



SOCIETY OF ACTUARIES

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Risk Management Newsletter

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Risk Management Section's Terrible Twos

by David N. Ingram

The Risk Management Section recently turned two years old. As many of you who are parents know, a two-year-old can be quite a handful. Two-year-olds are just learning that they can be much more independent. They have more skills than one-year-olds and much more potential to cause trouble.

Our group has been growing like a small child. Last count, our membership was around 3,000 with more than 500 from the CAS (see the section membership statistics at end of this article). Our parents, the SOA and the CAS have both recently expanded their commitment to risk management and to the importance of our mission.

Our response, like a two-year-old, has been to run off in several directions at once. However, unlike the typical two-year-old, we have the advantage of having many legs and many, many hands. And hope-

fully, many heads as well.

The section council has expanded from nine to twelve members and we have also consolidated our committee structure. We will be operating with only six committees. Each committee will be empowered and expected to act within the broad directions that have been set down by the council. We will be making a special effort to break out of the standard for section councils, where the council members act as surrogate volunteers for the entire section membership. Committees will be made up of section council members working with non-council members. YOU can help. You do not need to be elected to the council to make a contribution.

The newsletter committee, headed by Ken Seng Tan and Ron Harasym, will be continuing to produce this excellent publication. They are looking for help from people who are willing to

write articles and from folks who would be able to help develop articles.

Hubert Mueller, Larry Rubin and Tony Dardis are leading the efforts for the Continuing Education Committee. They will be developing sessions for SOA meetings as well as for stand-alone continuing education programs like last year's very successful webcast.

The Risk Management Section will be again co-sponsoring the ERM Symposium in Chicago this April. Valentina Isakina is leading the Organizing Committee and council members Hubert Mueller, Frank Sabatini and Kevin Dickson have been working on the committee. You should have already heard about the program for 2006. We will be starting work on the 2007 ERM Symposium this summer and will be looking for new committee members.

Fred Tavan and Ron Harasym are heading the Research Committee. They have a working committee that is reviewing research proposals and finding staff for the project oversight groups. They need several additional people to work with the Research Committee and on oversight committees.

The rest of the section activities fall into the category of Special Projects. There are quite a range of these including: Risk Index, Operational Risk, Risk Management Terms, Risk Preference, ERM, Extreme Value Modeling, Policyholder Behavior, Actuarial Value Proposition, Best Practices and Local Networking.

In addition, while we generally find two-year-olds doing "side-by-side" play, I am hopeful that the SOA and CAS members of the section will very quickly move into actual collaboration. And along the way to collaboration, we quickly need to learn from each other the techniques, skills and experiences that we have developed in our separate actuarial practices. To do that, we are trying to encourage folks to share their risk measurement and management experiences in hopes that sharing will help



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2006 SOA Section Membership Statistics (as of January 12, 2006)

Section	Total Section Members
Education	693
Financial Reporting	3,758
Actuary of Future	899
Futurism	676
Health	3,486
International	1,747
Investment	4,778
LTCI	1,649
Management and Personal Development	1,302
Marketing and Distribution	2,108
Pension	3,950
Product Development	3,869
Reinsurance	2,392
Risk Management (exclude CAS members)	2,306
Smaller Consulting Firm	585
Smaller Insurance Company	685
Taxation	575
Technology	1,503
Grand Totals	36,961

identify these areas for learning and collaboration. If you have any thoughts, ideas or experiences to share that might further this learning and collaboration, please contact me or any member of the section council.

Finally, before you pass on the content of this publication, I want to mention one more thing about volunteering. Five years ago, when the first Risk Management Task Force Committees were formed, few of the volunteers had much risk management experience. Today, if you did a roll call of those initial volunteers, the majority of them now

have full-time risk management jobs. This is still a new and growing area. The risk management job candidates with volunteer experience will have two advantages over those without. They will have learned some valuable things about some specific areas of risk management through their volunteer work and they will have that volunteer work on their resume. If you might be interested, contact me or any section council person. We can fill you in on these success stories and on current volunteer opportunities. ♦

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