



SOCIETY OF ACTUARIES

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Letter From The President

NEWS ON MANY FRONTS

BY MIKE MCLAUGHLIN

IN THIS COLUMN, there are a number of items I would like to share with you, including a report on my recent trip to Asia, an update on the global CERA credential, volunteer opportunities and information about the SOA's research function.

JOINT REGIONAL SEMINAR IN ASIA

In August, I was privileged to spend a few weeks in Asia as part of the Joint Regional Seminar. The Joint Regional Seminar is a collaborative effort among the SOA, the Institute & Faculty of Actuaries and the Institute of Actuaries of Australia with the support of local actuarial organizations. The theme this year was "Asset, Liability and Capital Management: Where are your Risks?" The event was held in five cities: Bangkok, Singapore, Taipei, Hong Kong and Beijing.

On this trip I met with hundreds of actuaries and employers. Whenever possible, I took time out to meet with representatives of the local actuarial associations. Informal meetings with local members, several visits to universities with actuarial science programs and meetings with local insurance regulators rounded out my itinerary. I came away impressed with the high regard in which the actuarial profession is held in Asia, our opportunities to serve the financial community, and the enthusiasm of our members and candidates.

While I'm on the topic of international issues, I've appointed a task force to work on a strategic initiative to determine our future international strategy. The number of members outside of North America is 12 percent, and growing! You can expect to hear much more about this in the next several months.

GLOBAL CERA CREDENTIAL

On September 1, I signed the final documents transferring ownership of CERA from the SOA to the new CERA Global Association, in accordance with the Board's decision. This was a major step in creating the new organization and evolves the CERA into a globally owned credential.

On my trip to Asia, I was pleased to hear a lot of interest in the CERA—both from actuaries who are planning on earning the credential and employers who recognize the benefit of having the CERA as part of the global marketplace. I met with many bright students and members who are excited about the profession and the idea of a global actuarial credential!

The global nature of the CERA will increase its prominence within North America as well as around the world. Offering the CERA globally will facilitate the free movement of actuaries

internationally. It will also increase the influence of the actuarial profession in the world of ERM and will allow CERAs to have an internationally recognized credential.

For current FSAs, the path to earn the CERA credential is relatively short—all you would need to complete would be the Operational Risk Module and the Advanced Finance/ERM exam. I urge those of you who are interested to consider earning your CERA.

THE IMPORTANCE OF VOLUNTEERISM

The SOA has a very capable professional staff—however the cost of running an operation like ours without the time and energy of our volunteers would be prohibitive! The SOA has more than 1,500 dedicated members and candidates who volunteer. We have many career-long volunteers, and we always welcome new volunteers into the fold. (You find that out when you attend the Fellowship Admissions Course!)

Volunteerism is an important way to grow your career, and the SOA provides many opportunities to do that. You continue to learn new skills and you build a network of professionals that is of huge value over time.



Mike McLaughlin

The SOA has established a Leadership Development Program which can help link you to various opportunities. Our volunteers are involved in a variety of areas—from helping manage the exam process, to organizing our meetings and events, to driving our research, to leading the sections. Just this year, 500 people—members, candidates and even students—have expressed interest. You can learn more about the Leadership Development Program on the SOA website.

RESEARCH GENERATES MEDIA ATTENTION FOR OUR PROFESSION

There are two pieces of SOA research that have earned strong media attention this year. One is the research completed in conjunction with Milliman, Inc., to determine the overall cost of medical errors on the U.S. economy.

Using claims data from 2008, the researchers developed an actuarially sound measurement that found avoidable medical injuries cost the U.S. economy \$19.5 billion.

We were able to earn high-profile media attention for this news. For instance, SOA Fellow Jim Toole was interviewed on PBS's "Nightly Business Report," and we also got placements in many other newspapers and magazines. This was just one example of how we were able to demonstrate actuaries' expertise in helping to provide solutions to the important issue of rising health care costs.

The SOA and Milliman were able to generate a lot of media interest in this important issue. The Associated Press covered the findings, which led to dozens of placements in newspapers and online.

Another pressing issue is retirement planning. Every other year, the SOA prepares a survey called "Risks and Process of Retirement."

This year's results found that nearly one-third of pre-retirees—individuals currently in the workforce—said that the concept of retirement will not really apply to them because they will never be financially able to retire. Among other findings, fewer than 30 percent of pre-retirees say they plan to retire at age 65. Overall, inflation is the main concern of both retirees and pre-retirees, as are health care costs.

STRENGTHENING THE SOA RESEARCH FUNCTION

We know that our members, our employers and clients, and the general public have found value in the results of SOA research. We also know that there are new and emerging issues in society—such as health care reform and pension issues—that would benefit from the analysis that is the hallmark of our profession.

This is why we are taking steps to strengthen the SOA research function. We are adding two high-level oversight groups that will assist in driving research in appropriate directions. We are putting a greater emphasis on selecting projects that will be valuable for members and the general public (such as an upcoming report on the costs of obesity project).

We are also looking at producing outputs (other than reports) such as useful software and adding staff resources to the experience studies side of our operation. These steps will make our research efforts more timely and applicable.

In addition, we are moving ahead with the Rapid Research Pilot announced earlier this year, which will help us generate research quickly on important issues. We hope to be able to address questions like the effect of the financial crisis on pension solvency and how pension systems might be affected by significant legislative or economic changes.


This work will supplement—not replace—current SOA research efforts. We plan to work closely with the Academy and the Canadian Institute of Actuaries to ensure that this effort is valuable in their efforts to strengthen retirement systems in the United States and Canada.

SOA DIALOGUE: INTERACTIVE LEADER SESSION A SUCCESS!

We held our second Interactive Leader Session on September 1, and we were happy to have over 250 sites participate, with people joining us from around the globe! In addition to those from the United States and Canada, we also had a number of international participants from countries such as Greece, Hong Kong, the Netherlands and Pakistan!

We covered a wide variety of topics including the election of board and council members, volunteerism and research. Approximately 30 minutes of the one-hour webcast were devoted to answering participant questions, whether submitted ahead of time or during the webcast.

Ninety-five percent of participants reported that they were either satisfied or extremely satisfied with the event. As I write this, the SOA is preparing to archive the Interactive Leader Session on the website, so you can download it there. And look for more Interactive Leader Sessions in the future!

Finding more and better ways to speak and listen to members is a priority for us. As always, if you have an idea, a question or a concern, feel free to contact me at mmclaughlin@soa.org. 

Mike McLaughlin, FSA, CERA, FIA, MAAA, is president of the SOA. He can be contacted at mmclaughlin@soa.org.