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EDITORIAL

SOA Foundation maps future of profession

by Mike McGuinness

In this issue is an article on the formation of the Society of Actuaries Foundation — its purpose, the membership of its first Board of Trustees, and a summary of its planned activities.

As a member of the SOA Board that discussed an early version of the idea years ago, I wish to congratulate all those whose work has advanced the concept to a functioning organization. The activities that it is to carry out are those which, I believe, the Society of Actuaries is ideally qualified to perform. They are activities that it must perform if it is to retain its position as the largest actuarial education and research body in North America.

The Foundation's research activities include exploring new applications and developing new methodologies. Presumably this is to be done through new partnerships with universities, corporations, suppliers, and others.

If better methods of measuring the present value of future contingent events can be developed, for example, I want to see it done by actuaries. I do not want to see our profession passed by because others have preempted the field. With the resources available to the Foundation, it now becomes a logical center for this type of activity. This should strengthen the Society. It also should, I believe, help the other United States and Canadian actuarial bodies.

Wider communication and partnership activities also should help the profession considerably, especially in view of our small numbers. We need to take every opportunity to make our expertise known to the wider world. On a purely practical level, it may help

open new career opportunities to our members, including those now having difficulty finding a job.

The Foundation is to be featured at the SOA annual meeting. I encourage you to learn more about it.

Also in this issue are excerpts from presentations made at the Senior Executive Officer Forum at a previous SOA meeting by John H. Harding and David M. Holland. Both men have made major contributions to the profession, but here they are speaking as the chief executives of their respective companies. Both stress the need for a clear understanding of the purpose of their business, for not functioning in a certain way merely because that was the way it was before. Today's actuary should heed the message.

On the other hand, today's Canadian actuaries, especially those working in the life insurance industry, are pondering the message from the August collapse of Confederation Life Insurance Company, one of Canada's largest life companies. According to published accounts, the collapse seems to be the result of decisions made during the boom years of the late 1980s, saddling the company with under-performing commercial real estate holdings and mortgages. The effect of the failure on CompCorp, the guarantee fund of the Canadian life insurance industry, is still not known. The powerful banking committee of the Canadian Senate, however, has announced that late in September it will probe the lessons to be learned about Confederation Life and CompCorp from the failure.