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EDITORIAL

The SOA's voice needs to be bigger — and louder

by Robert J. McKay

Two articles in this month's issue of *The Actuary* deal with fundamental characteristics of actuaries.

Anna Rappaport, our president-elect, argues (successfully, I believe) that we are not nerds, that we communicate well, and that we don't use jargon. She convinced me that we are a savvy bunch with a wide variety of personalities and interests. Mary Patrick, on the other hand, concludes that we do have similar interests, at least across certain subsets of our membership.

Neither article identifies a trait common to too many actuaries — lack of involvement in the direction of the profession, particularly in the Society of Actuaries.

This is not to ignore the substantial number of individuals who provide thousands of volunteer hours to the SOA every year. The Society would not exist without this commitment and involvement. About 175 members assist the program committee to develop some 300 sessions a year for the SOA's three major meetings. As the E&E Corner in this issue notes, 900 serve as examination proctors, supervisors, and examination committee members to keep our complex education and examination system running. About 250 participate in Actuarial Circles, in which actuaries promote the profession at the local level. Some 350 partnered with the Foundation for its Social Security consumer education program. And dozens more contribute their knowledge, expertise, and time to practice area and research committees, Section newsletters, *The Actuary*, *The Future Actuary*, and other programs.

However, actuaries of the SOA seem to lag their counterparts in the Canadian Institute of Actuaries (CIA) when it comes to expressing interest in the profession as a whole. CIA members seem more willing to challenge the profession — that is, to help set its course for the years ahead.

The article in this issue by Neville Henderson, current president of the CIA and past chair of the SOA's Education and Examination Committee, describes some of the issues currently facing Canadian actuaries. These allude to ways in the past two years that Canadian actuaries have become much more involved in the Institute. I'd like to expand Henderson's comments with these examples:

- General sessions of the CIA meetings, which previously had been good opportunities to linger over coffee and renew old acquaintances, are now "standing room only" as actuaries passionately debate issues traditionally engaged only by the CIA leadership.
- Comments from members were, in part, responsible for initiating a major review of the CIA's discipline process.
- Last spring, the three candidates for the CIA presidency used the Internet extensively for lively debates on the key issues facing Canadian actuaries. While only 15% of members eligible to vote did so on the first ballot, 46% voted on the second. The number of votes cast on the second ballot set a new CIA record.
- Turnover in committee membership is being mandated to eliminate the "old boy" syndrome.

- Members reacted negatively to a proposed consolidation in the standards of practice. As a result, they have been sent back for a fundamental rewrite. (Canadian members are not perfect by any means. They did not speak until the last minute, though they had several opportunities to comment on preliminary drafts.)
- A survey will be conducted in 1997 to determine membership views on key issues.

Let's contrast that with SOA participation in two key areas.

First, fewer than 40% of Fellows voted in last year's Society elections. The good news is that for the first

time in four years, the percentage of Fellows voting increased from the previous year.

Second, fewer than 5% of members responded to a recent survey providing feedback on the proposals to fundamentally alter the way actuaries are educated by the SOA. Though members weren't prompted to respond with a followup communication or offered an incentive and, granted, most have completed the E&E process, one would expect a larger response to an issue central to the actuarial profession's future.

With a membership about five times larger than the CIA's, the Society can speak with a very influential voice —

a voice that needs input from many more SOA members. Institute members are doing their best to help drive our profession into the future. SOA members should show a similar active interest in the high-level concerns of the profession. Who knows; one small voice — yours — could spur ideas that, if implemented, could make a significant contribution to the new SOA mission.

The alternative is to become a savvy group of individuals with no collective vision or direction. I think that if we ask ourselves whether this is the way to face the 21st century's challenges, the answer will be "No."

Challenges and solutions (continued from page 1)

Today, the role of the appointed actuary is recognized in insurance legislation, and our responsibility to the public is reflected in our guiding principles. These developments are relatively recent, so we are actively engaged in adjusting to the changes this recognition has brought.

The profession's heightened public visibility in Canada requires we fully demonstrate our integrity, and the CIA's metamorphosis to its new status has caused pain. Almost a decade ago, the CIA began to consolidate its standards of practice. The project has been resource-intensive and complex because of the ever-changing business environment. Though this project is taking shape, it is a moving target and requires constant vigilance. Consequently, one vice president and several councilors of the CIA have been dedicated to bringing this project to completion.

As the profession matures, the CIA is strengthening its discipline process, resulting in an increased number of discipline cases and expenses. These

dramatic changes to the discipline process — coupled with the introduction of rewritten standards of practice — have raised concerns among the membership. In response, a task force is reviewing every aspect of the discipline process and will make recommendations for improvement. A membership survey to be completed in early 1997 will help us ascertain the full range of issues and provide more guidance regarding how the membership thinks they might be addressed.

Active in public debates
To help in the CIA's continuing effort to raise awareness of the value actuaries bring to society, the CIA has actively participated in the public debate on social issues, such as the financial health of the Canada and Quebec Pension Plans, Worker's Compensation, and health care management. Early in 1997, the CIA will co-sponsor a seminar on pension issues with two other Canadian organizations. We hope to demonstrate that the actuary can provide strategic input into the social adequacy of financial structures

and offer creative solutions to problems, in addition to performing the financial calculations.

The CIA has a full agenda as it tries to meet the demands of an increasingly complex business world. Its June Council meeting will add an extra half-day to address its membership survey results and the task force on discipline's findings and to begin to allocate our scarce resources to those issues that have the most important implications to the profession.

The outlook for the actuarial profession worldwide is extremely bright. Actuaries have the intellect and creativity to find ways to expand beyond the traditional roles. I have no doubt we can succeed — and enjoy the process along the way. Neville Henderson of Tillinghast-Towers Perrin, Toronto, is a consultant to the insurance industry on strategy, mergers and acquisitions, and capital allocation. He was general chairperson of the SOA's Education and Examination Committee in 1991-92.