



The Actuary

Mark of a professional It's public service that fulfills actuarial obligations

by Linda Heacox

SOA Manager of Marketing Communications

If the sign of a true professional is to contribute to the public good, actuaries take a back seat to no one.

Volunteerism has been traditional for SOA members, as witnessed by the great number of members who volunteer for SOA committees and sections. It has been an undeniable strength of the organization for 50 years.

What is less well known is how many actuaries have also answered the call of the public at large and offered themselves and their skills in the service of community, church, and even other countries.



The Actuary talked recently with seven actuaries who have distinguished themselves by their efforts on behalf of others. We asked a series of questions about these efforts and what the benefits have been. Interviewed were Dwight K. Bartlett, III, consultant, Bartlett Consulting Services, Inc.; Robert L. Brown, president-elect, Society of Actuaries, and professor, Department of Statistics and Actuarial Science, University of Waterloo; James C. Hickman, emeritus professor and dean, School of Business, University of Wisconsin-Madison; Valerie Lopez, consulting actuary, Towers-Perrin; Rebecca B. Lyons, assistant vice president, David L. Babson & Co.; Robert J. Myers, retired chief actuary, U.S. Social Security Administration; and Teresa R. Winer, consultant, Chastain Financial Services.

Their widely divergent activities range from local politics and schools to advising national governments. We asked for feedback on both purely volunteer activities and serving others in a professional capacity. Here's what they told us.

In-depth service

Myers has devoted 65 years to the public aspects of U.S. retirement systems, working on Social Security, Medicare, and Railroad Retirement

issues. "I think my public service connection with these groups has been the most wonderful experience I've had," he said.

Myers was there at the Social Security system's very beginning, signing on in 1934 and retiring in 1970. He returned in a 1981-82 political appointment as deputy commissioner of Social Security, and he served in 1982-83 as managing director of the "Greenspan Commission" on Social Security reform. But untold by his public titles is his nearly nonstop effort to help others understand the system and its beneficiaries' needs through public presentations and private

(continued on page 6)

Inside this issue

Editorial: Facing hard questions.....2

by Godfrey Perrott

A 'win-win-win' proposition.....3

by Robert D. Shapiro

Research corner4

A call to pension actuaries.....5

by Anna M. Rappaport

2000 ARC.....9

In Memoriam9

'99 SOA member survey10

by Jacqueline Bitowt

Actucroftic.....12

The Actuary

The Newsletter of the
Society of Actuaries

Vol. 34, No. 2 • February 2000



Godfrey Perrott
Editor responsible
for this issue

Editor

Robert D. Shapiro, FSA
shapiro@netstream.net

Associate Editors

Janet M. Carstens, FSA
carstej@towers.com

Charles C. McLeod, FSA
charlesmcleod@sympatico.ca

Jay A. Novik, FSA

jay_novik@swissre.com

Godfrey Perrott, FSA

godfrey.perrott@milliman.com

Anna M. Rappaport, FSA

anna.rappaport@us.wmmerc.com

Assistant Editors

Morris W. Chambers, FSA

mo.chambers@londonlife.com

Craig S. Kalman, ASA

craig@kalman.net

Prakash A. Shimpi, FSA

prakash_shimpi@swissre.com

Carl A. Westman, FSA

cw@actuaryoncall.com

Puzzle Editors

Louise Thiessen, FSA

thiessen@v-wave.com

Stephen Kinsky, FSA

skinsky236@juno.com

Gregory Dreher

gregory_dreher@phl.com

Society Staff Contacts

847/706-3500

Jacqueline Bitowt, Public Relations Manager

jbitowt@soa.org

Kelly Mayo

Marketing and Public Relations Coordinator

kmayo@soa.org

Linda M. Delgadillo, CAE

Managing Director,

Marketing & Membership Services

ldelgadillo@soa.org

The Actuary welcomes articles and letters.

Send correspondence to:

The Actuary

Society of Actuaries

475 North Martingale Road, Suite 800

Schaumburg, IL 60173-2226

Web site: www.soa.org

The Actuary is published monthly

(except July and August).

A. Norman Crowder, III, FSA, President

Robert M. Beuerlein, FSA, Director of Publications

Nonmember subscriptions: students, \$10; others, \$25. Send subscriptions to: Society of Actuaries, P.O. Box 95668, Chicago, IL 60694.

Copyright © 2000, Society of Actuaries.

The Society of Actuaries is not responsible for statements made or opinions expressed herein. All contributions are subject to editing. Submissions must be signed.



Printed on recycled paper in the U.S.A.

EDITORIAL

Facing the hard questions

by Godfrey Perrott

Francis Bacon said, "I hold every man a debtor to his profession." This edition of *The Actuary* is focused on considering one implication of that statement to members of the Society of Actuaries.

A present-day rewording of Bacon's statement might be, "Each member of a profession owes a duty to the publics that rely on that profession's work." (Another interpretation, which this editorial doesn't address, is that members of a profession are obligated to perform research for the general benefit of the profession and its publics.)

It is interesting to try to determine what this really means. Therefore, I asked other members of *The Actuary's* editorial board to produce articles on their view of actuarial professionalism. Both of those contributing, Bob Shapiro and Anna Rappaport, ask actuaries to step out of their traditional roles to add to the larger good.

I have chosen a different path. To put the topic of professionalism into focus, I describe below a situation that might confront a health, life, and pension actuary. In each case, the actuary faces an issue of professional conduct and may need to take an action that could threaten his or her employment.

Health: A client has asked you to develop a level premium, long-term care policy with no cash values or non-forfeiture option. The client wants you to use low initial premiums, since they can always be raised later in such guaranteed-renewable products. You do not believe potential buyers will understand that the premiums will increase and that they may, in fact, be unable to afford the increases.

Life: You have been involved in

cash-flow testing of an insurance company that has caused the valuation actuary to establish an additional reserve. You believe the additional reserve is inadequate.

