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EDITORIAL

The future is now

by Sue A. Collins

Over the past 20 years, the roles and responsibilities of actuaries have expanded dramatically.

Although we still provide advice in our traditional practice areas (i.e., pricing, product development, and valuation) to our traditional clients (i.e., insurance organizations), we are increasingly broadening both the areas in which we work and the clients whom we serve. We have extended the use of our core skills, namely the ability to model and manage financial risk, to new practice areas, such as asset/liability management and capital management. At the same time, we have broadened our client base to include most types of financial services organizations, many of which are operating in a global environment. Unlike the past, we are no longer limited to insurance companies operating primarily in North America.

As the role of the actuary grows, I suggest that we need to view ourselves as part of a global profession that serves the financial services industry. This view is entirely consistent with the SOA's mission statement. It says, in part, "The SOA's mission is to advance actuarial knowledge and to enhance the ability to provide expert advice and relevant solutions for financial, business, and societal problems involving uncertain future events."

What does this mean for current and future generations of actuaries? I suggest the following:

- Actuaries in North America will need to broaden their knowledge base by learning about the actuarial practices and the research and development efforts of actuarial bodies in other geographic regions.
- Actuaries in North America will need to enhance their skills by keeping abreast of new tools and techniques to measure and value risk.
- Actuaries will likely play a leading role in modeling and assessing risk for many different types of financial services institutions, not just insurance companies.

Lastly, actuaries will be an accepted, integral part of senior management in many of these institutions.

How will we secure this future?

Some of the articles in this issue point the way.

Howard Bolnick, SOA president-elect, writes on the challenges confronting the SOA and his plans to address them. Mark Turner offers some insight into Australian bancassurance activities, providing a knowledge base from which North American actuaries can learn.

Two special SOA research efforts are reported. Anna Rappaport and Zain Mohey-Deen report on last December's risk measurement conference. The conference included speakers and attendees from academia and all types of financial services companies. Mike Sze highlights the results of a recent research and development project sponsored by the SOA, "Impact of Mortality Improvement on Social Security: Canada, Mexico, and the United States." This was truly a multi-national and multidisciplinary project, with success depending not only on SOA members but also on demographers, economists, and local support from the countries involved.

Lastly, an article discussing the results of a chief actuary survey conducted by Tillinghast-Towers Perrin supports the notion that senior actuaries are proactive in influencing the strategic direction and decision-making processes in their companies.

The possibilities and opportunities for the actuarial profession in the global financial services industry are very exciting. I hope these articles help to heighten this awareness among SOA members. I also hope we will be encouraged to expand our use of materials developed by others, whether it be other actuarial bodies or other professions. We need to prepare ourselves for the future — and we need to do it now.