



SOCIETY OF ACTUARIES

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## REINVENTING THE LIFE INDUSTRY

# 21st-century leaders will leave old ways behind

by Michael J. Corey

**A**t this very moment in an office in Atlanta, an actuary who once led a life insurance company is creating marketing, financial, and operations strategy for his Fortune 100 manufacturing employer. Another life actuary is reengineering his noninsurance, multibillion-dollar West Coast organization as its chief executive officer. And a third actuary is managing the vast operational and technology areas of a giant East Coast noninsurance financial services organization.

Three significant leaders are succeeding in non-insurance environments. Three pioneers of the profession are creating a new paradigm for the future.

There are numerous others like those mentioned above, but most of those actuaries have similar traits: vision, ability to “think out of the box,” initiative, desire, ability to take risk, a high level of intelligence, creativity, leadership, and industry standing. All of those traits plus actuarial skills and training equal a powerful combination.

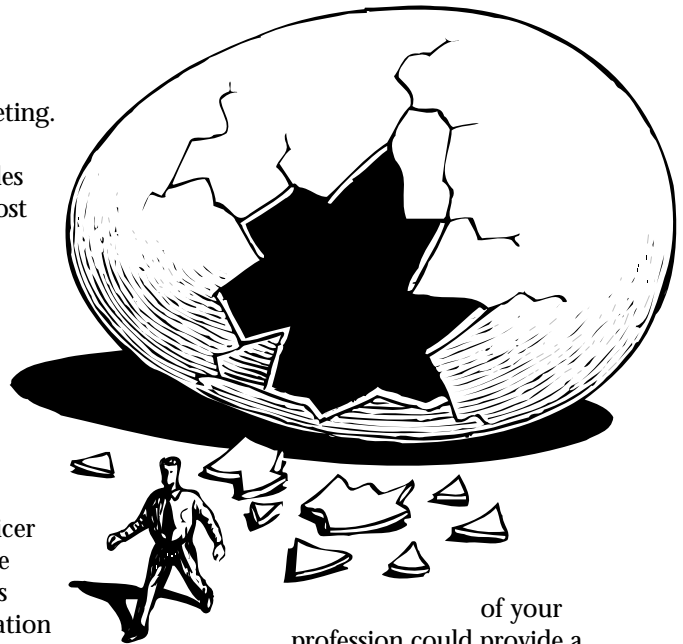
That mix of high-level attributes will be needed to effectively deal with the transformation of the insurance industry. Banks, mutual funds, investment brokerage houses, financial service companies that have been acquired, international conglomerates, industrial manufacturers, and other industries are becoming players in what is no longer the traditional insurance industry. More and more, we are seeing these nontraditional companies looking for leadership in the areas of product line management, finance, product development,

technology, and true marketing. In most cases, actuaries are better suited to the new roles in these companies than most other types of executives.

When a major financial services company recently recruited a senior executive to launch the company’s insurance unit, three out of the four finalists for the job were actuaries. The fourth was the chief executive officer of an avant-garde insurance organization. The actuaries had that powerful combination of skills. In addition, they had the creativity to understand how the products of tomorrow fit the unique characteristics of the company’s current products and its distribution capabilities. Most importantly, all had vision.

Ask yourself: Are you prepared to deal with the products and projects of tomorrow, probably in an environment completely different than the one you’re in now? If not, you had better get ready. The insurance world is changing faster than consolidators can change executive suites. But with change comes opportunity. Chaos creates a need for answers and leadership. The opportunity to fill a void brings success.

Developing business skills can be accomplished in many ways through education and business opportunities. Continuing education is a “must” for product innovation, finance and distribution, technology, and regulatory issues. Continuing education outside



of your profession could provide a distinct advantage if you want to expand your role in the future; try courses in operational leadership and business theory. Stepping away from the secure and stereotypical role of an actuary in a traditional insurance company might be a good idea if you want to be a leader of tomorrow. Take action.

The three leaders described above prepared themselves to be chosen for their current roles. It is no accident that they are at the top of their noninsurance businesses. Their skill set will be what is needed to work successfully in tomorrow’s emerging new insurance world.

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