Pension: A large client asks you to revise your valuation of the client's pension plan to reduce the cost. The only way you can do this is to use assumptions you consider inappropriate.

Each situation places the actuary in a difficult position. You feel you know what you should do, but the consequences of doing so are frightening. By this time, you have discussed the issue with your client or employer and do not seem to be reaching a position that you feel comfortable with. What should you do next?

It is helpful to remember that none of us operate in a vacuum. There are two resources that you might look to.

1. Coworkers or colleagues in another firm may be a source of advice. Before you talk to them, you should consider any confidentiality issues and, if needed, discuss those issues first. Precept 14 of the U.S. profession's Code of Professional Conduct and Rule 13 of the Canadian Institute of Actuaries' Rules of Professional Conduct might also apply and may need to be discussed. (Precept 14 requires an actuary who becomes aware of another actuary's material breach of the code to discuss the problem with that actuary to try to resolve it. If resolution cannot be achieved, the first actuary must report the breach to the Actuarial Board for Counseling and Discipline [ABCD] unless prevented from doing so by confidentiality requirements. Rule 13 is similar.)
2. The ABCD routinely provides

(continued on page 3)

OPINION

A 'win-win-win' proposition

by Robert D. Shapiro

Actuaries have always been generous in volunteering their time. Each year, hundreds of actuaries give thousands of hours assisting in the design and implementation of the profession's education, research, and program activities, to name a few. Less well known, but every bit as important, are the many actuaries who help address economic and social issues within their communities and even around the world.

As a profession, our obligation ultimately is to the public. We are well known for our competence and integrity as actuaries. We should be equally proud of the widespread contributions of our actuarial family in making our world a better place to live.

Actuaries serve the public

Many actuaries get involved in a broad spectrum of public service activities. These range from assisting social programs to working with local elementary and high school systems to mentor underserved kids in mathematics.

To help expand awareness of such actuarial involvement, SOA staff interviewed seven actuaries, each active in a different aspect of public service. These interviews, which formed this issue's cover story, provide powerful evidence of the societal contributions actuaries have made and will continue to make. We hope these examples will both trigger additional examples that can be shared with our readers and encourage more actuaries to consider where they can help their community or their



profession.

Stephen Lewis, SOA Presidential Luncheon speaker at the 1999 SOA Annual Meeting, provocatively described his United Nations work in attempting to improve living standards in Third World countries. He urged actuaries to get involved in helping to establish badly needed financial infrastructures in the Third World, pointing out that the survival of most developing countries depends on financial acumen — precisely what actuaries have. Lewis mentioned the life-saving contributions of the group “Doctors without Borders” in improving health and health care around the world. Lewis suggested that a parallel “actuaries without borders” initiative might be possible, not to mention invaluable.

Actuarial Foundation

The Actuarial Foundation, formed in 1994, has a mission “to contribute to the understanding and resolution of present and future social and economic problems.” Its operating principles include:

- Investing in innovative research, education, and communications initiatives
- Using actuarial capabilities
- Collaborating with universities, governments, industry, professions, and others with similar missions

In the six short years since its inception, hundreds of actuaries have participated in the Foundation's public service activities. For example:

Facing the hard questions (continued from page 2)

informal guidance to individual U.S. actuaries on professionalism matters. As a result, potential material violations of the various U.S. organizations' codes of professional conduct are frequently averted. At the request of the concerned actuary, one or more ABCD members will provide informal, confidential guidance. Since this guidance occurs in advance, it is not discipline. (Reach the ABCD through the American Academy of Actuaries.)

The Actuary's editors are interested in your views on professionalism. Please send letters and comments to Kelly Mayo at the SOA office (fax: 847/706-3599; e-mail:

kmayo@soa.org; mail: Society of Actuaries, 475 N. Martingale Road, Suite 800, Schaumburg, IL 60173).

Editor's note: *With this issue, The Actuary welcomes Godfrey Perrott as a new associate editor. He has served on a number of SOA committees related to education and examinations and to life insurance. He also has been active on American Academy of Actuaries' committees, and he is currently vice-chair of the Actuarial Standards Board's Life Committee. He is a consulting actuary in Milliman & Robertson's Boston office. He can be reached by e-mail at godfrey.perrott@milliman.com.*

(continued on page 4)

A 'win-win-win' proposition (continued from page 3)

- More than 100 actuaries have volunteered as math mentors to elementary school students in the Foundation's Advancing Student Achievement program.
- Several hundred actuaries have participated in Foundation research, related conferences, consumer education, and other public communication activities.
- More than 1,000 actuaries (and a number of non-actuaries) have made contributions totaling \$1.5 million to support the Foundation's public service programs.

The Actuarial Foundation welcomes volunteer partners at any level. Joe Abel, the Foundation's director of development, has participated in public service discussions at actuarial clubs and would be delighted to talk to any

individual or any club along these lines.

Who's on the honor roll?

Actuaries and the publics they serve should know more about contributions to the public good by members of our profession. Hence, readers of *The Actuary* are invited to let us know about their public service activities, as well as contributions of other actuaries they know.

Included as an insert to this issue is a brief survey that we hope you will complete and fax back to the Society office. Alternatively, you could e-mail this information to Kelly Mayo at the SOA office (kmayo@soa.org).

Our plan is to report on the survey and the honor roll it produces in an upcoming issue.

A triple win

The beauty of public service is that

everyone wins. The actuary's community, children, the poor, or others served clearly gain from the contributions of highly motivated individuals, each with something special to deliver. The actuary's family and employer are enhanced by both the example and the contribution of their member. And last but certainly not least, the volunteer is emotionally rewarded in a way that is special and everlasting.

A "virtuous circle" results, wherein public service creates deep satisfaction in the volunteer and in his or her work or home family, which in turn motivates additional public service.

