

The Stepping Stone

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**SOCIETY OF
ACTUARIES**

**LEADERSHIP &
DEVELOPMENT**



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475 N. Martingale Road, Suite 600
Schaumburg, Ill 60173-2226
Phone: 847.706.3500 Fax: 847.706.3599
www.soa.org

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Newsletter Editor

John West Hadley
John Hadley Associates
908.725.2437

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2019 SOA Annual Meeting & Exhibit Coordinator

SOA Staff

Beth Bernardi, Staff Partner
bbernardi@soa.org

Jane Lesch, Section Specialist
jlesch@soa.org

Julia Anderson Bauer, Publications Manager
jandersonbauer@soa.org

Erin Pierce, Senior Graphic Designer
epierce@soa.org

CHAIRPERSON'S CORNER

It's a Small World, After All

By Mitchell Stephenson

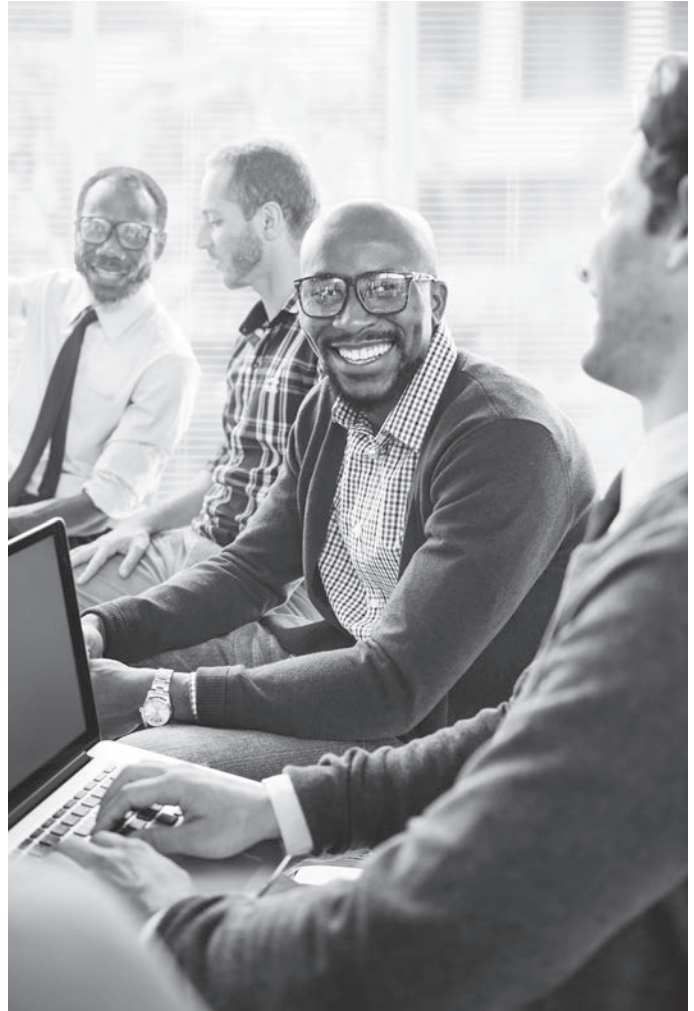
It's a thrill to be the new Chairperson of the Leadership & Development (L&D) Section Council. As I work with the newly elected section council members and friends of the council, I'm constantly reminded of what a small world the actuarial community really is. I have known some of these volunteers from previous Society of Actuaries (SOA) initiatives, others I've worked with at prior employers, and the rest I will soon have the privilege to work with and get to know.

The realization that this is a small community really registered with me when I changed companies a few years back. I interviewed at the company's headquarters, which was a few states away from where I lived, not expecting to know or to be known by any of the interviewers. As it turns out, four of the five interviewers had a first- or second-degree connection with me, including having worked with my colleagues at a previous employer. One interviewer turned out to be a college classmate who was instrumental in convincing me to pursue a career in actuarial science.

The point is, it *is* a small world, especially for actuaries.

This new employer was in the same building in which I had worked many years before. My new workstation was on the same floor as the group of actuaries with whom I'd had the privilege to work when I left the prior company 12 years earlier. And of the three other actuaries on that floor, I knew one from a prior employer, another was the spouse of a former colleague, and I recognized the third from local actuarial club meetings.

The point is, it *is* a small world, especially for actuaries. One of our key themes for the L&D Section in 2019 will be how to network effectively, especially in a digital age. Having learned firsthand how important it is to build, maintain and grow



productive professional relationships—including those individuals with whom you no longer work—here are a few tips that I've used over the years to establish my own professional network.

- **Create a “to-who” list.** In her March 2018 *The Stepping Stone* article, “Go Beyond Your to-dos: Create a ‘to-who’ List,” Aisha Faleeldeen describes learning about the concept of a to-who list from psychologist Gary Bradt, and her experience with creating such a list. This was a familiar concept to me because I've done this before.

Whether a colleague leaves, if I myself change jobs or when I simply want to build a deeper professional relationship with someone, I make reminders to stay in touch. Checking in at least once or twice a year is good goal, if you manage to have quality interactions when doing so. Set a date and time, stick to the schedule, and try to pick up where you left off at your last meeting.

I like to ask some in my network for advice and guidance about issues or challenges I face at work. With others, I simply enjoy the opportunity to reconnect and learn more about their professional and personal lives. I've also learned that while in-person meetings are most effective, it's also not difficult to reach across state lines with a phone call. Social media and email are helpful tools to get in touch with others quickly and easily, but they are no substitute for the experience of talking on the phone or meeting up for lunch.

- **Put the relationship over the situation.** This is basically a lead-in to the ever-popular phrase “Don’t burn bridges.” In my opinion, it’s not smart to create tension and discord among your colleagues over minor or trivial matters.

When it comes to matters of principle and value, it’s best to find the most effective way to discuss and stand behind your position. But if you feel your blood rising in a meeting or begin to grow frustrated with a colleague over a relatively minor issue, check yourself. Your next move may cause some permanent damage to the relationship, especially if it is someone with whom you may need to work closely in the future, or even work for. Heed the words of poet Maya Angelou: “I’ve learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel.”

It pays to keep an even keel and place the relationship above the situation wherever possible. In digital communications—including email—this is especially important. One of the best pieces of advice I received is to hit the draft button before sending an email in haste, especially if the circumstance has triggered some strong emotions. I find I rarely go back and send the email as originally drafted, and I am usually grateful for that.

- **Do a walk-around.** Abraham Lincoln is said to have been one of the first to employ this method of management. While visiting Civil War armies, he walked around the

camp, speaking with both soldiers and officers, trying to understand how people were thinking and feeling.

I try to make myself available for chance meetings with others, whether in the breakroom, in the hallways, or by walking around and popping in occasionally to speak with colleagues at their desks. This can be a good way to establish an ongoing presence with colleagues while spending time to catch up. The challenge with the walk-around is to find the right balance, so that you can still get your own work done. Walking around the office a couple of times a week is usually a good goal. This is also a method by which actuaries, who are often more introverted in nature, can challenge themselves to work on their networking skills.

The equivalent of a walk-around in the digital age is to send out an occasional note or two, using email or social media. Recently, I ran into a cousin of a former colleague of mine and followed up with a quick note to let him know about the chance meeting. This kind of interaction always helps to keep professional relationships going over the longer term.

I also want to welcome the new council members to the L&D Section—Amanda Hug, Scott Haglund, David Ruiz and Michelle Young. I look forward to working with them, as well as with our other council members, friends of the council, authors, moderators and presenters. These volunteers will continue to bring relevant information about the topics of leadership and development—critical to an actuary’s success—to our section members and the greater SOA community. ■



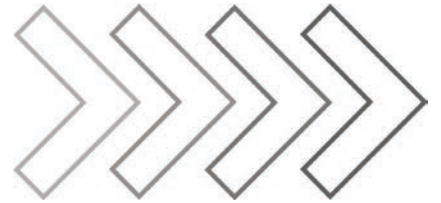
Mitchell Stephenson, FSA, MAAA, is chairperson of the Leadership & Development Section Council and can be reached at mitchell.stephenson@prudential.com.

