



SOCIETY OF ACTUARIES

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Volunteerism and the Risk Management Section

by Frank Sabatini

It's hard to believe that when this article is published it will have been almost a year since I assumed the role of Risk Management Section chair. My how time flies when you're having fun!

Fun is exactly what I had. It takes courage (maybe the word courage is a bit strong) and a passion for the cause to volunteer to take on another job when you have a least two others already.

I raised my hand when I was asked to join the Risk Management Section Council and again when asked to become the chair. It has been a great experience. As I look back on my two years on the council, I feel like the section has accomplished a great deal and we're now poised to take off on Starship ERM.

So what have I learned during the two fun-filled years as a member of the Risk Management Section Council?

Well, first and foremost, I've learned that volunteering can be extremely rewarding and gratifying. This isn't new for me because I've raised my hand to help before, both as an SOA member and in my personal life. But every time I look back, the sense of accomplishment and gratification is the one thing I focus on.

I've also had the opportunity to spend time with others who feel just as passionately as I do about the subject of risk management. I've learned from these exchanges and developed and strengthened relationships I would not have otherwise done.

At the same time I've learned that you can find time to make your contribution even though you don't think you have the time in the first place. And more importantly, none of my other commitments suffered as a result. I can't say it was

easy, but I found the time. The contributions I made tend to leverage my skills and knowledge on the more important things I was interested in doing, making it somewhat easier for me to do. Plus, I was never alone in my efforts having help from other section council members and a very special person at the SOA, Cheryl Krueger.

One of the things that I learned during my two years on the council is that the number of initiatives that the Risk Management Section did undertake is almost unlimited. Our business plan (located on the SOA Web site at www.soa.org) only begins to enumerate the activities. Our council discussions constantly uncovered new ideas that needed to be prioritized. (The realization is that we can never have enough volunteers.) I guess that's the consequence of having an interest in a *hot* and reinvigorated topic. I mention the reinvigorated comment on purpose because we know that we've been doing risk management for years. I'll admit the universe of risk topics has changed and expanded and the environment is pro-risk management.

We could keep hundreds of people busy helping Fred Tavan and Bev Margolian, who lead our research team, conduct a variety of research projects. During the past year, we've adopted a research model designed by Tavan and we're in the process of implementing it. The number of individuals assisting us is impressive. Yet, we have a list of priorities but only because of limited resources, even when our reliance on academic resources is factored in.

Doug Brooks and Dave Ingram, who lead our Marketplace Relevance and Professional Community Teams, are spending time trying to reach out to our external constituents. As you know, we've co-sponsored industry seminars and have continued to develop relationships with other risk management organizations: GARP and PRMIA. We've even recently agreed to co-sponsor an international risk conference to be held in Europe in December 2005. The notion of a risk index is even being tossed around



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in conjunction with others at the SOA and Brooks is leading our effort there. As actuaries, what is one of the unique qualities that we bring to the discipline of risk management? We have a working *value proposition*—an answer that has been championed by Ingram.

Hubert Mueller has led our continuing education team. The results of his efforts are most visible to the membership in the sheer number of sessions at each of the SOA's recent meetings. These sessions have been topical and focused on our development as risk management professionals. I know Mueller would love to have more help in designing and implementing our continuing education initiatives. Here's a case where literally more team members means more education programs.

The section also has plans for Webcasts and specialized seminars. One seminar idea currently in the planning phase focuses on helping risk management actuaries develop the softer skills of presenting risk information to non-technical audiences, effectively communicating across the organization and gaining support for risk initiatives within the organization.

Our newsletter has been a tremendous success. Thanks go to Ken Seng Tan and Dorothy Andrews, who has assisted Ken, for helping us

find topics, authors and for putting together an outstanding newsletter three times a year. They can use help in the publication process and we will always welcome article ideas.

We've also surveyed our membership (as I write this the results are not in yet) and we're hoping that the survey will help shape the section's activities over the coming year. Hopefully, many of you have already volunteered to help reach our objectives.

During the past year we have welcomed the Casualty Actuarial Society as section co-sponsors. During the coming year we hope to leverage their knowledge and membership.

So, what's my message as I pass the baton to David Ingram? It's pretty simple. We can use your help. Each of you is a member of the section for many reasons but almost universally because of your interest in the subject of enterprise risk management. The commitment we ask is not overwhelming. Plus, you too can have fun and realize that you've contributed to the advancement of your chosen profession.

So join us for our Starship ERM ride. It'll be fun. ♦

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U.S. Tax Reserves for Life Insurers Book Signing at Annual Meeting

Never before has there been such a comprehensive, updated document on life and health insurance tax reserves ...until now! *U.S. Tax Reserves for Life Insurers* is authored by SOA President-Elect Edward L. Robbins and Richard N. Bush, both experts in their fields. This new, innovative textbook provides authoritative guidance and mathematical approaches to calculating both statutory and tax reserves for all major product lines written by life insurance companies.

The text provides an introduction to statutory and tax reserve planning and includes a detailed discussion of the pertinent parts of the authoritative guidance, including extensive references to specific cases and rulings.

An added bonus! Also included, at no extra charge, is an interactive, Web-based feature that provides book buyers with access to the original Excel files used for most of the tables within the text ... an excellent way for readers to comprehend the more complex mathematical calculations and concepts discussed in the book.

Authors will be on site at the SOA Annual Meeting in NYC. Don't miss this opportunity! ♦