Bob Shapiro, editor-in-chief of *The Actuary*, can be reached by email at shapiro@netstream.net.

RESEARCH CORNER

Retirement systems

ACUFF Associates has been selected to conduct the study "Impact of Mortality Table Projection Scales on Pension Plan Valuations."

Health systems

The Medical Large Claims Experience Committee has distributed a data request to health insurance companies. The deadline to submit completed questionnaires has been extended to April 1, 2000.

The next issue of *Health Section News* will contain the article, "Credibility Theory for the Health Insurance Actuary: The Need for an Inter-Company Experience Study," by Jim Robinson, FSA, MAAA, Ph.D. This

article summarizes key aspects of the need for industry-wide claims data to properly apply credibility theory.

Life insurance

The 1997 Structured Settlement Annuities Experience Tables are now available on the SOA Web site (www.soa.org) under *Research* in the *Libraries* section. These tables give extensive results of the latest study of intercompany mortality experience under structured settlement annuities.

Ph.D. grants program

The SOA is accepting applications for the Ph.D. grants program for academic year 2000-2001. The program's purpose is to encourage graduate students to complete research in actuarial science and to pursue an academic career in North America.

Grants are awarded on the basis of merit, with preference given to candidates who are members, or working toward becoming members, of the Casualty Actuarial Society or the SOA. Relevance of thesis topic to actuarial

science is a primary consideration.

Completed applications and supporting materials must be received by March 13. Recipients will be notified by June 16. For information or an application, contact Paulette Haberstroh at the SOA office (phone: 847/706-3584; e-mail: phaberstroh@soa.org).

AERF update

David Scollnik has completed work on his project "Actuarial Modeling with MCMC and BUGS." The report reviews aspects of Bayesian data analysis and illustrates how a variety of actuarial models can be implemented and analyzed in accordance with the Bayesian paradigm using Markov chain Monte Carlo (MCMC) via the BUGS (Bayesian inference Using Gibbs Sampling) suite of software packages. The research results can be accessed from the *Research Publications* page of the AERF Web site (www.aerf.org). The paper has been accepted for publication in the *North American Actuarial Journal*.

Pension actuaries should take bigger role

by Anna M. Rappaport

Retirement security is an important issue to everyone who lives to be able to retire. Since we do not know specifically who among us that will be, all of us should take an interest. Retirement security comes from a combination of government programs, employer-sponsored plans, personal savings, and paid employment during the period in which we're using our retirement assets.

Actuaries have a special role to play in the structuring and management of retirement systems. They are the architects, and they provide the financial analysis and certifications that indicate a program's financial status. The actuary's role is similar to that of the appointed actuary in many financial security systems. In the United States, ERISA makes the actuary responsible for representing the interests of plan participants.

In addition to our ERISA-mandated responsibilities, we play many different roles, and we represent different stakeholders, particularly when we are not acting as plan actuary. For this article, I'm looking beyond my view as a pension consultant to serve as an observer of the U.S. retirement system. From that perspective, I want to focus on several areas where the system has failures, ask what we as actuaries might do about these failures, and raise the question of whether, in fact, there is some responsibility our profession might fulfill.

For this purpose, I will define the retirement system broadly. Also, I will view success as a situation where most of the population has adequate resources in retirement, and failure where they do not. I believe the following realities are unsatisfactory:

1. The vast majority of very small businesses have no pension plan of any type.
2. Americans do not save very much.

Savings rates are low and, if anything, are declining. While we talk about shifting retirement responsibility to the individual, many are not doing a good job of saving.

3. While poverty rates among the elderly have dropped a great deal in the last 30 years, the decline has been distributed very unevenly. About 6% of elderly married couples live in poverty, compared to about 20% of single women living alone.
4. While 25% of the elderly are affluent, 50% get virtually all of their income from Social Security.
5. More and more retirement assets are paid as lump sums, and there is no assurance they will last for the lifetimes of the people who need them.

None of these problems can be addressed by appointed actuaries doing a better job. They are well outside the realm of the appointed actuary. I propose that actuaries need to think through how we might help address these situations and thereby improve Americans' retirement security.

Some small steps may be possible. The Actuarial Foundation is partnering with WISER (a group dedicated to educating women about retirement) to produce a booklet on the use of retirement assets. This booklet will address the issue of annuitization and whether retirement benefits should be distributed as regular income or a lump sum. The profession, through this project, is seeking to help the public make better decisions.

We need to recognize that for the 50% of U.S. retirees who get virtually all of their old age income from Social Security, that program is critical. Actuaries need to help preserve and strengthen Social Security. We need to remind those who seek radical change about the needs of those who depend



on the system.

Encouraging individuals to save goes beyond the work we normally do for clients and beyond the role of the appointed actuary. We should participate in public and private efforts in this regard, however, so as to enhance retirement security. I was one of a number of actuaries who participated in the federal SAVER Summit in 1998 with public officials and a broad cross section of leaders. We need to carry forward the work of encouraging people to save.

Small businesses do not offer pensions for many reasons. Some are too new and unstable. In such cases, the best we can do is encourage employees to save. Others feel pensions are too complex and/or expensive. Legislation has produced some new, easier options. We can work in two ways — support legislation making it easier for small businesses to provide pensions and help educate small businesses and the public about existing options.

We take it for granted that as professionals, we need to do our jobs well and follow our profession's requirements. I submit that we should go beyond that and find ways to help create a more secure retirement for citizens.

Anna M. Rappaport, 1997-98 SOA president, is a principal with William M. Mercer Incorporated, Chicago. She can be reached by e-mail at anna.rappaport@us.wmmercer.com.

Mark of a professional (continued from page 1)

discussions with journalists, which the 87-year-old Myers continues even today. In addition, he holds a record in the *Guinness Book of World Records* for the most number of times testifying before the U.S. Congress, always on an aspect of public retirement systems.