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WHAT WOULD YOU DO? Hire the Best

By John West Hadley

Here is our next entry in the “*What Would You Do?*” series.¹ Write to me at SteppingStone@JHACareers.com to tell me what you would do. In the next issue, I’ll compile the responses received (preserving your anonymity, of course) along with what actually happened in the real-life situation.

Help me craft future case studies. Write to me about your own challenging, surprising or nightmarish situations involving business, leadership, management or any of the topic areas covered by *The Stepping Stone*, and what lessons you learned from them. I’ll collaborate with you on turning your situation into a simple case study, being careful to ensure no one is identifiable. And share your own thoughts (pro and con) on the series as a whole at SteppingStone@JHACareers.com.

HIRE THE BEST

Mark interviewed two internal candidates, Brian and Beverly, for an open position.

Brian

- did not tell his manager in advance about the job application,
- took longer to complete the procedural steps in the process, and
- seemed to be applying partly because the role was a promotion.

Beverly

- had been in active discussions with her manager about her next career step, even before the interviews,
- was quick to complete each step in the process, and
- seemed more interested in the role on its merits.

However, Brian had interviewed better on competencies and skills such as technical background, communication style, and ability to use and innovate with technology. When Mark asked the interviewers to rank them, overall feedback, such as rating



by competency and total rating, consistently ranked Brian higher, but only slightly.

1. What weight should Mark give to Brian versus Beverly’s apparent motivations for the job, as opposed to their qualifications?
2. If he must make a decision based just on the interviews and information he already has, whom should he hire?
3. Is there anything else he should consider doing before making an offer?

What would you do? ■



John Hadley is a career counselor working with job seekers frustrated by their search and professionals struggling to increase their visibility and influence. He can be reached at John@JHACareers.com or 908.725.2437. Find his free *Career Tips* newsletter and other resources at www.JHACareers.com.

ENDNOTE

- 1 Past issues in the series have considered whether to demote or fire a difficult employee; performance reviews and their aftermath; interview challenges from both sides of the desk; evaluating job offers; miscommunications; a difficult product decision; how to build connections with the home office; and career decisions. To catch up on the entire series, which started in May 2013, check out back issues of *The Stepping Stone* on the Leadership & Development Section website at www.SOA.org/ld.



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WHAT WOULD YOU DO?

Responses to “It’s Not Productive!”

By John West Hadley

In the July 2018 issue of *The Stepping Stone*, I presented the following work situation faced by a new consulting actuary. Here are selected responses and excerpts, edited for space and clarity, followed by the real-life conclusion. Send your own ideas for situations to pose in upcoming issues to SteppingStone@JHACareers.com.

IT’S NOT PRODUCTIVE!

Foundation Life was installing a new administrative system to support its large life insurance portfolio, and the project was far behind schedule. The actuarial group in particular was taking a lot of heat for not providing enough support. Zachary was an FSA who had supported or led major systems conversion initiatives to successful conclusions, and was brought in as an independent consultant.

Zachary was very productive, writing tons of analyses and recommendations, and quickly began to make headway in bringing the project back on track. However, his client-supervisor Christine told him she “had been instructed” to review and approve every memo before release. Her style of reviewing was that:

- Zachary had to sit with Christine while she reviewed any document. During that meeting she would allow herself to be interrupted regularly by phone calls, people dropping things off (that she would insist on reading while they stood there), and so on.
- Christine wanted to wordsmith even the most innocuous of statements.

Zachary felt this was a huge waste of time; a review of a simple three-paragraph memo would take a minimum of a half-hour. This was also creating delays in getting decisions made and communicated.

This was Zachary’s first consulting assignment, and was critical to building his portfolio. He didn’t want to offend Christine and jeopardize it.

What would you do?

This respondent had a simple solution:

I would hope the consultant would remind me that his time costs money. A simple tally of how much money added up over the course of a week while I abused his time might be a great wake-up call. If not, then seeing if there is a way to meet in a conference room rather than my office might help.

And this one also suggested tackling the problem head on:

I doubt that Zachary needs to be there for the editing sessions, and if he has to explain what his words actually mean, he didn’t write well enough in the first place. He could frame this as: “I think I’m superfluous for your reviews and edits—why not edit the document with track changes in Word? I can look over your changes more quickly after you’ve done them, and it will add fewer hours to my bill.”

Unless Christine’s edits make the documents inaccurate or would cause trouble with Actuarial Standards of Practice (ASOP) 41, Actuarial Communications, Zachary should accept most edits, no matter how persnickety. He may not like the changes from an aesthetic perspective but that’s not the point. It is generally not a good use of time to argue with editors.

One actuary applied “the customer is always right” theory:

Zachary is doing work directed by the client and needs to proceed along the lines they require. It appears that something occurred that caused a review of this nature to be necessary—likely a loss of trust. It isn’t Zachary’s place to question what Christine is requiring—this isn’t a situation where his credentials are being impacted, even though the project might be able to move faster.

Zachary could attempt to influence how it is being done:

- Ask Christine if there is a format or style they prefer for memos that could potentially reduce the number of changes needed. Zachary should look at the process through the client’s eyes, not his own.
- As delays occur, inform Christine that more timely communication is essential to keep the project moving. Using tangible examples, show her the timing impact. Inform her what the deadlines will become if the process remains the same.

At the end of the day, the client is still “right” even if the project takes longer. If there were actuarial implications, the answer would be different, but this appears to be a difference of opinion on project management.

This actuary believed the key to the case is relationship:

First build a good working relationship with Christine (have lunch or catch up over coffee). Getting to know her better on a personal and professional level may give hints to her working style. Also, limit meeting times; if one goes over, tell Christine you have to go but will catch up with her later.

Another felt communication is the key:

As difficult as it may be, especially for a more junior person, Zachary must communicate with Christine that they should find a more efficient way to review materials. Rather than just identify the problem, he needs to present a solution, such as:

- Delegate more detailed reviews to another team member who would communicate with Christine how he or she got comfortable with the content.
- Have Zachary summarize salient points in a separate presentation and get Christine comfortable with these so she does not need to read all the content.
- Talk to her about efficiency, including whether there is a better way for them to review content live without distractions, to keep the deliverables moving forward.

I would start with the second option; it seems best to get Christine comfortable with summaries so she does not need to review it all. If she is not comfortable with that, then a combination of the other options seems much better than the status quo.

This respondent gave a number of specific suggestions, related to creating clear lines of communication and expectations:

1. **Start with an assumption of good intent.** Christine stated she “had been instructed” to do this. She may herself be subjected to the same level of scrutiny by her manager and is trying simply to make sure her bases are covered.
2. **Open the lines of communication.** Offer a sincere thank you for help in delivering a work product that meets the client’s expectations. Doing so requires a strong dose of humility but can go a long way toward open and honest communication.
3. **Put forward suggestions on how to improve the process.** Suggest that review meetings take place somewhere other than Christine’s office, where they can work uninterrupted. Zachary can point out how that would help Christine’s time be more productively spent. Make the conversation about how to help her.

4. **Suggest a review via email.** Zachary can suggest that this allows her to do her review at her convenience. Or perhaps this can begin once Christine develops familiarity and comfort with Zachary’s memos.
5. **When a sufficient relationship of trust has been developed, Zachary can begin to point out revisions that add little value and slow down the work.** Frame this as helping Christine and the client company, providing value to the customer.
6. **Finally, exercise patience.** Zachary is the consultant and Foundation Life is paying him. His job is to do what they ask, even if he feels it’s painful or unnecessary. If he gets pressure from other parts of Foundation Life implying that his work is taking too long, he should document it and include the time required for reviews.

