



SOCIETY OF ACTUARIES

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Chapter 2: Actuarial counselling, a new role

by John M. Bragg

My article about actuarial counselling, in the March issue of *The Actuary*, resulted in an avalanche of responses. They were internationally oriented, coming from the United States, Canada, and overseas. Here are some examples: "My intention is to enter this field." "As an actuary who has had some formal training in counselling, I find it a fascinating idea." "An actuary who sometimes yearns for an opportunity to branch out." "How necessary it is for it to be named." "I am a downsized actuary. Your description of counselling may just save my contact with actuarialdom." "The idea of using my actuarial skills to sell makes a lot of sense and definitely appeals to me."

"This sounds like a good second career after retirement." "Actuarial counselling is precisely what I envision myself doing on a full-time basis in about a year or so."

Responses from people already doing actuarial counselling: "Am finding a real need for it. The applications are as varied as the individuals." (From an FSA who sent me his Actuarial Counsellor business card and his brochure) "Life is full of risks." "Initially, I developed a software package to assist in this work."

Many requested the assistance kit mentioned in the March article. I know of at least two people who use actuarial counselling in connection with the installation of annuity programs on a "fee-based" principle. (Commissions offset fees.)

My personal experiences in the last few months show there's a demand for a software program to rate and analyze policies that are in force or proposed and for individualized life tables and expectancies that involve possible entitlements, usually on substandard lives.

My respondent was correct: the applications are as varied as the individuals. But cautionary notes are in order. Actuarial counselling is not a full-blown thing that one can jump into overnight. Preparation and the rounding up of clients are needed. This is a new, relatively untried field. We're at the 1903 stage for automobiles. (Then, Henry Ford couldn't build a Taurus or even a Model A, and he knew that the roads were no good. But he did think he was on to something really big.)

The organized profession, specifically the Society of Actuaries, should actively promote actuarial counselling. Even more specifically, the Society's creation, the Society of Actuaries Foundation, should take a part in promoting it. Actuarial counselling is in the public interest and is therefore a suitable subject for the Foundation.

Here are some of the things that should be done:

- Establish a task force.
- Identify actuarial counsellors already practicing.
- Get a good handle on viable activities.
- Establish a registry and a central inquiry source.
- Advise potential user groups of the existence of the service (Actuarial

counsellors have been told: "We had a very hard time finding you.")

- Look into the possibility of institutional advertising, as is done by other professions.
- Determine possible licensing and accrediting implications.
- Start developing standards and educational courses.
- Determine qualifications for actuarial counsellors.

We're at the pioneering exploration stage of actuarial counselling. We don't know whether we have struck fertile ground or desert. But we think we're on the side of the angels. We have a win-win situation, both for the public and for our own surplus actuarial population.

John M. Bragg, Bragg Associates, Atlanta, was the 1975-76 president of the Society of Actuaries. He can be reached by e-mail at 75442.3555@compuserve.com

Actuarial Counselling Task Force being formed

President Sam Gutterman has announced he is forming an Actuarial Counselling Task Force. He invites anyone interested in the area of practice or currently active in actuarial counselling to contact John M. Bragg, who will be chair, or Judy Strachan, education actuary at the SOA, 847/706-3576 or 74507.2253@compuserve.com