He says his step into the public sector was a stroke of fate. Graduating from the University of Iowa in 1934, Myers faced the Great Depression's severe unemployment, even for actuaries. But the government came calling on one of Myers' professors, seeking referrals for temporary government positions. "I didn't know much about social insurance, but a job was a job," Myers said. "I never got conceited about being chosen. It wasn't that I was the smartest actuary around. I was just the nearest to Washington. I was living in Baltimore."

Myers' subsequent career has in effect helped reduce poverty for the aged in the United States. He started by working on the Committee on Economic Security in President Franklin Roosevelt's administration. Myers was the junior actuary on this small committee of about 30 people that included some cabinet-level representatives. "I didn't have any knowledge of social insurance. I was there to grind out the numbers under a fully qualified actuary, Otto Richter, who was on loan from the AT&T pension plan," he said.

But Myers rose to become chief actuary, a position he held for 23 years until his retirement in 1970. His influence is undeniable. It continued with his work with Alan Greenspan, now chairman of the U.S. Federal Reserve Board, on Greenspan's reform commission, established to defray a projected

depletion of the Social Security trust funds by mid-1983 and address a significant long-range actuarial imbalance in the funds. "We both influenced each other, I would say," observed Myers. In fact, he considers his

commission work the most important of his career. "We came up with a political compromise that everybody agreed with," he said. Myers acknowledges that the commission's work didn't provide a permanent fix for Social Security's challenges. "No one solution lasts forever. Things change. But it certainly kept the system

going for 20 years, maybe 30 or 40 years."

Myers expects to continue serving as an unofficial Social Security "professor" to those who need to understand the system. "I've always seen my value to the public, the media, and my employers as being someone who is just presenting the facts, and I try to separate that from my opinion on where the system is going," he said. "I always try to follow the motto that it's all right to disagree with people but not to be disagreeable in doing so."

Far and wide

Dwight Bartlett has taken a different approach to public service. Rather than devote his attention to a single area for his entire career, he has spread his contributions across a wide range of causes.

He is known among actuaries as chief actuary of the Social Security Administration, 1979-81, and as insurance commissioner for the state of Maryland. Less well known is that he has volunteered for nonprofit activities throughout his career, ranging from advising developing nations on business issues to helping preserve a type of fishing boat.

Bartlett's volunteer efforts began in the 1950s, when he helped with an

early employer's United Way drive. In recent years, he has brought his actuarial skills to the pension fund for clerics and lay employees of the Presbyterian Church. He has joined with actuaries Arthur Crago and Tony Spano in "helping the Egyptians develop a regulatory regimen for their nascent private insurance industry" through the International Executive Service Corps. This past December, he completed a two-week assignment in Russia involving insurance regulation through the Citizen's Democracy Corps. And he helps develop programs for the Save the Skipjack project in Maryland to preserve this particular type of sailing boat used by Chesapeake Bay watermen.

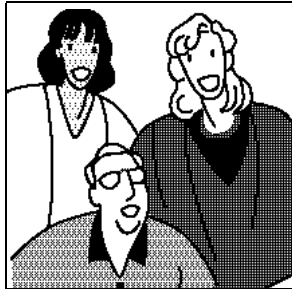
"I think that my advisory work in other countries can only be judged in the long term," says Bartlett. "That's when we'll see whether the people I was advising got usable information out of it." Meanwhile, he says of volunteering, "I think we all need balance in our lives. We all want to both do well and do good."

Acting locally

Like Myers, SOA President-Elect Robert L. Brown chose a career path that paid less than other actuarial job routes. Brown's role is to serve the profession by developing knowledge. And like Bartlett, Brown has contributed to a variety of public service efforts outside his paid employment, often in his local community.

Brown, a tenured professor, is a career academic. He doesn't see the years of preparation as a sacrifice because of the flexibility it allowed later. "I am effectively my own boss, but with a minimum guaranteed wage," he points out. "This includes being surrounded daily by hundreds of bright and eager students," a payoff no other job offers in the same way.

Brown contributes outside academia as well. From 1979-81, he served on the Waterloo Region Social Resources



Council, which advised local government on how to optimize its limited social welfare budget. In 1986-88, he was president of the local Kidney Foundation and a member of the Ontario Kidney Foundation Board of Directors. In addition, he was elected to the Waterloo City Council in 1988 and served until 1994.

"In my work on the Kidney Foundation Board and the city council, I found my actuarial training most valuable," Brown said. "I was able to read and truly understand budgets. I knew how to do short-term projections by hand, often in the middle of a heated debate. I was also able to convince individuals and groups that the resource allocation system being applied to them was fair and equitable. This was particularly helpful during my six years on the city council, when we reduced the tax rate but increased user fees."

Another way of "acting locally" is to serve one's profession. Actuaries give thousands of hours to the profession each year, proctoring actuarial exams, serving on actuarial organizations' committees and task forces, presenting at continuing education sessions, and helping in numerous other ways.

A hand up

Valerie Lopez decided to contribute to the growth of actuaries who weren't yet in the profession.

When Lopez graduated from the University of Texas at Austin, she was interested in forming an alumni organization for minority graduates of the actuarial science program. She switched gears when a faculty member pointed out how small the organization would be. "I decided instead to work on creating an open actuarial science alumni group," she said.

Lopez recruited 20 alumni to an organization that now has over 70 graduates. "One of the really useful things we do is have alumni conduct mock interviews on campus to help students prepare for professional interviews," she said. "The alumni also show the range of the actuarial profession by

sharing their professional experiences with the students."

Although studying for Fellowship exams as well as working in a busy consulting firm, Lopez finds time to volunteer for the Joint CAS/SOA Minority Recruiting Committee. She stresses that a little volunteer time can go a long way. "I don't think you should underestimate how important an hour a month could be if it is used for something like mentoring a student," she said.

