



SOCIETY OF ACTUARIES

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Career perspectives

'One employer' is no longer the rule

by *Jacqueline Bitowt*
SOA Public Relations Specialist

If any actuary's career shows that times have changed, it's that of Julia Philips.

Actuaries who work for one employer for an entire career are becoming rarer. Insurer consolidations, a changing marketplace, globalization, and information technology are some of the reasons. While insurers still employ more actuaries than any other industry, a large portion of the actuarial workforce is moving to different types of organizations.

Setting the pace

These are part of an occasional series of articles highlighting personal careers and offering new perspectives on actuarial job paths.

Since beginning actuarial work in 1980, Philips has worked for an insurer, a consulting firm, and, now, government. Over 17 years, she has found that technical skills endure while new knowledge must be gained, other skills must be added, perspectives have to shift, and learning becomes a constant.

All knowledge is useful

Philips is one of two actuaries for the Minnesota Department of Commerce, which oversees the state's insurance matters. "I'm an example of someone who proves it's a fallacy that you can't make changes later in your career," she said. The health actuary joined the state in 1995 after two-and-a-half years with consulting firm Milliman & Robertson,

Inc., her employer after she left Western Life Insurance Co. (which became Fortis Benefits Insurance Co.).

Her first actuarial job was a two-year stint with IDS Life Insurance Co. In 1982, she started working in group health at Western Life, "and I stayed for 10 years," she said.



Julia T. Philips
Health Actuary,
State of Minnesota
Department of
Commerce

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Actuary moves to health care provider side

by *Linda Heacox*
SOA Public Relations Specialist

Business acumen and a restless curiosity have landed actuary Jeffrey J. Nohl in that oft-talked about position, the nontraditional job. Nohl is president of Aurora Health Network, a Milwaukee-based physician-hospital organization, and he has traveled a long, circuitous route from his starting point as a credit insurance actuary.

Beginning his actuarial career at CUNA Mutual in Madison, Wis., in May 1972, Nohl's path to the present wound through the individual life actuarial departments of both Minnesota Mutual Life Insurance Company, where he spent two years, and Time Insurance Company, where he spent 11 years. Time's group insurance line "was leaking money," said Nohl, who jumped to the

group side to stem the leak. Within a year, the health line was making money, and Nohl had added the underwriting department to his responsibilities.

With a penchant for "fire fighting," Nohl left Time to head the actuarial and underwriting areas at Blue Cross Blue Shield United of Wisconsin. Like Time, Blue Cross was in crisis, brought on by a computer conversion. Eventually, Nohl had actuarial, underwriting, and marketing responsibility for all Blue Cross lines of business including the company's HMO. "It was a great opportunity to learn the HMO business," he said. Nohl soon was tapped by Blue Cross to negotiate a joint venture partnership with Wally Hilliard and Ron Weyers, the legendary insurance entrepreneurs who

had started Employer's Health Insurance. American Medical Security (AMS) grew out of their collaboration. Within five years, AMS was a \$1-billion-dollar-a-year small group company. Nohl served as the Blue Cross liaison to AMS.

Nohl was promoted to president of Blue Cross's HMO, CompCare, and it was in this position that he helped



Jeffrey J. Nohl
President, Aurora
Health Network

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"I took on whatever needed to be done: dental insurance, anything. It all became useful later on."

She joined Milliman & Robertson (M&R) to broaden her career. One project Philips worked on involved FAS 106 compliance, which combined group health work, her specialty for the prior 10 years, with pension work, which she did in her first job.

'Who are my customers?'

But Philips' M&R assignments required far more than the knowledge and skills she already had. "As a consultant in health insurance, my clients were insurance companies, HMOs, government bodies — a wide range of the entities interested in health insurance. This was a much broader scope than I had in my earlier jobs," she said. "For example, I had to learn much more about health care reform to work successfully with both the Minnesota Health Care Commission [a governor-appointed body] and insurance companies."

As an M&R consultant, Philips helped the commission in its work of developing recommendations for legislation to implement the Minnesota legislature's desire for health care reform. Philips' interest in the public sector grew as, separately and simultaneously, she was looking for a way to spend more time with her three children. She joined the state's commerce department, and once again her perspective shifted. "Who are my customers? When I worked for an insurance company, I had a responsibility to management, the policyholders, and the stockholders — and, of course, the general public. But in government, I feel my responsibilities are more directly related to the public. And 'the public' includes insurance companies; they're my customers, too. I'm protecting the entities as well as the public, and if I make it hard for the companies, I'm not being responsible."

Seek the right culture, not the 'perfect' job

Philips noted that in all three roles — insurance actuary, consultant, and government actuary — the basic skills she learned as an actuarial student are useful every day. "I don't consider any of the time in my career as wasted," she said. "So many actuaries think they have to find the 'perfect' situation. What I found is that you get out of a job what you put into it."

Of real importance, Philips said, is the work environment — often termed "corporate culture." "The differences between two insurers can be much greater than those between an insurer and a consulting firm," she observed. "It's important to find the right fit between one's personality and that of the work environment." But above all, she said, "you do have to pursue what you really love to do. If it's insurance work, then pursue it. Don't make a move just because you think the money will be better."

Actuary moves to health care provider side (continued from page 9)

develop the first Blue Cross initial public stock offering. With greater knowledge of negotiating and deal making, Nohl moved from the familiar insurer side of health care to the provider side, joining Aurora in 1995 as president of its 11-hospital, 1,700-physician network.

Actuarial training is asset

Today, Nohl considers his actuarial training a real asset. "If you're negotiating, pricing, or underwriting, you can always rely on that training. For instance, if Aurora is negotiating a financial arrangement with an insurer who wants us to take on risk-sharing, it's important to recognize the things the insurer is doing that will affect the amount of risk we'll take as a provider. With a knowledge of the insurer's side, you can protect yourself."

At the moment, Nohl said, providers lack important data. "There's a huge

disparity between the information an insurer has and the information a provider has when they enter negotiations," he noted. The insurer knows what the membership base is, but the provider has no idea. Also, providers don't see what services patients are receiving from other providers. Insurers have a complete picture of all the services and costs surrounding the members. Though providers are working on the systems to do that, insurers have a big edge now.

"That's why I believe actuaries are better off learning the industry from within an insurance environment, especially if they're still taking their exams and the company is supporting their efforts," said Nohl. "They should get familiar with all the data and how the insurance side works before moving to the provider side." But while learning as insurers, actuaries should look for

opportunities to do work as providers. "A lot of physician hospital groups and physician groups are using actuarial consultants, so if you're on the consulting side, you may run right into this kind of opportunity."

Mail alert

The second ballots for the Society's 1997 elections will be mailed to all Fellows on July 8. Fellows who do not receive a ballot by July 18 should contact Lois Chinnock at the Society office (phone: 847/706-3524; fax: 847/706-3599; e-mail: lchinnock@soa.org). To be valid, ballots must be returned to the Society office by August 8.