The purpose is not to throw Christine under the bus or excuse why something took a long time—no value is gained by pointing a finger. However, a clearly laid-out record of time spent will reveal inefficiencies. If the client recognizes the work hinderance, Zachary should not criticize Christine, but rather indicate why the reviews are happening, and let the client decide what is valuable to them.

WHAT ACTUALLY HAPPENED?

Zachary tried leaving things for Christine to review on her own and suggested reviews via track changes or email. She was insistent that she would only review items with him present to answer any questions.

He then asked Christine if it would be helpful to her if they bundled up a number of documents and went offsite to review them. She loved the idea!

Over the coming weeks, they got together a couple of times a week for an hour and a half to review everything that had accumulated and to discuss broader issues related to the project. This helped them develop a much closer working relationship, and also helped Christine gain confidence in Zachary’s judgment and work product, while backlogs were eliminated. Before long, they reached agreement on which types of documents and decisions still required review and which could be sent out as emails with no advance review. ■



John Hadley is a career counselor working with job seekers frustrated by their search and professionals struggling to increase their visibility and influence. He can be reached at John@JHACareers.com or 908.725.2437. Find his free *Career Tips* newsletter and other resources at www.JHACareers.com.

DIVERSITY SPOTLIGHT

An Interview With Craig Reynolds on Diversity and Inclusion

By Ying Zhao

Editor's note: You can find a continuation of this interview, focusing on the strategy behind the diversity and inclusion initiative and the work of the collaborating entities, in the February/March issue of The Actuary at www.theactuarmagazine.org.

P principal and consulting actuary Craig Reynolds, FSA, MAAA, is a lead of Milliman's Seattle life insurance consulting practice. Many actuaries know him from his numerous volunteer roles with the Society of Actuaries (SOA), including being a past president. In 2018, Craig served as chairperson of the SOA's Inclusion and Diversity Committee and the Joint Committee of Career Encouragement and Actuarial Diversity (JCCEAD) of the SOA and Casualty Actuarial Society (CAS). As a vocal leader and tireless promoter of actuarial diversity, he has led many initiatives advocating for and improving diversity and inclusion both within and outside the SOA. I recently sat down with Craig to discuss his career and his passion for a more diverse and inclusive actuarial profession.

Q: Can you give our readers a brief overview of your career progress?

A: I started my career at John Hancock in Boston. I had dropped out of graduate school to get married and started to look for a job. I stumbled into the actuarial profession pretty much by luck. At that time, there wasn't any obvious career path for people with an undergraduate degree in mathematics. Friends and teachers had told me that math majors all became either teachers or actuaries.

I worked for John Hancock for a year and a half then moved the family to the West Coast. I joined Milliman after working for another insurance company for two and half years and became a principal a few years later. Now I co-manage the life insurance consulting practice in our Seattle office. It's been a tremendous opportunity and a great career.

Q: How did you get involved in Diversity and Inclusion (D&I) programs at your workplace and the SOA?



A: My first experience with D&I was through the SOA, rather than through Milliman. Around five or six years ago, I volunteered to serve on the Joint Committee on Career Engagement and Actuarial Diversity to see what I could do in this field.

I had two inspirations for that. One was John Robinson, who currently works for the Minnesota Department of Insurance. John is from the Caribbean, and he happens to be black. John served on the SOA Board with me and helped me think about the organization not really being as diverse as it should be. John presented to the board on this topic and what he said really struck a chord in me. I realized that this is something where the organization could and should do better, and it will make the profession stronger if we succeed.

The other angle is that my daughters are now 23 and 25 years old. One of them recently entered the workforce and the other one is preparing to enter. It made me look around our profession and realize that there aren't enough women. We have an overall membership that is just over 30 percent female, which is much better than many science, technology, engineering and math (STEM) professions are. But we're certainly lagging behind other professions significantly, like accounting and the medical professions. They're both around 50 percent female, at least among recent entrants.

I think we need to do better at getting more women in the profession and helping women grow into senior ranks. I would like to see both happen. We need more women running for SOA

leadership positions and reaching leadership roles in insurance companies and consulting firms, and I hope and believe their employers support that.

One of the wonderful things about our profession is that I don't think I've ever been aware of conscious discrimination over race or gender or any other protected-class dimension. But there's little doubt that subconsciously it's happening to at least some extent, and we haven't been as effective as we could be at attracting people from underrepresented groups.

Q: At the SOA, is there a platform for people to share ideas and get involved?

A: There are a couple of things. First, D&I is a regular topic of discussion at the board of the SOA as it continues to work on these issues. Second, the SOA Inclusion and Diversity Committee works on inclusion and diversity issues as they relate to the mission and vision of the SOA. I recently chaired a long-standing joint committee between the SOA and the CAS, which has 20 or so volunteers working on outreach to underrepresented groups on the high school level. To learn more about current initiatives and how you can get involved, visit <https://www.soa.org/about/diversity-inclusion/default/>.

Q: How do you measure the effectiveness of D&I programs at the SOA and in the profession?

A: You have hit on a big challenge we share with every other professional organization: robust member data. Enhanced demographic data is volunteered by members and candidates at the SOA. We started offering this option in 2013. We have good data on gender, 98 percent reporting, so we know that SOA members are 30 percent female and about 33 percent among the new fellow class. Benchmarking allows the SOA to measure progress and so you can see we have made some progress on the gender front, but we are still far from 50/50.

For race and ethnicity, the SOA uses Census data to benchmark. According to the Census, the actuarial profession is 2.7 percent African American and 2 percent Hispanic/Latino. Contrast that to the representation in the general population at 13 percent African American and 18 percent Latino, and we clearly have huge gaps to close.

Unlike gender, the SOA needs more members and candidates to volunteer their racial and ethnic demographics. As of December 2018, 20 percent of members and 41 percent of candidates reported race/ethnicity demographics to the SOA. We need our members and candidates to volunteer their data and help hold the SOA accountable for its own benchmark without relying on outdated Census data. Help us out and go to <https://www.soa.org/about/diversity-inclusion/submit-demo-information.pdf> for instructions on how to enter your enhanced demographics.

Q: Do you typically see D&I initiatives led by employees or driven by corporate initiatives, or a combination of both?

A: Both. There is a near universal recognition that we have work to do. Some of it is ground up, some of it is top down. Milliman has several employee discussion forums around various job-related topics and one of those forums is devoted to D&I. We see a variety of ideas to promote diversity and inclusion in the workplace and help develop best practices around the firm.

Q: What is your influence on Milliman's D&I initiatives?

A: For about a year now, I've been the chair of Milliman's Recruiting Committee. Milliman's hiring practices are decentralized. Decisions on where to recruit, how to select and who to hire are almost always done at the local practice level. The Recruiting Committee develops tools, best practices and promotional materials to help all of our offices in their recruiting efforts. We think about things we can do to make sure that people from underrepresented groups think of Milliman as a place where they want to work.

We recognize, as I mentioned in the context of the SOA, that we want to hire the best and the brightest candidates. If women, or African Americans, or Latinos didn't feel welcomed, didn't want to apply or were not aware of positions at Milliman, then a significant portion of the population didn't even get to the door. Then, by definition, we would not be getting the best and the brightest candidates.

Q: How has working on D&I initiatives helped you become a better business and people leader?

A: I think my SOA volunteer work in general has helped me grow. It has helped develop my leadership skills through practice, and through watching other leaders perform in a context outside of the work environment. It gives me a new way to look at things. It has provided me incredible networking opportunities to meet many people who I otherwise would not have met. It has helped me develop my communication skills both orally and in writing. All of these activities have helped me become a better consultant, and perhaps a better person to some degree. ■



Ying Zhao, FSA, MAAA, is the vice chairperson of the Leadership & Development Section and AVP, Product Management, for Lincoln Benefit Life in Rosemont, Illinois. She can be contacted at ying.zhao@lbl.com.

