



SOCIETY OF ACTUARIES

Article from:

The Actuary

June 1995 – Volume 29, No. 6

The model regulation on life insurance policy illustrations is being rewritten by an NAIC group that Bob Wilcox chairs. This model regulation not only has enormous impact on how such products are marketed but also may affect their design.

This is only a small sampling of activities in which actuaries in state

regulation are participating, frequently in leadership positions. They undoubtedly have profound influence on what the insurance industry and its products will look like in the 21st century. I am proud to participate in a small way, but I am even prouder of the major contributions of my actuarial colleagues in state regulation.

Dwight K. Bartlett, III, is insurance commissioner for the State of Maryland's Insurance Administration. Bartlett was the initial chairman (1990) for the American Academy of Actuaries Committee on Actuarial Public Service.

Reexamination of SOA's Mission Statement

by Sam Gutterman

An effective mission statement must drive both an organization's everyday activities and its policy directions. As a result, it is important to reexamine a mission statement periodically to ensure its continued vitality. For the past six months, the Society of Actuaries Committee on Planning has been reviewing the SOA's Mission Statement in light of current trends and possible future policy initiatives. I am seeking members' thoughts on the significant issues we are examining and the Mission Statement itself.

To provide perspective, here is our current Mission Statement:

The Society of Actuaries is an educational, research, and professional membership organization whose purposes are to promote high standards of competence and conduct between its members and to advance the state of actuarial science. Members of the Society of Actuaries, who currently practice primarily in life insurance, health and retirement systems, and investments in the United States and Canada, are skilled in evaluation of contingent events, in structuring models to describe and measure risk, and reporting the resulting implications. Representing its members, the Society of Actuaries is a part of the worldwide actuarial profession.

A few of the significant aspects we have been intensively examining include:

- **The role that the public interest should play in SOA activities.** To be a professional, an actuary should reflect the public interest in her or his work; this is properly an integral part of our Code of Professional Conduct. Much effort is directed at the promotion of professionalism and education of our members and our relevance to the public. As a 501 (c) (3) education organization, our U.S. income tax position assumes this emphasis. We are gradually beginning to place more emphasis on the importance of the public, as shown in part by our Actuarial Circles program and efforts at consumer education with a Social Security information piece. Should we emphasize or expand these efforts?
- **The growing internationalization of our membership.** For some Associateship exams, more than 11% of the candidates are residents outside North America, mostly concentrated in East and Southeast Asia. Even more surprising, more than 8% of some Fellowship exams are being taken at centers overseas. This is a natural trend that has occurred without any promotion by the SOA. At this point, we have not taken any action to support this growing minority of our membership. In addition, as our traditional fields of practice have become increasingly globalized, Canadian and U.S. members may find it relevant to be more aware of international issues and practices. Although providing the same level

of membership services in each country may not be necessary, we may need to give increased attention to our foreign members and students. Our current review of a revised examination system provides an opportunity to think beyond our historic geographical roots.

- **Increased efforts to expand the scope of employment for our profession beyond the traditional.** Many blue ribbon task forces over the last decade point us in the direction of expanding the scope of our profession's employment opportunities. Some believe that expansion opportunities may be limited within our traditional practice areas. Indeed, one objective in our new educational proposal is to broaden our practice horizon. References in our current Mission Statement to specific areas of practice, while not contradictory to expansion, may not be consistent with these efforts.

In an era of limited resources, we should be sure our organization's efforts are focused in the right direction. I welcome your ideas on these or related issues relevant to our organization. Please send your comments to my *Directory* address, to the SOA office, or through Actuaries Online (73462,27).

Sam Gutterman is director and consulting actuary for Price Waterhouse LLP in Chicago and president-elect of the Society of Actuaries.