Article from:

The Actuary

October 1995 – Volume 29, No. 8

The Actuary

David Holland new president-elect

The Society of Actuaries (SOA) president-elect for 1995-96 is David Holland, president and chief executive officer of Munich American Reassurance Company in Atlanta. Currently serving as a director of the Actuarial Education and Research Fund, Holland previously served on the SOA Board of Governors from 1985-88. He also served as a vice president and secretary from 1990-92 and has been active on SOA committees since 1974.

In his candidate's statement, Holland said that SOA members "must never lose sight of the trust of the various publics that they service." In outlining his future vision of the actuarial profession and the SOA, he focused on continuing education and advancement of the profession.

"The cornerstone of the SOA is its basic education and examination system," he said. "Continuing education must be provided through meetings, seminars, publications, and other means. The SOA must strive to expand economic opportunities for its members by supporting a variety of practice areas, including health and retirement benefit systems, as well as insurance programs. Emerging areas such as financial and investment management must be especially emphasized."

David Holland

Holland will become president in October 1996.

New vice presidents

Yuan Chang

John Palmer

Patricia Scahill

Yuan Chang, John Palmer, and Patricia Scahill were elected vice presidents. Chang, vice president of Metropolitan Life Insurance Company, New York, is presently a member of the Committee for Research on Social Concerns and served on the Board of Governors from 1990-93. Palmer, senior vice president of Life Insurance Company of Virginia in Richmond, served on the Board of Governors from 1991-94. Scahill, vice president of WF Corroon-East, Baltimore, has served on the Board of Governors since 1992.

New Board members

Elected to the Board of Governors were:
- Nancy Behrens, management assistant, Northern Operations, State Farm Life Insurance Company, Bloomington, Illinois

Nancy Behrens

Sue Ann Collins

- Sue Ann Collins, principal, Tillinghast/Towers Perrin, Weatogue, Connecticut

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Elections (continued from page 1)

- Cindy Forbes, Asset/Liability Management vice president, Manufacturers Life Insurance Company, Toronto

- Philip Polkinghorn, chief financial officer-chief manager Information Systems, Connecticut Mutual Life Insurance Company, Hartford

- Arnold Shapiro, professor, Pennsylvania State University, University Park

Cindy Forbes   *Philip Polkinghorn*   *Arnold Shapiro*   *Mark Tullis*

- Mark Tullis, chief actuary, Primerica Financial Services, Duluth, Georgia

All newly elected officers and board members begin their terms at the October 1995 annual meeting in Boston.

Election Results

SOA Officer/Board of Governors election

Results of the second ballot for the Society of Actuaries 1995 elections for officers and members of the Board of Governors have been tabulated and are as follows:

President-elect
David Holland

First choice votes	896
Second choice votes	520
total	1,416

(# of total votes of next candidate 1,288)

Vice President vote totals

Patricia Scahill	1,363
Yuan Chang	1,212
John Palmer	1,211

(# of votes of next candidate 1,199)
(# of votes of last candidate 1,051)

Board of Governors vote totals

Cindy Forbes	1,414
Sue Ann Collins	1,254
Philip Polkinghorn	1,239
Mark Tullis	1,166
Arnold Shapiro	1,054
Nancy Behrens	1,049

(# of votes of next candidate 967)
(# of votes of last candidate 693)

Section election

As a result of Section elections, all 13 special interest Sections have added new Council members with three-year terms:

Actuary of the Future
Paul V. Bruce
William R. Horbatt
Paul M. Kahn

Computer Science
Michael F. Davlin
Rebecca Ann Evans
Brian S. Pollack

Education and Research
Thomas N. Herzog*
Curtis E. Huntington
Marjorie A. Rosenberg
Gordon E. Willmot

Financial Reporting
R. Thomas Herget
Douglas Menkes
Lawrence J. Rae

Futurism
Gary S. Brantz
Kermitt L. Cox
Peter J. Neuwirth

Health
Michael S. Abroe
Thomas R. Corcoran
David W. Wille

International
Michelle P. Chong Tai-Bell
Kevin M. Law
John O. Nigh

Investment
Pierre Caron
Prakash A. Shimpi
Susan Beth Watson

Non-Traditional Mass Marketing
Kiran Desai
Charles R. Haskins
David A. Seidel

Pension
Michel St-Germain
Amy C. Viener
Carolyn E. Zimmerman

Product Development
Richard L. Bergstrom
A. Micheal McMahon
Mark A. Milton

Reinsurance
Kenneth Mark Mihalka
Paul Nitsou
Robert J. Tiessen

Smaller Insurance Company
John W. McKee, III
John M. O'Sullivan
John E. Wade

(*Herzog is serving a two-year term)