BUSINESS MANAGEMENT

Adapting Actuarial Practices in the Age of Artificial Intelligence

By April Shen and Mitchell Stephenson

The actuarial profession has been proactive in embracing the age of artificial intelligence (AI). An example of this is the application of predictive analytics for assumption-setting in industries such as health care, property and casualty, and group insurance. Another example is in life insurance, where the use of big data to accelerate underwriting has decreased the time, and automated the manner, in which consumers can purchase insurance. In other lines of business, big data is helping to better model consumer behavior for forecasting and predictive modeling purposes.

While there are many reasons the profession should embrace the capabilities and opportunities that AI presents, it is critical to consider its ethical challenges and implications. Because of their training, requirements of adherence to the Code of Professional Conduct and Actuarial Standards of Practice (ASOPs), and continuing professional development requirements, actuaries are uniquely qualified to address these challenges. They need to participate in, and lead the discussion, about how AI is used and applied, now and into the future.

THE CODE OF PROFESSIONAL CONDUCT

The Code of Professional Conduct applies to members of the five U.S.-based actuarial organizations. Its purpose is to “require Actuaries to adhere to the high standards of conduct, practice, and qualifications of the actuarial profession, thereby supporting the actuarial profession in fulfilling its responsibility to the public.”¹

The code includes sections on professional integrity, qualification standards, and courtesy and cooperation. As stated in Precept 1 of the code, “An Actuary shall act honestly, with integrity and competence, and in a manner to fulfill the profession’s responsibility to the public and to uphold the reputation of the actuarial profession.” This manner of acting will be critical as actuaries work with machines that become more sophisticated, complicated to understand and autonomous in the way that they perform calculations. In addition, Precept 3 states, “An Actuary

shall ensure that Actuarial Services performed by or under the direction of the Actuary satisfy applicable standards of practice.”

This article will relate the Actuarial Standards of Practice to three specific challenges that AI presents:

- complicated models, which are hard to understand and validate,
- communicating results, which are difficult to explain and to interpret, and
- ensuring that data is adequate and reasonable to use to draw conclusions.

THE GOVERNANCE OF MODELS

Model governance addresses complicated models that are hard to understand and validate. Over the past several decades, numerous factors have contributed to the need within the actuarial profession to ensure that adequate testing, documentation and governance occurs around the use of models.

First, the use of personal computers in the workplace means that more people have access to the code used to generate modeled results, as well as to the model itself. Therefore, it is important to have adequate controls and documentation around changes made to those models, their intended use and the limitations associated with using them.

Second, the financial crisis of 2008 resulted in a perception that models were ineffective in producing sufficiently severe outcomes.²

Finally, the use of internal models increased due to the availability of large quantities of data, faster and less expensive computing power, and progressively more sophisticated risk-based insurance regulatory capital requirements.³ These factors have made it more difficult to anticipate and interpret modeled results. This will continue to be true with the increase of AI. Therefore, actuaries must be confident that the calculations are working as intended, so they can spend their time explaining and analyzing the results, rather than worrying about whether the models are working correctly. This is especially true during live reporting periods, when there is precious little time to waste on double checking the accuracy of the models.

There are several ASOPs that place the accountability on the actuary to ensure adequate model governance activities take place around the development, testing and use of models. For example, ASOP 54, Pricing of Life Insurance and Annuity Products,⁴ states, “The actuary should use, or, if appropriate, may rely on others to use, reasonable governance and controls over the actuarial services provided as part of pricing.” The ASOP goes on to give several examples of what type of activities represent reasonable governance and controls.

Another example is the Modeling ASOP, which is still in exposure draft form. The third exposure draft of the ASOP states, “The actuary should use or, if appropriate, rely on others to use appropriate governance and controls to minimize model risk, to maintain the integrity of the model, and to avoid the introduction or use of unintentional or untested changes.”

ASOP 52, Principle-based Reserves for Life Products Under the NAIC Valuation Manual,⁵ discusses several types of model validation that the actuary should perform to get comfortable with the results of the model.

All these ASOPs are evidence that the actuaries involved in pricing, modeling and valuation activities should ensure adequate model governance activities occur. This helps prepare them to confidently present and use modeled results in the future, even as calculations get more complex and difficult to explain and to analyze.

ACTUARIAL COMMUNICATIONS

As defined in ASOP 41, Actuarial Communications,⁶ an “actuarial communication” is a “written, electronic, or oral communication issued by an actuary with respect to actuarial services.” This ASOP helps to provide actuaries with guidance on communicating complicated modeled results. It states that “the actuary should take appropriate steps to ensure that the form and content of each actuarial communication are appropriate to the particular circumstances.”

It also provides guidance around providing clarity in actuarial communications: “The actuary should take appropriate steps to ensure that each actuarial communication is clear and uses language appropriate to the particular circumstances, considering the intended users.” This guidance is meant to ensure that as actuaries report on complicated model output, they adjust the communication for the intended audience and make it as clear as possible.

The ASOP also provides guidelines around the disclosure of assumptions: “An actuarial communication should identify the party responsible for each material assumption and method.” It specifies that if no such party is identified, the actuary issuing the communication will be assumed to have taken responsibility for the assumption or method. This is especially important when it comes to complicated modeling techniques, simplifications in the model or methods of setting assumptions. By disclosing the responsible parties, the actuary needs to be able to identify all such material assumptions and methodologies, which will help in explaining the key drivers of modeled results.

Finally, there are guidelines in ASOP 41 for issuing an actuarial report, including disclosing uncertainty or risk, any potential conflict of interest and reliance on others. There may be cases in new product pricing where sensitive customer information is used. Per Precept 1 of the Code of Professional Conduct, the



actuary must ensure that the customer and the public—as well as the company—is protected legally and ethically in such cases.

Disclosing potential conflicts of interest is one way that an actuary may address inappropriate use of customer information while issuing actuarial reports. This is also addressed in Precept 9 of the code: “An Actuary shall not disclose to another party any Confidential Information unless authorized to do so by the Principal or required to do so by law.” This may help with prevention of claim fraud in an age where there are many attempts to gain customer information for use in identity theft.

Just as access to data is becoming more prevalent for use in actuarial modeling, consumers’ ability to purchase products online is growing. Although there are still some obstacles for customers to directly buy car insurance online,⁷ it’s not hard to imagine a future where consumers will be empowered to purchase virtually all forms of insurance on the internet and could potentially do so through voice technology.

Such consumer interactions will require tremendous efforts, not only in the pricing and underwriting of automated actuarial tables but also in the communication and disclosure of the terms and conditions of the insurance contract. With the possibility of more direct sales of insurance products like life insurance in the future, ASOP 41 will continue to provide actuaries with guidance for adequate disclosure and communication for the

intended audience, as well as to protect a company’s reputation and address legal concerns.

DATA QUALITY

As larger quantities of data become more available for use in actuarial models, and the modeling capabilities increase to handle more data in the calculation routines, it will become increasingly important to ensure that data is adequate and reasonable to use to draw conclusions. The old phrase “garbage in, garbage out” applies to actuarial, as well as to other, types of models. The scope of ASOP 23, Data Quality,⁸ is to provide “guidance to actuaries when selecting data, performing a review of data, using data, or relying on data supplied by others, in performing actuarial services.”

This is relevant for use of data in valuation and reporting models, as well as in pricing models. As direct marketing becomes more prevalent, and large quantities of data are used to price new products like life insurance in an automated fashion, the data used must be of adequate quality to ensure pricing accuracy. ASOP 23 provides guidance for actuaries in the selection of data, including whether it is appropriate, reasonable and sufficient. It also provides guidance on the review of data, including disclosing any reasons why it may not be necessary to review the data, in the actuary’s judgment.

