



SOCIETY OF ACTUARIES

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## OPINION

# A 'win-win-win' proposition

by Robert D. Shapiro

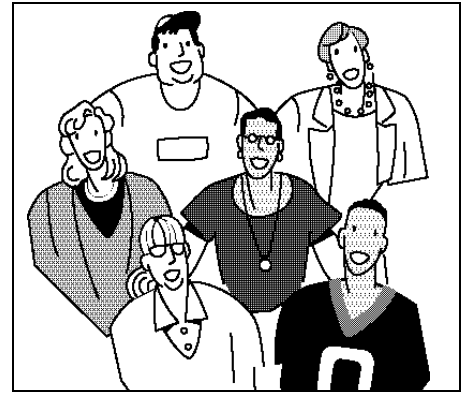
**A**ctuaries have always been generous in volunteering their time. Each year, hundreds of actuaries give thousands of hours assisting in the design and implementation of the profession's education, research, and program activities, to name a few. Less well known, but every bit as important, are the 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](mailto:godfrey.perrott@milliman.com).*

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## 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](mailto: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](mailto: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](http://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](mailto: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](http://www.aerf.org)). The paper has been accepted for publication in the *North American Actuarial Journal*.