Influencing the future

Many actuaries participate in their children's schools. Some, like John Hadley, do so extensively. (See "An Actuary Goes to School — to Help," *The Actuary*, October 1998).

Still others work with children not their own.

Career academic James C. Hickman, best known as emeritus professor and dean of the University of Wisconsin School of Business, tells of a chapter in his life as mentor to a boy from a very different culture.

"My wife and I got involved through our church helping a Vietnamese boy adjust to life in the United States," Hickman said.

From grades six through 12, Phong Mak was included in the Hickman's family activities. "He was assigned to us because teachers had recognized his math ability and knew of my actuarial skills," said Hickman.

With their adult children gone, the Hickmans were able to make Phong part of the family routine. They spent long periods two or three times weekly for several years, especially for reading and some science projects. Equally important, they introduced him to American life. "He had never been on a picnic before, never been to a movie. We took walks in the woods and looked at wildflowers; he was fascinated," Hickman recalls. Less time was needed in high school, but the young man still consulted Hickman on class papers.

"Working with Phong was the best experience that we ever had other than

raising our own children," Hickman said.

Another route actuaries take to help children is by serving as math mentors through the Advancing Student Achievement program sponsored by The Actuarial Foundation. The program provides math tutoring for elementary school students by actuaries. Two volunteers are Rebecca Lyons and Teresa Winer.

Lyons donates skills she gained as a former high school math teacher. She has written detailed lesson plans for actuaries mentoring fourth graders in a Springfield, Mass., public school. When some Mass Mutual co-workers obtained a grant to start an Advancing Student Achievement program, "we had a lot of actuaries willing to sign on, but they were a little nervous," Lyons recalls. "They knew they weren't teachers, nor were they all parents, so they didn't know what to do in the classroom."

"This year, I organized the lessons during summer and, in the fall, the mentors got big books of lesson plans for the year."

Teresa Winer is in her fourth year of directing the Math Enrichment Program at W.T. Jackson Elementary School, Atlanta. Winer launched the program in 1996-97. "Setting up this program was so overwhelming that I recruited my husband, mother-in-law, other family members, and friends when I ran short on volunteers," she recalls. "My husband helped design a stock market math club session, gave a tour of the brokerage offices where he works, and did quite a bit for the third-, fourth-, and fifth-grade club."

Winer views the math program's importance as its emphasis on helping all types of students. "There are so many school programs targeting only the underprivileged, inner city, and/or minority schools. We have all types of kids in our program. The less fortunate as well as the average kid, and even gifted children, are eligible."

Winer found that skills gained as an

Mark of a professional (continued from page 7)

actuary-turned-manager in individual life and health product development helped in her volunteer work: getting support from people who don't report to you, setting schedules, obtaining buy-in, and working with government systems. "Getting approval for products in state insurance departments was similar to dealing with the bureaucracy in the city school system."

Despite the work, Winer says she benefits "because I'm doing something I feel strongly about, and I can tell I've made a difference. When I walk into the school, I'm greeted by smiles and kind words from kids, teachers, and administrators. They show so much appreciation and warmth that I love to keep going back."

Voices of experience

Actuaries warn that the help they try to give doesn't always have an impact, at least in the near term. However, that doesn't make the work less valuable, they said.

"Regarding my recent work for Russia's insurance business, I'm not optimistic at all. They've got some real problems," Bartlett observed.

"My assignment was to advise them on their long-range planning, but I felt that was unrealistic. The economy has shrunk by 50% in the last decade, so the standard of living is quite low. There's no middle class, which is essential for a private insurance industry. Probably only 2 or 3% of all Russian households own insurance at all, and business is not much better. So I tried to encourage the company I was working with to take a shorter-range focus. How does a company survive to get to the long range? I suggested some products they could sell in the short range."

For Hickman, the relationship and successes with Phong Mak were important, yet there was a small, subsequent disappointment. The young man's family, supportive of the Hickmans' mentoring, moved away a few years ago and haven't been in contact. And Hickman has observed

volunteer situations where mentors aren't able to have an impact because of the recipients' family problems, economic difficulties, or other factors.

"Perhaps the improvement isn't as great as you'd like to see. Perhaps there's none at all. But at least you know you've tried to give some good experiences to others. This is especially rewarding where children are involved," he noted.

Lyons would agree. "I think the math mentors find it rewarding because they keep coming back. But there are difficulties, I won't lie: discipline problems, that kind of thing. But it's really important to the kids to have adults who come to be with them who don't have to be there and whom they can rely on.

"Many of these kids come from unstable homes. Some of them have no role models from the working world. One little boy told a mentor that he had never seen a man, other than a teacher, reading a book before. You really have no idea how you will affect them."

A payoff for everyone

Volunteers from all walks of life have sung the praises of what you get when you give: the satisfaction of helping others, accomplishing results, learning new things, having new experiences, meeting new people. The actuaries interviewed for this story found those benefits and more.

Math mentoring volunteers Winer and Lyons both cited an improved image for the profession. Helping kids through the schools "adds visibility and recognition," Winer said. "So many kids and parents have met actuaries through this program. They know actuaries can be warm, caring, and generous with their time." Said Lyons, "People who would never have heard of an actuary in their entire lives now have

direct experience of us because of this tutoring/mentoring program."

Renewal of spirit is an important benefit for many volunteers. Noted Winer, "Over time, many of us lose our enthusiasm and energy for our careers, work, community service, and other endeavors. One way to renew your enthusiasm and increase your appreciation for actuarial work is to get involved in the many issues facing our profession and contribute to its betterment." Winer's service on an SOA exam committee helped her by reminding her "how much I struggled, and then how joyful I became when I successfully passed an actuarial exam."

Her work in the schools had positive effects for Winer's two older daughters, as well, "including goodwill from my children's teachers and friends at the school." Her parenting benefited also. "The most important way a parent can lead is by example. Being a good role model is more important than telling your children what to do."