One area where data quality will be critical in the future is the use of individualized data in pricing, and in the setting of, renewal rates. Specific data on drivers, for example, can be skewed if individuals other than the primary driver are behind the wheel of the insured car. Data collected from Fitbits or other activity-tracking devices may be misinterpreted if not fully understood and analyzed. For example, customers could attach the device to a pet, or a ceiling fan, giving the impression that more activity has occurred than really did.

In a 2016 study, State Farm challenged individuals to identify if car dashboard cameras captured photos of distracted drivers. The insurance company collected this data to interpret distracted driver behavior, which is the cause of one in five car accidents.⁹ Such data is useful in pricing insurance products but can be subject to misinterpretation and needs to be vetted and understood.

ASOP 23 challenges actuaries to ensure that the data used in actuarial services is not only appropriate but is also of sufficient quality with which to perform analysis. This ASOP will help in addressing such challenges in collecting, and using, individualized data in the future.

WHAT’S NEXT?

As the actuarial profession strives to compete with other fields such as data science, these professional standards can provide actuaries an advantage, as each actuary is accountable for

applying the Code of Professional Conduct and the ASOPs to his or her daily work. ASOPs like those referenced here will give actuaries relevant guidance as the capabilities of AI increase.

With the use of more sophisticated models, modeling techniques and increased automation of the modeling process, individuals practicing as model developers, testers and users will need to apply a high degree of skill and care to ensure models are working as expected and are appropriate for their intended use. There is no better place that sets the expectations of actuaries and how they should perform their work in the future than Annotation 1-1 of Precept 1 of the code: “An Actuary shall perform Actuarial Services with skill and care.” ■



April Shen, FSA, CERA, MAAA, is an actuary at Venerable Annuity, in West Chester, Pennsylvania. She can be reached at april.shen@venerableannuity.com.



Mitchell Stephenson, FSA, MAAA, is chairperson of the Leadership & Development Section Council and can be reached at mitchell.stephenson@prudential.com.

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CAREER DEVELOPMENT

Would You Half-Heartedly Manage Risk?

By Jennifer Barley and Karen Sullivan

You're an actuary, you have insane analytical skills, you're there for organizations to plan for the future, you're the backbone when it comes to financial security for so many industries. Sounds pretty powerful. So why is it that when it comes to softer skills, some tend to play in the sea of sameness and mediocrity?

Mediocrity is about being just good enough to get by:

- Maybe it's just getting by in your job, going through the motions and not putting in any extra effort that could make a real difference.
- Maybe it's not dealing with a personal or professional relationship because it's just easier to leave it as it is than either working on it or getting out of it.
- Maybe you're not going for that promotion because you're afraid of leading people or presenting in front of an audience.

Now ask yourself: Is that all you want? If the answer is no, then it's time to change it. When, you ask? Now—no, not tomorrow, now. It may not be easy, and it may not be the safe way. There will be risks (actuaries deal with that all the time), and there will be changes and challenges, but the outcome will be worth it. You know that, and you know that you know that. You have to do something different.

We're going to throw out a challenge, and it's not calculus or statistics. Mediocrity doesn't work for us, and we challenge you to get out of the center, move from the middle and go to the edge.

Here's the challenge: Pick something that you want, a project or a goal. Start small if that feels better. Make a commitment to do it.

Intentions are nice, but unless there's committed action, nothing will change. You're the one and only person who can change where you're going. You can do anything you put your mind to. Believe that. Just ask Tyrone "Muggsy" Bogues. At

5 feet, 3 inches and 136 pounds, he was the shortest NBA player ever. That didn't stop him from blocking 39 shots during his NBA career, including one on 7-foot tall Patrick Ewing.¹ He believed in himself.

The key is that you need to act. Stop talking about what you're going to do, or who you want to be. Go do it and be it.

Take a class on leadership. Join Toastmasters to improve your presentation skills. Start that hard conversation. Put in the effort to begin that project. Just do it. Actions produce results, not wishing and hoping and dreaming (isn't that a song?).

You can't just think your way to a new position or to success. Learn what you need to learn to get what you want. Take action and implement what you've learned, and then enjoy the results. It doesn't have to be that complicated.

You may crash and burn (also known as failing or making a mistake). However, if you stand around waiting for things to happen, while you won't fail, you also won't truly succeed and reach your full potential as an actuary—and as a person.

Look in the history books: No one shattered glass ceilings or made millions (we know it's not about the money) settling for mediocrity or just being satisfactory. So you have a choice. Yes, life is all about choices, and doing nothing is a choice. You can choose to do nothing and settle for mediocrity, never putting forth much effort or taking risks (an oxymoron for an actuary), or you can commit to what you want.

If you do commit, we guarantee you that for every ache or setback you have, you will experience an equal or surpassing pleasure. ■



Jennifer Barley is co-founder of KickStart Your Edge LLC. She can be reached at jenn@kickstartyouredge.com.



Karen Sullivan is co-founder of KickStart Your Edge LLC. She can be reached at karen@kickstartyouredge.com.

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CAREER DEVELOPMENT

Le Petit Prince

By David L. Tate

Editor's note: In the Leadership & Development Section's Leadership Inspiration Contest, entrants were asked to tell us what inspired them to be better actuarial leaders. Here is the winning entry in the Inspiring Book category.

"Perfection is achieved, not when there is nothing more to add, but when there is nothing left to take away."

—Antoine de Saint-Exupéry

On the surface, *Le Petit Prince* (*The Little Prince*)¹ is a children's book, a fantasy about a young boy living on a tiny asteroid, who travels around the galaxy by harnessing a flock of wild birds. The boy meets a king, a businessman, and a drunkard, and befriends a fox. He talks to his rose, and rakes out his three tiny volcanoes to prevent them from erupting. He obtains a pet sheep, which is actually just a drawing of a box that he knows contains a sheep. All of this seems very much like a simple fantasy tale for children.

As an adult, it is easy to overanalyze this book and get hung up on these imaginative elements, thus missing the underlying messages. I was able to tap into my past childlike mindset and learn some important lessons that changed my life.

At one point in his journey, the Little Prince arrives at a planet occupied solely by a businessman, who sits at his desk toiling away. The Little Prince asks the businessman what he's doing but is dismissed because the man says he is too busy doing calculations. Through his persistent questions, the Little Prince learns the man is making an accounting of each of the stars in the sky, which he claims to own. When asked what he does with the stars, the man replies, "I manage them. I count them and then count them again. It's difficult work. But I'm a serious person!"²

It is important to keep in mind our motivation for the things we do. At work, are we trying to provide value to our coworkers, our clients, the policyholders? In all of my interactions in life, I do not want to be like the businessman: simply calculating, managing, counting, being a serious person. I try to have the attitude of the Little Prince, who thinks to himself, "That's amusing, and even poetic. But not very serious." He then



admonishes the businessman, "I own a flower myself, which I water every day. I own three volcanoes, which I rake out every week. I even rake out the extinct one. You never know. So it's of some use to my volcanoes, and it's useful to my flower, that I own them. But you're not useful to the stars."³

The Little Prince sums up the sad life of the businessman, "He's never smelled a flower. He's never looked at a star. He's never loved anyone. He's never done anything except add up numbers."⁴

As an actuary, it is easy to become engulfed in my calculations, forgetting the most important things in life. The Little Prince reminds me to be useful to the flowers and volcanoes in my life. ■



David L. Tate, ASA, MAAA, is a senior actuary at Sentinel Security Life, where he does annuity modeling and product development. He can be reached at dtate@sslco.com.

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INTERPERSONAL SKILLS

Myths of Networking: 10 Misconceptions Actuaries Need to Guard Against

By Lynne Waymon and Barbara Taylor

In this competitive environment, even actuaries need skills to help connect, converse and collaborate—face-to-face—not just electronically. As principals at a nationwide training firm specializing in teaching business networking skills, we’ve seen that internal networking is a key hidden business competency.

