Continue to learn. Find out about the new risks of long-term care, derivatives, and genetic testing. Study new fields like environmental risk, marketing, and financial markets. Understand your business and how it operates and how you can more effectively relate to and communicate with those with whom you share ideas and decisions.

And, if you haven't done so yet, become close friends with your computer. How many "experienced" actuaries have you heard say somewhat ruefully (but mostly boastfully), "Oh, I really don't even know how to use the thing." Technology and its use are givens for our future world.

Knowledge is our currency of the future. Grow your skills and continue your education. Retool yourself so that you'll be ready to adapt and create the changes of the future.

I'd like to welcome Sue A. Collins to *The Actuary* editorial board. She will serve with me as assistant editor and has written the front page article in this "nontraditional focused" issue. She is a principal of Tillinghast, a Towers Perrin company, and is the manager of the Hartford life office. From 1991-93, she was in the Tillinghast London, England, office and from 1985-91, in Tillinghast's New York office. Her experiences gained through managing major projects in several countries will be invaluable to our editorial board.