Of course, there are those more direct, personal satisfactions.

"Money isn't everything. You need to have passion," Winer said. Observed Bartlett, "We want to make money, but we also want to feel that our lives count for something. I think that both paid and volunteer public service provide that opportunity."

Volunteering "is one of the great rewards of life," said Hickman, whose father served on both the U.S. draft and ration boards during World War II. ("You wouldn't make friends in your hometown being on either one, much less both.")

"That's what we're here for, to serve. Sometimes you get paychecks for your service, but for some of the most interesting experiences, you don't."

"To lead a balanced life, you've got to participate in these other experiences. If you're going to live a complete life,



you can't let that part that you share with everyone atrophy."

"To grow, you have to push forward on both fronts: on the professional/technical skills and in the other services you can perform. You'll understand the world much more. You won't have squeezed the juice of total human experience if you don't."

And Hickman voiced the sentiments of many when he said, "Service is more than a question of debt. It's concomitant to citizenship. It's part of belonging to this amazing society."

Ideas for actuarial volunteers

What can actuaries do to get involved? And just what do actuaries bring that's special?

Said Lopez, "I think actuaries bring certain characteristics to whatever projects they work on." The CAS/SOA Minority Recruiting Committee, on which Lopez serves, "has a wide range of personalities," she says. "But you can tell we're all actuaries. We have a rational approach to problems and are creative in finding solutions that you might not find with just a random group of professionals."

Bartlett observed, "One way that actuarial skills can definitely be put to good use for the public is to volunteer with your local or county office on aging and advise seniors about their insurance and pension issues. Those offices are delighted to have that kind of talent

available."

Lopez observed that The Actuarial Foundation offers programs actuaries can get involved in. She also recommends approaching employers for support in these activities. "Many times, it's just a matter of asking, because a lot of what an actuary gets involved in for the public can benefit employers, too."

Noted Joe Abel, the Foundation's development director, "In the four short years that the Advancing Student Achievement program has been in existence, more than 100 actuaries in the United States and Canada have volunteered their time and energy to mentor grade school children in mathematics. The compassion and commitment evidenced by these actuaries is infectious. A groundswell of interest has arisen from actuaries looking to develop local mentoring programs."

Most of those interviewed reminded actuaries to be realistic when committing their time. Lyons noted, "It really depends on where you are in your life. I began giving time to the math mentoring program only when my children were a little older and needed a bit less attention. I think everyone has to think through what a commitment like this means. It is very important to follow through."

Actuaries who volunteer their time and talents to the public good are bringing more than actuarial skills, Hickman pointed out. "We can give of our techni-

cal skills, which are not widely held and therefore can be quite valuable. But we also share a broad range of experiences as human beings."

If you're ready to volunteer, Lyons wants to sign you up now for her math mentoring program. If not, or if you don't live near Springfield, Mass., her words may be encouraging nonetheless. "If you can do it, it's very personally rewarding to be an important part of other people's lives. Don't be too nervous. Actuaries really have something to give."

The volunteers quoted in this article can be contacted by e-mail. Reach them at: Dwight Bartlett, dkb3fsa@webtv.net; Rob Brown, rlbrown@uwaterloo.ca; James Hickman, bjansen@bus.wisc.edu; Valerie Lopez, lopezv@towers.com; Rebecca Lyons, rlyons@massmutual.com; and Teresa Winer, twiner@worldnet.att.net. Bob Myers can be contacted at his Directory address.

Mail alert

The First Ballots for the 2000 SOA elections will be mailed to all Fellows on March 7. To be valid, ballots must be received by the Society office no later than April 7. Fellows who do not receive a First Ballot by March 17 should call Lois Chinnock at the SOA office (847/706-3524).

Correction

Two names were misspelled in the December 1999 issue of *The Actuary*: Peter Morse in the caption on page 5 and Rod Rohda in the story on page 23. We apologize for this error.

Presentations invited for 2000 ARC

The organizers of the 35th Actuarial Research Conference (ARC) invite anyone interested in actuarial science to submit a presentation proposal for this year's ARC, Aug. 10-11, Laval University, Quebec City.

ARC provides an opportunity for academics and practitioners to meet and discuss actuarial problems and their solutions. Presentations on all topics of interest to actuaries are welcome.

To be assured a place on the program, those wishing to make presentations must submit an electronic

copy of their title and abstract to the ARC 2000 organizing committee (arc2000@act.ulaval.ca) by June 15. Presentations will be published in the conference proceedings, *Actuarial Research Clearing House 2001.1*.

More information is available from the ARC organizing committee (mail: Actuarial Science Dept., Laval University, Local 1620, Pavillon Vachon, Quebec, Que G1K 7P4; e-mail: arc2000@act.ulaval.ca; Web site: www.arc.ulaval.ca/arc2000/home_main_en.htm).

IN MEMORIAM

John N. Laing
FSA 1935, FCIA 1965

John O. Montgomery
FSA 1967

Rejean Ruel
FSA 1987, FCIA 1988

'99 SOA survey

Future can rise from platform of solid member support

by Jacqueline Bitowt
SOA Public Relations Manager

SOA members have a strong relationship with their organization, an important factor as the SOA plans for its future, says the report of the latest membership survey.

Conducted in July and August 1999, the survey asked 35 questions of 404 randomly chosen members. Questions addressed member demographics, SOA information and education delivery systems, SOA research, SOA practice areas and Sections, and expansion of the profession.

The membership is surveyed periodically to help the SOA leadership stay in touch with members' needs and interests and determine how the Society can best serve its members in the years ahead. A similar survey was done in 1996, as well as in earlier years.

Overall, the 1999 survey showed strong, positive links between members and the organization, noted survey designer Philip G. Kuehl, Ph.D., of Westat, Inc.