Interacting with just a handful of people who are directly in your work day or flow can be dangerous and actually counter-productive. A small circle of contacts limits your ability to gain the kind of “business intelligence” that can improve any project you’re working on. Also, those beyond that circle won’t observe your character and competence. Both of these negatively affect your performance and ability to deliver outstanding results.

Make your value visible. Increase your influence and executive presence. Cutting-edge connecting skills will boost your productivity and your career opportunities. We live in a network-oriented workplace, where your ability to network effectively can impact product design, execution and other corporatewide organizational issues.

To boost your skills in networking—internal and external—learn the truth behind the following 10 myths.

1. ACTUARIES KNOW HOW TO NETWORK

Really? We wouldn’t be so sure. From 2008 through 2017, more than 1,000 people from all walks of life took our Networking Competency Assessment. Their employers were shocked. Only 41 percent said, “I tell stories that teach about my team’s or my organization’s capabilities.” Only 39 percent said, “I know the next step to take to make any relationship more useful.” And a paltry 32 percent said, “I know exactly who I need to have in my network.”



2. YOU CAN’T LEARN HOW TO NETWORK

Not so. Networkers are made, not born. Our client research shows that only about 20 percent of people are “natural networkers.” We’ve identified eight competencies that outline the skills for the other 80 percent to learn.¹ And even the natural networkers can learn to be more strategic and intentional. Anyone can learn to put the tools of networking to work in the service of business goals.

3. EVERYONE’S CONNECTED: WE’VE GOT COLLABORATION SOFTWARE

That’s like saying, “I have a phone, so I have lots of friends.” Having the ability to connect electronically is not the same as knowing how to build trust-based relationships that spark innovation, get things done and bring in new clients. Even in this electronic age, training programs need to focus on the value of face-to-face contact whenever possible.

4. NETWORKING IS AN EXPENSIVE TIME WASTER

Not so. Ben Waber, a visiting scientist at the Massachusetts Institute of Technology, reports that, “Employees who ate at cafeteria tables designed for 12 were more productive than those at tables for four, thanks to more chance conversations and larger social networks.”² Imagine what happens when people are actually taught how to make conversations even more productive. Value soars.

5. COLLABORATION = NETWORKING

Not quite. Networking skills are the tools and strategies people need to build the kind of trust that leads to collaboration. When you trust someone, it means you’ve decided there’s very little risk in relating to them—and the work can get done.

6. WE’VE TOLD OUR PEOPLE TO NETWORK

It takes more than a decree from above. Too many people come back to the office with a bunch of business cards that they don’t know what to do with. And internally, it is surprising how many people don’t know each other across functions, departments and locations. This is such a loss of collaboration potential.

7. THAT’S WHY WE HAVE A MARKETING DEPARTMENT

Time to give up the outdated idea that actuaries can’t be expected to develop business. In this competitive world, business development is everybody’s business, no matter what their function or level within the company (including actuaries).

8. OLD CONTACTS ARE USELESS

While it may seem counterintuitive to reach out to someone you haven’t spoken to in years, according to Wharton business professor Adam Grant, dormant contacts (whether inside your company or outside) can add tremendous value. Often, they are even more useful than currently active contacts.

Why might this be? Your dormant ties have been off gaining contacts and knowledge since you last spoke to them. “The idea,” Grant tells *Inc.* magazine, “is that strong ties tend to give you redundant knowledge, as they are likely to know the same people and same things you do, but dormant ties have a much more diverse network.”³

9. NETWORKING IS ONLY FOR EXTERNAL CONNECTIONS

So not true. According to Waber, “People with extensive face-to-face networks are roughly twice as productive as people who keep to themselves or only communicate over email.”⁴ In fact, networking is an essential foundation for building strong, trusting internal relationships that can lead to productive collaboration, innovation and strategic alignment.

A bit of advice: Identify people both vertically and horizontally. Then make it your business to connect and converse with them whenever it makes sense to collaborate.

10. NETWORKING IS ONLY EFFECTIVE IF YOU’RE AN EXTROVERT

While it may seem that networking is easier for extroverts, unless they know when to stop talking, introverts may actually have an edge. Being a good listener is powerful, and that is an innate capability for introverts.

If you are an introvert, you may want to practice being “spontaneous.” Develop several open-ended questions prior to meeting with people. And be more conscious about being deliberate in networking. Introverts can be as effective as extroverts in building a cadre of strong cross-functional relationships.

We hope we have pushed your thinking about the importance of internal and external networking. As you increase your spheres of influence, perhaps you’ll identify several more networking myths to break. We hope you do. ■



Lynne Waymon is CEO of Contacts Count LLC, a training firm that specializes in teaching business and career networking skills. She can be reached at LWaymon@ContactsCount.com.



Barbara Taylor, CPCU, is a partner at JanBara & Associates, accelerating the performance of people and organizations, and a certified Contacts Count consultant/trainer. She can be reached at btaylor@janbara.com.

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PEOPLE MANAGEMENT

An Influential Lesson From Old Ben: Borrow Books

By Mary Pat Campbell



Editor's note: In the Leadership & Development Section's Leadership Inspiration Contest, entrants were asked to tell us what inspired them to be better actuarial leaders. Here is the winning entry for best overall submission.

When Ben Franklin drops a secret on how to influence people, it pays to listen. Of all the Founders, he was the one best known for his persuasive powers.

In 1736, Franklin was appointed clerk of the General Assembly in Philadelphia. This not only gave him a reliable income but also a way to get to know the members of the Assembly better. All these were prominent men, and this networking also led to further business for his printer's shop.

So you can imagine that Franklin was miffed the next year when a new member of the General Assembly made a long speech against re-appointment of Franklin as clerk. But rather than trying for some sort of revenge, Franklin thought of a way to get the man to his side. Let Old Ben tell his tale:

Having heard that he had in his library a certain very scarce and curious book, I wrote a note to him, expressing my desire of perusing that book, and requesting he would do me the favour of lending it to me for a few days. He sent it immediately, and I return'd it in about a week with another note, expressing strongly my sense of the favour. When we next met in the House, he spoke to me (which he had never done before), and with great civility; and he ever after manifested a readiness to serve me on all occasions, so that we became great friends, and our friendship continued to his death.¹

As many have remarked, the "Ben Franklin effect"² seems opposite of what people expect. Surely, doing favors for others, not asking for favors, makes them like you. And yet, research seems to prove the effect.

There are several lessons I've taken from this passage, not only with regard to borrowing books from people (though the important part, which many people forget, is *giving the book back*). One lesson Franklin specifically mentions: If you can, it helps to get people on your side, rather than seeking to get back at those who stood in your way.

Here are two more lessons:

1. **Make the favor asked specific to the person.** If Franklin had asked for any old book, it would not have been as effective; Franklin asked for a hard-to-get book this man owned—and the man felt more valued as a result.
2. **Learn how people actually behave when you want to influence them.** Focusing on how people "should" act as opposed to how they do act isn't productive.

These two items ultimately boil down to the same thing: Pay attention to people. That's the real lesson—if you cultivate a real interest in others as individuals, you find them more persuadable. ■



Mary Pat Campbell, FSA, MAAA, PRM, is vice president, Insurance Research, at Conning in Hartford, Connecticut. She can be reached at marypat.campbell@gmail.com.

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PEOPLE MANAGEMENT

What an Intern Taught Me About Leadership

By Ben Berger

Editor's note: In the Leadership & Development Section's Leadership Inspiration Contest, entrants were asked to tell us what inspired them to be better actuarial leaders. Here is one of the early entrant winners.

What inspires me to be a better leader? Until recently, I haven't had more than a canned answer, something like "I'll need to be an effective leader if I want to progress through my career." Until recently, I didn't have any firsthand, direct leadership experience. Until recently, I didn't fully grasp the impact a great leader can have on those who follow in their footsteps.

