



SOCIETY OF ACTUARIES

Article from:

The Actuary

January 1997 – Volume 31, No. 1

The Actuary

The Newsletter of the
Society of Actuaries

Vol. 31, No. 1 • January 1997



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

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Nonmember subscriptions: Students, \$10; others,
\$25. Send subscriptions to: Society of Actuaries,
P.O. Box 95668, Chicago, IL 60694.



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

EDITORIAL

What actuaries aren't

by Robert D. Shapiro

Dave Holland's presidential address, our front page article, presents a wonderful discussion of our SOA vision. This vision is "for actuaries to be recognized as the leading professionals in the modeling and management of financial risk."

Reflect for a moment on what this vision doesn't say:

- It doesn't say "recognized by the insurance and employee benefit industries as professionals." There is no industry specificity, as there is none for physicians, attorneys, or most other professionals. Our vision is to be recognized by everyone as the professionals to call whenever and wherever modeling and/or management of financial risk is required.
- It doesn't say "for SOA members to be recognized." By not referencing the Society of Actuaries, the vision statement conveys a "one profession" message to our stakeholders. Hence, the vision pushes us to work together with other actuarial organizations to assure that our publics receive consistent, high quality, professional service.
- It doesn't say "... modeling, problem solving, and advising on financial risk." Its emphasis on "management" encompasses not only problem solving and advising but also implementation and monitoring of proposed solutions. This emphasis requires a rigorous business context to be provided around our rigorous technical foundation. That, in turn, demands that the SOA educate actuaries beyond our historic mathematical and problem solving foundations — a thrust at the core of the SOA's new basic education plan.

We are witnessing a long-needed convergence of intent and action within the SOA. Few question the power of our actuarial skills or the need — for both the public and for the profession — to apply these skills beyond the limitations of our historic roles and employers. As the consistency and strength of these convergent streams of strategy and activity intensify, we will see more and more evidence of our vision being realized.

Several other articles and sections in this issue of *The Actuary* provide such evidence. The interview with Bill Potvin and Frank Buck, practice leaders at Deloitte & Touche, illustrates the potential to apply actuarial skills across a broad range of roles and industries. It should be noted that Bill is not an actuary. This broadened role is also seen in the interviews with Shane Chalke, Walter Rugland, and Dwight Bartlett regarding the role of the actuary. Your letters responding to these articles are welcome. We'd like your input on the topics they cover.

The letter to the editor from Yiji Starr provides additional perspective on the role of the actuary. Introducing a new editorial board member I would like to welcome Selig Ehrlich to *The Actuary's* editorial board as my assistant editor. He worked for 10 years at The Equitable Life Assurance Society and then as an actuarial consultant with Coopers & Lybrand for four years before joining Travelers Insurance as chief actuarial officer in 1994 with responsibilities in its life and property & casualty companies. He earned a bachelor of science degree in both actuarial science and finance from New York University

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relates and interacts with the rest of the company. The person had to be able to communicate in a way bankers could understand. Many candidates had a difficult time.”

Michalewicz did eventually find the right person. “I talked to the bank the other day. They are happy with the performance and the contributions of this actuary. The two worlds are coming closer together.”

Interestingly, it was the bank that came calling. “They came to me and said, ‘We understand the asset side, but not the liability side. We think we need an actuary.’”

It is a phrase Michalewicz is hearing often these days, the result of growing awareness of risk management in the general business community. “Risk management is seen as a critical component of managing a business. Historically, many companies used asset/liability matching strictly to meet regulatory requirements. Today, asset/liability management and risk management in general is

considered a necessity, not a luxury. Actuaries are seen as risk management professionals.”

Perhaps the biggest obstacle for candidates is overcoming some general perceptions about actuaries, she said. Managers generally believe actuaries are bright, but think they often lack communication, interpersonal, and management skills. They’re good problem solvers but may be narrow and unable to see the big picture or business aspects. They are ethical but capable of arrogance and rigidity. They’re analytically and quantitatively strong but may lack marketing sensitivity. They may be expert modelers and detail-oriented but often are unable to think “outside the box.”

Michalewicz’s list of skills actuaries need to be hired both in traditional and nontraditional roles includes:

- Effectiveness as a communicator
- Management and leadership ability
- The ability to influence and negotiate

- Understanding business principles
- Technical and analytical skills

She urges development of all these skills and said actuaries need to be able to demonstrate mastery of them to potential employers.

Editorial (continued from page 2)

College of Business and Public Administration in 1980, and he attained Fellowship in the Society of Actuaries in 1984. His professional activities have included presentations at numerous professional meetings and business conferences. He has served on the Actuary of the Future Task Force and Section Council.

We look forward to tapping into Selig’s broad business experience as we develop future issues of *The Actuary* together.

Faculty openings announced by 2 universities

Chang Gung College of Medicine and Technology
Tao-yuan, Taiwan

Positions: The school is inviting applications for positions in actuarial science, insurance, risk management, finance, accounting, marketing, human resource management, and management information systems. Positions are open at the levels of professor, associate professor, assistant professor, and lecturer.

Qualifications: Qualifications include a doctorate or credits toward a doctorate in the related area, a strong commitment to teaching, and an equally strong commitment to research.

Language: English is the official teaching language.

Application: Candidates may forward their resumes to Professor Chang, Director, Graduate School of Management, Chang Gung College of Medicine and Technology, 259, Wen-Hua 1st Road, Kwei Shan, Tao-Yuan 333, Taiwan, R.O.C. Telephone, 886-3-328-3016, ext. 5410; fax, 886-3-327-1304 and 886-3-328-3031.

University of Waterloo
Waterloo, Ontario

Position: Tenure track position and/or definite term position in actuarial science at the assistant or associate professor level effective July 1, 1997, or later.

Duties: Undergraduate and graduate teaching and development of an independent research program.

Qualifications: A doctorate with research in an area of the mathematical sciences, and interests closely related to actuarial science. Proven ability in or potential for research. Good teaching and communication skills.

Application: Closing date for applications is February 28, 1997. Applicants must be Canadian citizens or permanent residents. Applicants should submit a curriculum vitae and arrange for three letters of reference to be sent to: Professor Mary E. Thompson, Chair, Department of Statistics and Actuarial Science, University of Waterloo, Waterloo, ON, Canada, N2L 3G1.