Redesign of E&E brings members' concerns

by Cecil Bykerk and Marta Holmberg
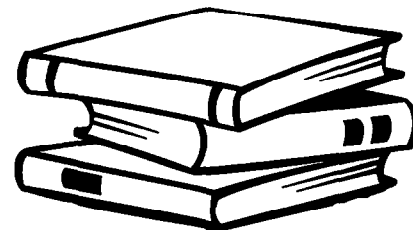
In early August, the Society of Actuaries (SOA) Board of Governors Task Force on Education issued a report to the membership. The report concluded that fundamental change to the SOA's education system was necessary to ensure that actuaries will have essential skills and knowledge needed to operate most effectively in the future. Steps taken to enhance the actuary's skills will better equip the actuary to meet future professional challenges that are more rewarding and valuable to the actuary and to employers. The Task Force report describes the educational changes viewed necessary. If you haven't read the report yet, we encourage you to do so.

From the input we have received so far from actuaries and employers, we can discern certain common themes. A particular area of concern is the first actuarial exam. Members are telling us that the first exam should do the following:

- Attract qualified candidates to the profession

- Introduce candidates to the nature of the profession

- Test applications of mathematical and statistical methods with a rigor consistent with current exams

- Select candidates who can meet the mathematical demands that are a critical part of what distinguishes the actuarial professional from other business professionals

When the SOA began including calculus (1909) and statistics (1925) on its syllabus, these subjects were not widely available. College students attaining math degrees would likely have had little exposure to these subjects that are at the foundation of actuarial techniques. Now it is common for students to take calculus in high school and to study statistics as undergraduates. The general availability of these subjects should enable the SOA to concentrate its limited and valuable volunteer resources where the need is especially great and outside sources are much more limited. That concentration does not mean we abandon all testing of calculus or statistical concepts, but that we approach testing from a more practical perspective. What does that mean about the first exam?

Work on defining and shaping the first exam is far from complete at this point. We can expect a sharper picture to emerge as development continues. However, the following current thinking may help demonstrate that your concerns are being addressed.

The first SOA examination that a candidate takes should provide exposure to certain basic principles central to actuarial practice. A business context framing the questions asked conveys to candidates that this is an applied science; that practical applications of mathematical techniques are essential. Candidates who want to concentrate on mathematical theory but have little interest in meaningful application should not be misled.

Elementary principles of the mathematics of risk and applications of the fundamental tools for quantitatively assessing risks—tools such as calculus and probability—can be introduced at the earliest stages of the formal education process. Synthesis of ideas and critical/analytical thinking can be stressed, using practical problems that

Sample Question

A risk averse decision-maker is faced with a random loss with a uniform distribution over the interval $0<X<$10$. If he/she wishes to pay a premium of $2, then the optimal coverage requires a deductible of $n. Assuming no expenses, find n.

arise in actuarial practice. Case studies or articles from general business publications can be used to frame exam questions.

Critical aspects of calculus and probability—fundamental tools for analyzing risks—would be tested in this context, as well as elementary principles of the mathematics of risk. The candidate passing a first exam of this nature demonstrates mathematical competence and has a better appreciation of what may be encountered in everyday practice. He or she approaches the following examinations with an initial framework to fit the tools and knowledge being acquired, thereby more readily acquiring the new concepts and more quickly providing work of real value to the employer.

This is clearly just a thumbnail sketch of what we might expect for the first examination.

A session is planned for the Annual Meeting in Boston (Session 107, Update on the Redesign of E&E, Tuesday, October 17, 2:30 - 4:00 pm). By then, we will know more about the proposed nature of the first exam and about the rest of the proposed structure and syllabus for the basic education system. Join us at the session to learn more and to share your views.

Cecil Bykerk is senior executive vice president and chief actuary for Mutual/United of Omaha Insurance Company and chair of the SOA Board Task Force on Education. Marta Holmberg, Ph.D., SOA education executive, can be reached at her e-mail address: 102234.2541@compuserve.com