My first taste of leadership came after I'd been out of college and in my actuarial role for a year; I got the opportunity to work heavily with a summer intern on my team. It was mostly focused on helping her learn the product and understand her various projects, but that experience taught me the importance of things like clear communication, breaking down difficult concepts into manageable pieces and documentation. (So. Much. Documentation.) What I didn't learn was anything about the more "human" side of leading an employee. I didn't understand the difficulty of that part of the equation—until recently, that is.

Enter a defining moment in my young career. Just a week and a half ago, I said good-bye to a different summer intern, someone I was formally leading for a little less than three months. Not only was I responsible for communicating concepts and vision and getting him up to speed on projects, but suddenly I was also responsible for equipping him to succeed in his internship and helping him develop, both personally and professionally. We've all had development discussions where our leaders ask us intentionally vague questions like, "Where do you want to be in five years?" But now, I'm not the person who just spouts nice-sounding answers like, "Leading two to three direct reports"—I'm the one who has to think of ways to help his direct report *actually achieve* these lofty goals. Talk about pressure!

As the summer progressed and I learned more about my intern and his goals, I got excited about the potential of what my role



could be. I have the ability to help shape someone's future. He certainly carries the lion's share of that responsibility, but there's no denying that I have a part to play. In case I had any doubt, it's a new part of my job description and performance goals. While that's a somewhat daunting thought, it's also a huge opportunity and an invigorating prospect. It inspired me to heavily invest in learning how to coach and develop people, which drove me to seek advice from my own current and past leaders and mentors. Through that, I also gained a deeper appreciation for how much I owe to them.

If you've been looking for a way to make a difference in someone's career, this is it. Lead. Influence. Inspire. Give back the coaching you've been lucky enough to receive, and help others learn from the mistakes you've made. Believe me when I say that watching someone develop under your direction is its own reward, and well worth the investment. ■



Ben Berger, FSA, CERA, MAAA, is an assistant actuary at Principal, a financial services company based in Des Moines, Iowa. He can be reached at berger.ben@principal.com.

PERSONAL DEVELOPMENT

The Zen Actuary Installment 14: “Finding Your Center”

By Rich Lauria

*Author's note: This is the continuation of a series¹ adapted from the book *Awake at Work* by Michael Carroll, covering the application of Buddhist teachings to situations encountered in a modern corporate workplace setting. This series addresses challenges frequently encountered by practicing actuaries.*

Several installments ago I chronicled my journey in learning how to stand on my head as part of my developing asana practice. I am happy to report that the journey keeps going and there are different levels of progression beyond the seminal moment of head balancing! It is amazing how even simple variations from the basic pose create worry and anxiety to work through.

As I noted in that article, one of the key disciplines I needed to work on was developing a strong core. I continually remind myself to bring my navel toward my spine; that conscious effort always creates more stability and verticality in the pose. The interesting discovery I've made is that focusing on engaging my core muscles has been vital in deepening my entire asana practice, even with basic poses like a standing forward bend. And now even as I sit and type this I am making a conscious effort to sit up straight and engage my abdomen. I also periodically meditate by focusing on originating every movement from my center.

What does all this have to do with living a hectic life filled with numbers, risks, mitigation strategies and models? Well, perhaps more than meets the eye.

Besides improving posture and making it slightly less embarrassing to wear a bathing suit, core consciousness has improved my concentration and mindfulness. If I'm focused on my abdomen, there is no space for my mind to be running through my never-completed to-do list and all of the related worries about what deadlines I'm in danger of missing. In addition, I find

there is more space to just breathe, which helps bring clarity of thought to the risk model I'm working with.

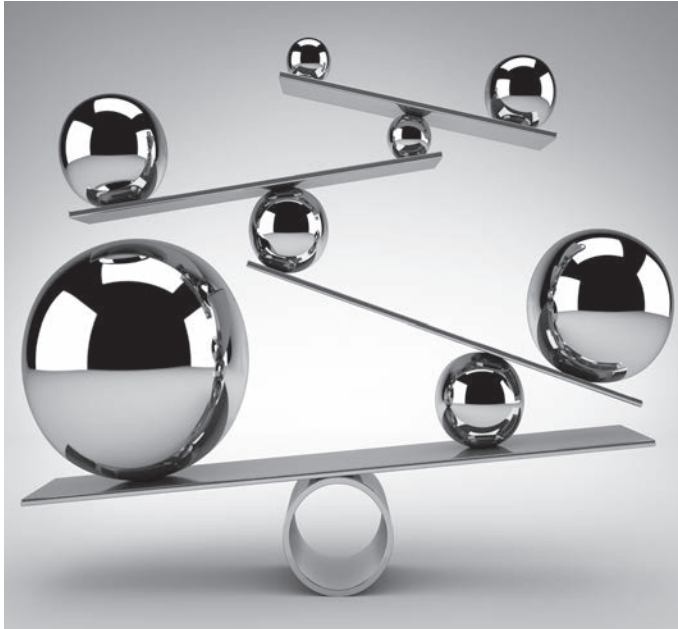
Beyond the direct mind-body connection, I have found that focusing on my physical center re-connects me to the deeper purpose of being a seasoned risk management professional:

- What are the key risks my employer or clients are now facing?
- Can these risks be mitigated with traditional techniques such as hedging and reinsurance?
- Are they operational risks that are best handled through installation of controls and procedures?
- Are they strategic risks most appropriately managed through actions designed to protect the franchise, such as strengthening relationships with key distribution channels or staying one step ahead of industry disruptors with that next generation product enhancement?
- How can this be best modeled to paint the most useful picture to senior management?

The actuarial profession has a wonderful set of core principles that connects all practitioners regardless of specialty area. Substituting facts for appearances and demonstrations for impressions is a great motto and lies at the core of what we are trying to accomplish. Coming back to this place is always best practice and will help lead to better decisions.

This is especially pertinent in a field like enterprise risk management where the practitioner is often dealing with remote risks that, by definition, lack credible data to make definitive statements of risk. Actuaries need to take into consideration all relevant information—direct and indirect—in formulating a best assessment of the risk. And sensitivity testing becomes even more critical as part of the assessment since these risks are often solvency threats as well.

Even in areas closer to the middle of the distribution, the actuary needs to go to her center to evaluate and, where appropriate, mitigate the risk. The pace at which business is changing continues to accelerate and the only constant is change itself. Nevertheless, the profession's well-established toolkit is suited to analyze and project evolving trends in key risks. Testing reserve adequacy in a rising interest rate scenario from an overheated economy or evaluating the impact of deteriorating mortality due to adverse selection from simplified underwriting techniques are analyses actuarial training and education prepare one to handle with relative ease, even with the challenges in model building and assumption setting often involved.



Continuing education requirements encourage actuaries to hone and refine their knowledge base, strengthening the value of the actuarial credential and further affirming the profession's commitment to excellence. They also keep actuaries from becoming stale, standing still in development, and getting too comfortable with the status quo. Learning new yoga poses or variations on existing poses accomplishes something similar for one's asana practice. Both work on the core or center of one's practice; they are vital to continuing growth and exploration.

Attending an all-day seminar about the latest developments on the Financial Accounting Standards Board (FASB) long duration contract project may not be at the top of a crowded to-do list, but I'm likely to feel a sense of internal satisfaction from having attended and actively participated. Even being around fellow practitioners sharing ideas stimulates the internal fire that drives further curiosity about the subject.

Another core part of being an actuary is professionalism. Thankfully, there is a strong professional code of conduct and many standards of practice spanning all areas of work. When I am dealing with new ground or gray areas, I often review part of the code or an applicable Actuarial Standard of Practice (ASOP) or three to provide additional needed perspective. I know I do not have all of the answers and welcome the accumulated wisdom and experience of many experts in the field. For me, this review is like doing mini-crunches or holding plank pose in the middle of my asana practice. It warms up my core, bringing me in touch with my center, and properly aligns and prepares my practice for greater challenges. It increases

the likelihood that my actions will come from strength of purpose and clarity, producing positive results.

