



SOCIETY OF ACTUARIES

Article from:

News Direct Newsletter

May 2004 – Issue No. 47

APPLIED ACTUARIAL RESEARCH CONFERENCE OFF TO A SUCCESSFUL START

BY IAN DUNCAN

The first Annual Applied Actuarial Research Conference was held March 8-9 at the University of Central Florida in Orlando. Approximately 60 actuaries and some non-actuaries with insurance-related research interests attended. Based on the positive feedback, we expect to hold the event again in Orlando next year at the same time.

The conference has been structured to respond to an often-repeated need expressed in many actuarial forums for more research, and especially practical, applied research that can be used by practicing actuaries. We succeeded in attracting representatives of all major practice areas (including a paper by Donald Mango FCAS, vice president for research of the Casualty Actuarial Society). A number of papers of interest to actuaries practicing in health care were presented by non-actuaries active in this field. A quick look at the agenda for the first AARC shows the mix of papers on property/casualty, financial, group insurance and managed care, data mining, and retirement systems topics. If you are interested in seeing the agenda, check out: <http://www.cas.ucf.edu/statistics/AARC2004.htm>. Papers and presentations are also posted on this site.

Why should the average actuary care about research? I wrote an editorial in the *Independent Consultant* newsletter last year in which I postulated that actuaries do not invest enough in themselves once they finish their examinations. As a test of this hypothesis, answer the following question: When was the last time an actuary paid for him or herself to attend an SOA meeting or seminar? We are used to employers setting the continuing education and other requirements (as well as funding them), rather than taking responsibility for our own continuing education. Research and publication on a topic is an excellent way to advance one's own professional development, as well as that of the profession.

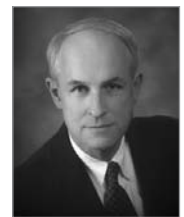
Why should actuaries support AARC?

1. Research (particularly applied research) should not be left solely to academic actuaries. Academic actuaries are relatively few, and most have teaching responsibilities. If the profession is to grow and flourish, the opportunities presented by research should be spread to a wider field.
2. The smaller and more concentrated forum of the AARC provides better opportunities for networking and exchange of ideas than the Society's larger meeting formats.
3. The exchange between academics and practitioners is very important. Those of us who make our living as practitioners have real problems to solve; academic actuaries have techniques. Collaboration is essential.
4. Orlando in March!

How can actuaries become more involved in research activities?

1. There are many calls for papers advertised regularly on the SOA Web site, both in the research section of the site, and on individual section pages. The SOA sponsors specific topic meetings through calls for papers, such as the "Living to 100 and Beyond" symposium of the Retirement Systems Section, or the Health Section symposium on prescription drug coverage to be held in Anaheim in May.
2. Many actuaries will have completed projects for professional development credit toward fellowship. These projects can often be presented as-is, or further developed. We are actively seeking interested actuaries to present their PD projects at next year's conference.
3. Speak to the Society's research actuaries, or individual section leadership, about topics that are of current research interest to the membership. Financial support is sometimes available from the sections, or potential researchers can be paired with academics or others interested in the topic.
4. Speak with one of the organizing co-chairs of AARC (Professor Lijia Guo of University of Central Florida, lguo@mail.ucf.edu, or me iduncan@lotteract.com).

Whatever route you decide to take, now is a good time to get involved in actuarial research!



Ian Duncan, FSA, FIA, FCIA, MAAA is a partner at Lotter Actuarial Partners in New York. He practices in the areas of data mining for insurance product development, risk prediction and marketing. He can be reached at iduncan@lotteract.com.