- Members stay with the SOA for long periods of time.
- They get and remain involved through committees, research projects, or meetings and seminars.
- Their employers often support their membership and involvement.
- Members decide to attend meetings based on the content's relevance to their professional concerns.

"The SOA is planning for its future from a position of overall strength in terms of its relationship with current members," Dr. Kuehl said in his report. Central to this relationship are: SOA members view the organization as "a core element" in their careers and professional development, and they can participate frequently in Society programs. This implies "the SOA can continue to be a 'best-in-class'

membership organization if it provides innovative and relevant content through its programs and services," the report said.

The Web-enhanced future

How will members define excellence for the SOA in the years ahead?

One way will be the existence of more online functions. "Virtually all SOA members are computer users who have Internet [and e-mail] access," the report noted. (Among respondents, 98% said they had both Internet and e-mail access.) This, among other factors, led Dr. Kuehl to observe in his report that the SOA is positioned to successfully deploy information technology applications "in virtually all information, education, and administrative functions."

The SOA's Web site, which has been visited by a large portion of members, can be central to strategies "to produce

high quality member benefits" if it's made "fully functional," said the report. (Of the respondents, 82% said they had visited the site.)

In the area of information services, the report looked at members' views of the various SOA publications. The table below summarizes members' preferences for the delivery of SOA publications.

Many of the 1999 survey report's recommendations for moving SOA publications online already have been implemented as a result of feedback from a 1996 survey. Currently on the SOA Web site are *The Actuary*, *The Future Actuary*, the *Record*, the *Yearbook*, the *Directory*, specialty guides, most Section newsletters, and abstracts of major articles in the *North American Actuarial Journal*.

Experience studies are also published online as they are completed.

In other questions about information

Members' Preferences for Publications Delivery

SOA Publications	Print Only	Electronic Only	Both Media	No Opinion
Transactions Reports	15%	47%	38%	1%
The Actuary	31	30	37	1
Actuarial Clearinghouse) t ct ds upo				
c dbupo u of fg ef e bf \$	10	59	20	11
Section newsletters	20	37	42	1
Directory of Actuarial Memberships.....	13	43	44	0
Yearbook.....	21	44	33	2
Specialty Guides) dpou o oh sbdufi				
b\$ b c c phsbi f t	11	59	25	6
Monographs.....	13	47	27	12
North American Actuarial Journal.....	17	37	28	19

services, members' responses in 1999 indicated:

- Banner ads should be allowed (75% of the 98% of respondents with e-mail access).
- The *Directory* should remain online; download access should be limited (57% for both).
- The development of an on-line SOA library should continue in light of members' enthusiasm for the Web, as indicated by the number of members with Internet and e-mail access, the number visiting the SOA Web site, and general requests for more information online.

In addition to information services, other activities should be increasingly available through the Web, responses showed. These are:

- Voting in SOA elections (85% of those with Internet access)
- Registration for meetings and seminars (87%)
- Purchase of publications and study notes (78%)
- Participation in member discussion forums (77%)
- Registration for exams (61%)

Members said "no" to only one of the six functions suggested, paying SOA dues (20%).

Continuing education

Responses to questions about continuing education gave some indication of what members will view as excellence in this area in the future.

A near majority of respondents (49%) voiced support for developing an on-line university, which already has begun. Once completed, the Web-based learning center would be used by many members (40%) in combination with traditional meetings and seminars. Twenty-one percent said they would use on-line learning more frequently, and 33% said they would more often attend traditional meetings and seminars.

The most appealing courses for an on-line university, respondents said, would be in new and emerging topics (91%), basic practice (81%), practice-area cross training (79%), and

management and business topics (69%).

Regarding continuing education in general, survey respondents said they will seek practice area education more often than general management courses in the years ahead (56% for practice area, 19% for general management, 22% for both).

The path to excellence

The survey pointed to several implications for future SOA initiatives.

Taken together, all the data on member interest and capabilities in using the Web and e-mail "suggest that the SOA can successfully pursue ... a 'virtual association' concept" in information and education, the report said. Central to that is the "full functionality of the Web site."

Respondents' answers to questions about expansion of the profession indicated members would support programs related to two major initiatives:

- Building awareness of the roles and skills that practicing actuaries have in private sector organizations (64% of respondents)
- Developing nontraditional areas of practice (58%)

Many respondents said they would even be willing to pay a dues surcharge to help fund these efforts. Of those who said building awareness should be a priority, 77% said they would pay a surcharge. Among those supporting nontraditional practice development, 76% said "yes" to a surcharge.

Room for improvement

The survey showed two areas for improvement, either by increasing members' awareness of existing value or by making changes to those areas. Both SOA research and practice areas/special interest Sections were rated average in effectiveness by respondents.

The research area's average score may stem from lack of awareness, Dr. Kuehl's report said. Only a slight majority, 53%, said they were somewhat or very familiar with the SOA's research efforts. The same percentage said SOA research ranked average in its value to members, while 24% gave it a high-

value rating and 22% rated it low. Also, respondents clearly prefer practical research to theoretical research (70% vs. 30%). Equally important, survey responses indicated dissemination of research must be "highly timely and relevant to (members') practice areas," Dr. Kuehl's report noted.

Regarding the SOA's practice area structure, 61% of respondents rated it average in effectively meeting their needs, while 26% gave it a high ranking and 9% a low rating. Sections received an "average" score from 59% of respondents, while 26% rated them highly and 11% said they were low in effectiveness. According to Dr. Kuehl, these results imply that both practice areas and Sections would benefit from business plans that:

- Identify and prioritize members' needs to be addressed through practice areas and Sections
- Develop governance processes to identify leaders and encourage member involvement
- Recognize the need for strong staff leadership, support, and management
- Assure adequate funding

Next steps

The survey's findings send some clear signals about approaches to developing new and better programs and improving current ones.