Finding one's actuarial center is not easy. Conflicting demands and stretch goals can distract us. I suggest first working with the physical center to establish a connection. One simple technique is to focus awareness on what is referred to as the *dan tien*. This is located about two inches below the navel. Every time distracting thoughts arise, simply bring awareness back to this area. If this is difficult to achieve, awareness can be cultivated by gently pulling the low belly in while continuing to breathe.

A frequent tendency is to hold one's breath while engaging the abdomen—essentially sucking in the stomach. We're not going for that here. The breath is a vital part of the connection. The practice will not be sustainable without it. Turning blue and passing out is not desirable on any level.

The intention is to connect with the physical center. Placing awareness here will slow the mind and encourage going within. It will also remind one of the inner strength one possesses. This can be quite calming and provide a window to the clarity often sought in stressful situations.

Staying with this practice for a few minutes a day can slowly but surely awaken the fire within and cultivate a connection to that true sense of purpose in what we do as actuaries, rekindling what got us excited about the profession in the first place. There are more "advanced" practices if one wants to try them, but my experience indicates that they are not necessarily better; they are just different avenues to cultivate the central connection. As both my yoga and actuarial practice evolve, I find that less is more and simpler is often better.

With the dawn of the new year, consider what your core is, as a professional and a person. It may provide a refreshing yet familiar experience on the actuarial path by being placed back in touch with that special set of principles and practices that bring joy and satisfaction to our work. ■



Rich Lauria, FSA, CFA, MAAA, is senior vice president of global risk modeling and insurance purchasing at Assurant Inc. He enjoys integrating Buddhist and Eastern philosophy into the hectic demands of Western life.

ENDNOTE

- 1 The first 13 installments in the "Zen Actuary" series were published in the November 2013 through November 2017 issues of *The Stepping Stone*, available online at www.SOA.org/ld.

PERSONAL DEVELOPMENT

Be Like Jerry Seinfeld: Create a Chain

By Doreen Stern, Ph.D.

“My next guest is a young comedian who’s making his first appearance on *The Tonight Show*,” said Johnny Carson in 1981.¹ Out bounced a gawky guy named Jerry Seinfeld. He was wearing a beige sports coat and dark slacks, along with light gray shoes that stuck out since they didn’t match his pants.

“Hey. Wow. Good evening,” Jerry gushed, rubbing his palms together. “This is so exciting. I’m so excited to be here.” Then he started moving his hands and arms as if he were ground crew at a busy airport, the only thing missing the orange batons to direct a plane to its gate.

An observer would later note, “He looked like he could have just come from his bar mitzvah.”²

Jerry went on to co-create and star in what became the most popular and successful sitcom on American television, despite having been fired from his first TV gig. By the ninth and final season of *Seinfeld*, his earnings were estimated to be \$1 million per episode. Syndication rights continue to increase Jerry’s haul. In 2014, experts estimated his income from local affiliates replaying *Seinfeld* as \$400 million.³ In 2017, *Forbes* identified him as the highest-paid comedian in the world.⁴

Jerry’s sweet spot is portraying everyday human interactions as humorous. He’s continued that approach in an Emmy-nominated web series called *Comedians in Cars Getting Coffee*. Installments revolve around Jerry giving a well-known comic a ride in a vintage car and then chatting over coffee. The banter between Jerry and his guest is what makes every 10–20 minute segment soar.

On the surface, the conversation seems unscripted. However, when one pays closer attention, one begins to wonder. “This chick has some horsepower; she belongs in a Ferrari,” said Jerry, as he unveiled the car he was going to use to pick up comedian Amy Schumer.⁵ It was luminescent yellow. “You’ve got horsepower, honey,” he repeated when he and Amy greeted each other. And when the car allegedly broke down during the segment, Jerry commiserated, “Oh, Ferrari, so sorry.”

By May 2015, the series had been streamed nearly 100 million times. Netflix contacted Jerry in 2018 about offering *Comedians in Cars Getting Coffee* on their platform. “I am really quite charged to be moving there,” he said.⁶ Pundits believe the entertainment service paid him upward of \$100 million to make the change.⁷

TO WHAT DOES JERRY SEINFELD ATTRIBUTE HIS SUCCESS?

Software developer Brad Isaac was an aspiring comedian when Jerry was still touring at the start of his *Seinfeld* fame. One night they happened to be at the same club. “Do you have any tips for a new comic?” Brad asked Jerry.⁸

“The way to be a better comic is to create better jokes,” Jerry replied. “And the way to create better jokes is to write every day.” Then Jerry shared his secret for sticking to such a schedule:

- He hung a large wall calendar in a conspicuous spot so he’d see it all the time.
- Next to it, he placed a colorful marker.
- Each day, after he completed his writing task, he put a large X in the box on the calendar associated with that day of the week.

“After a few days you’ll have a chain,” Jerry explained. “Just keep at it and the chain will grow longer every day. You’ll like seeing that chain, especially when you get a few weeks under your belt. Your job is not to break the chain.”

He paused.

“Don’t break the chain,” he repeated.

Jerry’s friends describe how successful this practice has been for him. “He’d sit down and write for an hour every day, no matter what,” recalled comedian George Wallace, a long-time friend. “We’d do a lot of our writing onstage, but he’d go onstage and have it all figured out, written down on his yellow pad.”⁹

HOW HAVE I IMPLEMENTED JERRY SEINFELD’S APPROACH?

“Doreen, Doreen,” my friend Gaia said on the phone. She had just read a blog post about Jerry’s calendar strategy.

“Interesting,” I said. “What are you keeping track of?”

“I’m doing the plank every day,” Gaia replied.

I shook my head. Doing the plank wasn’t something I was willing to devote mental energy to. But there were plenty of things I longed to address in my life.



Everything I know about completing big projects suggests that breaking them down into small steps produces the best results.¹⁰ Indeed, that's how I finished a 493-page doctoral dissertation.

"What do you think about doing a tiny task every day?" I asked Gaia. "Ideally one we've been procrastinating about doing—and each of us taking a picture of what we've done? And then sending the photo to the other? Both so we'll be accountable and so our brains will register our success."

Gaia was interested, and, because she's an actuary, she labeled it an initiative. She and I committed to doing one tiny task each day. What task doesn't matter; what matters is that we do *something*. Today, I realize that each task represents a pathway

toward accomplishing the goal of feeling more in charge of our lives.

Gaia and I are approaching the 19-month anniversary of our Tiny Task Initiative. Every day since June 25, 2017, I've done one task I'd been dragging my feet about completing. Who knew there could be so many things?

Do I feel stronger? Absolutely. "YES, I CAN!" I tell myself. "YES, I WILL!" I add. "YES, I AM!" I exult.

AN ADDITIONAL BENEFIT

A positive unintended consequence is that I've become closer to Gaia. After all, we're in touch most days, texting our pictures to one another and offering congratulations for a job well done.

I'm quick to admit that I would never have stayed the course during the past year had I not been accountable to *someone*.

Who, I ask you, would have wanted to return a book a full year after promising to get it back within a week? Or clean out my bulging desk drawer? (The one that made me shudder when I opened it.) And empty reams of paper from dated file folders to make room for new material in my file cabinet? Plus contact people whose emails I had never replied to? The list goes on and on.

Additionally, last year I submitted my income tax returns March 1, while the prior year I'd been madly trying to figure out how to use TurboTax on April 14.

YOUR TURN

What goal have you been longing to achieve? What are tasks so small you can complete them every day? To whom will you be accountable? Please let me know, so I can cheer for you. ■



Dr. Doreen Stern is a writer, motivational speaker and success coach in Hartford, Connecticut. Her dream is to become a best-selling author. She's currently writing a book about creating the courage to tell the truth. She can be reached at Docktor@DoreenStern.com.

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