



Article from

The Stepping Stone

March 2019

Issue 71

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.

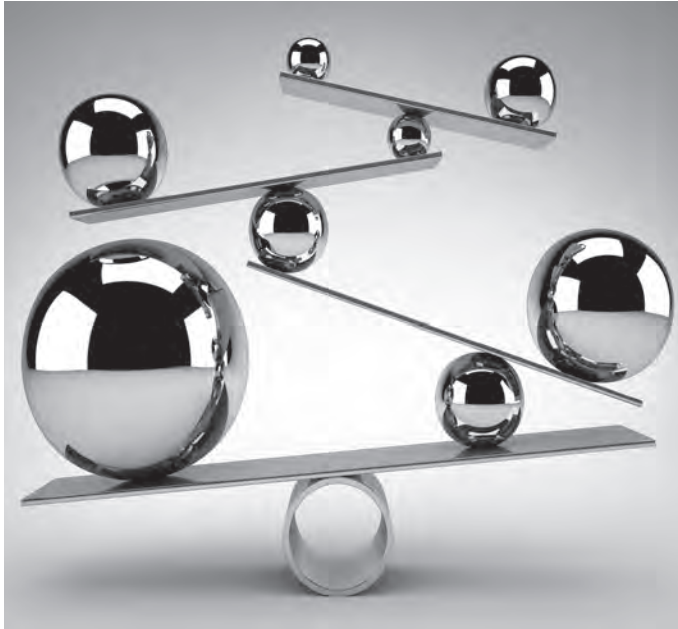
Beyond the direct mind-body connection, I have found that focusing on my physical center re-connects me to the deeper purpose of being a seasoned risk management professional:

- 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.