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EDITORIAL

The meaning of life

by David M. Holland
SOA Immediate Past President

When someone says, "Just let me know if you have any questions," I'm often tempted to answer, "What is the meaning of life?" Most of the time I control myself, but when I do ask about the meaning of life, people are usually too polite to tell me to just get one. No one says "Life is a cereal" any more. I would be astounded if anyone said that LIFE stands for the Life Insurance Foundation for Education. Usually, the questioner back-pedals, saying he or she really didn't mean any and all questions, but on rare occasions there is a spirited dialogue with a true philosopher.

When I was a high school student thinking about college and the rest of my life, a friend suggested I consider a career as an actuary. Back in the 1960s, the actuarial profession had not yet attained the status of "number one profession" that the *Jobs Rated Almanac* has accorded it in recent years. Like many people even today, I didn't know what an actuary was.

My friend knew that I had been fortunate to have good math teachers and that I liked mathematics. She suggested that I talk to one of the actuarial science professors at Georgia State University. Sure enough, he had a brochure from the Society of Actuaries entitled, "So you're good in math — then consider a career as an actuary." He said that actuarial science was a branch of applied mathematics, where you used your math skills to solve practical problems. Actuaries had good starting salaries and chances for advancement to positions in senior management, including president of the company. I learned that most actuaries worked for insurance companies, as consultants to companies about pension plans, or for programs like Social Security.

In the early 1960s, a career in business, especially insurance, was somewhat suspect. I had a different perspective; by that time, I was already something called a "beneficiary." When I was 14, my father was murdered in downtown Atlanta by someone who was trying to rob him. My father had a modest amount of life insurance. I would have gladly returned every penny many times over if that would have brought him back. However, he had wanted to see that my mother and I had a roof over our heads, and even though he couldn't be there to care for us, he had found a way to provide.

There was no way to escape the grief of having our family torn asunder, but when we finally began putting our lives back together, my mother and I were thankful for this expression of his love and concern for us. We also learned that Social Security provides benefits to survivors as well as the traditional old age and disability benefits it's usually known for.

A career built on math skills that provided good salaries and opportunities for advancement sounded great to me. The fact that it was involved with insurance and Social Security made me feel I'd be doing something good for people.

I still feel it's a great responsibility when someone entrusts you with his or her money and says:

- If I should die early, take care of my spouse and children.
- If I'm too old to work, please provide me with income to help maintain my standard of living.
- If I'm sick and can't work, please see that I still have an income and that I get the medical care that I need.

With the proper mathematical and statistical tools, such insurance

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The meaning of life (continued from page 2)

programs, pensions plans, and social insurance programs can be developed on a sound, theoretical basis. Actuaries are the financial engineers who design financial security products on a basis that people can trust. I know the system is far from perfect, but we should not lose sight of the millions upon millions of people who are beneficiaries of such programs.

Certainly, I don't know the answer to "What is the meaning of life?" I'm still trying to figure it out. I don't think it's "whoever who dies with the most toys wins." I think it has something to do with taking care of each other. Actuaries are really in the business of people helping people, and that's why I'm proud to be an actuary.

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What have we learned? (continued from page 3)

severely hindered by commercial and competitive concerns.

The CIA has to ensure that the discipline process is fair to our members and that it is seen to be fair. The balance between a desire for openness in the process and the need for confidentiality to protect the reputation of a member is often difficult to achieve. Our past communications about the results of the discipline process have been too restrained and have failed to provide members with sufficient education about what went wrong in a particular case and how to avoid the same problem in the future. We clearly need to be better at telling other members what the problems have been, not just in the cases where an offense was committed but also in cases where no offense was found but not everything was in accordance with best practice. At the same time, we have to continue to protect the reputation of a CIA member whose work has been investigated and no charge has been laid. Balancing these conflicting objectives is no easy task.

The CIA needs better ways of dealing with minor offenses and with cases that fall short of best practice but are not breaches of the rules or standards. The CIA bylaws introduced in 1991 originally provided only for either no disciplinary action or a full tribunal hearing. We have learned that these are the two extremes of a range of possibilities. We have already introduced the "fast

track" for less serious offenses, but this still involves at least a public reprimand. Perhaps some form of counseling or private reprimand should be considered as a finer gradation suitable for less serious matters. The CIA Task Force on the Fundamental Review of the Discipline Process studied these options and has issued its report, which is now being considered by the CIA membership.

Rule 13, the "Snitch Rule," of the CIA Rules of Professional Conduct has created several problems. It is not well understood, and it is interpreted very differently by different members. Some members have even used it as a kind of safe haven if they are not sure what to do about the work of another member: "Why don't I just send it to the Committee on Discipline, and then at least they can't accuse me of not reporting it as I may be required to do under Rule 13?" The CIA needs to do more to encourage members to discuss any possible professional concerns directly with each other and resolve their differences that way. The discipline process should be seen as a last resort to be used only when direct discussions have been unsuccessful. A careful review of both Rule 13 and its Annotation will show that this was, and is, the main intent.

Lastly, we need to bring the process more firmly back under the control of actuaries. The world is increasingly litigious and each member should

certainly have the right to obtain legal advice, but this is the actuarial profession, concerned about actuarial matters. It has too often become a playing field for the exercise of abstruse legal arguments that have nothing to do with the actuarial matters in question. We cannot ignore legal advice on procedural matters and the steps required to ensure that due process is followed to ensure natural justice is the outcome, but we have to be more assertive in bringing the actuarial substance of the case to center stage. We have to insist that the actuaries are in charge of the actuarial matters, including the actuarial discipline process.

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Correction

The December issue of *The Actuary* incorrectly listed Halmstad Prize winner Gregory C. Taylor as an SOA member. He is a Fellow of the Institute of Actuaries of Australia but not the SOA.