Senior SOA leadership has asked the SOA's managing directors to carefully review the survey's results and formulate ideas for presentation to the SOA officers and committee chairs. The four managing directors are Jeff Allen, practice area education and research; Linda Delgadillo, membership and marketing services; Marta Holmberg, core studies and global initiatives; and Kevin O'Brien, operations.

View the survey

The survey's results are posted on the SOA Web site (www.soa.org). Questions about the survey may be directed to Linda Delgadillo at the SOA office (phone: 847/706-3560; fax: 847/706-3599; e-mail: ldelgadillo@soa.org).

ACTUCROSTIC

1F	2K	3M		4S	5G	6Q	7Z		8B	9F	10C	11A	12W	13E	14H	15O		16X	17F	18B	19K	20A	21W	22R		
23G	24K	25Z		26I	27C	28B	29M	30A	31V	32J	33Q	34H	35L		36O	37Z		38Q	39G	40N	41M	42R		43U	44P	
45A	46K	47Z	48V	49F	50R	51O	52P		53H	54V		55X	56E	57P	58C	59I		60K	61D	62U		63B	64X	65P	66U	
67M	68N		69K	70J	71T	72H		73J	74T		75M	76O	77E	78I		79C	80W	81M	82O		83S	84Y		85U	86F	
87Z		88M	89N	90E	91X			92L	93R	94M		95V	96R	97F		98K	99S	100A	101B		102L	103R		104E	105O	
106M		107R	108Q		109M	110Y	111H	112G	113A	114O	115I	116Y		117K		118C	119J	120W	121N	122X		123Q	124T	125A	126D	
127K	128U	129S		130N	131D	132R	133M		134O	135L	136Q	137K	138C	139U		140M		141O	142T	143S		144P	145U	146E	147O	
	148S	149J	150Q		151M	152I	153L	154X		155F	156J	157V	158Q	159Z		160N	161X	162S	163M		164J	165L	166O	167H	168K	
	169I	170N	171Y	172K	173D			174T	175W	176K		177K	178W	179G	180I		181K	182H		183R	184M	185A		186Q	187Z	188X
189P	190Y		191I	192M	193Z			194C	195H	196E	197W	198J		199P	200K	201M		202G	203C	204L	205E	206F	207W		208D	209Z

- A. Trellis for shrubs 11 113 45 20 100 30 185 125
- B. Old German letters 63 18 28 101 8
- C. Sense of smell 27 118 79 203 58 194 138 10
- D. First of series of George Burns movies (2 wds.) 61 131 173 126 208
- E. Disgraceful 104 56 77 90 146 196 205 13
- F. Canine 97 1 49 155 206 17 9 86
- G. Speed calculator 39 5 179 202 23 112
- H. Lake's upper layers 167 111 72 195 182 14 53 34
- I. Kid who comes home to an empty house 115 169 180 26 59 78 152 191
- J. Tangle 70 149 119 164 198 32 73
- K. Fonda/Ball movie (4 wds.) 60 2 176 19 168 177 117 172 46
- L. Acute accent at the end 98 24 181 200 127 137 69
- M. Remake of '48 Rex Harrison movie with Dudley Moore(2 wds) 135 153 92 102 165 204 35
- N. Baby's clothes 170 89 68 40 130 160 121
- O. Resonant cavity (2 wds) 147 51 134 76 141 15 105 166 36
- P. Apprehension 65 189 44 57 52 144 199
- Q. Ability to keep in memory 136 150 123 38 33 186 6 108 158
- R. Infamy 50 93 183 103 96 132 22 107 42
- S. Soaking up the sun, maybe 99 162 148 129 83 143 4
- T. Use this in your search 174 142 124 71 74
- U. Snickers, chortles, and cackles 66 145 62 128 156 85 43 139
- V. International phonetic equivalent for ninth letter 157 54 31 48 95
- W. Author of Cat's Cradle 120 175 197 12 80 21 178 207
- X. Poisonous plant 188 154 16 161 55 91 64 122
- Y. A clear day in London (2 wds) 84 110 116 171 190
- Z. Bus company 159 47 87 37 187 209 193 7 25

- Far better it is to dare mighty things, to win glorious triumphs even though checkered by failure than to take rank with those poor spirits who neither enjoy much nor suffer much because they live in the gray twilight that knows not victory nor defeat. Speech, Theodore Roosevelt.

W Allison, D&W.Apps, M.Avila, D.Capehart, L.Cappellano, D.Chun, T.Collins, P.Conrad, J.Cornwell, A.Coutts, P.Douglas, M.Eckman, J.Fibiger, H.Fishman, D.Fleiss, G.Frisch, C.Galloway, J.Germain, J.Gladden, S.Gilmore, P.Gollance, J.Gosnell, B.Graham, J.Hackard, A.&K.Hanson, J.&J.Holloman, G.Horrocks, Z.Ibrahim, J.Jerome, M.Kerbel, O.Karsten, S.Keyes, R.&J.Koch, S.Loffree, M.Lykins & J.O'Connor, S.&L.Maramo, R.Martin, S.Martineau, J.McIntosh, K.Minnich, P.Morse, J.Noor&K.Pakistan, C.Ogburn, A.Pass, D.&C.Promislow, F.Rathgeber, W.Reid, J.Ripps, M.Ristau, I.Schaeffer, K.Schembari, B.Scott, N.Shahid, S.Shaw, G.Sherritt, C.Southall, M.Spevacek, W.Steffen, H.Tate, E.Thompson, P.Thomson, E.Tittley, M.Vandesteeg&A.White, C.Velasquez, J.Verlautz, D.Wallman, P.Watkin, D.Weiss, W.Whitman, R.Wilton, J.Wybrew, F.Zaret

Send solutions to: Puzzle Editor, 753 Revell Crescent, Edmonton, Alberta,