

2018 SOA Life & Annuity Symposium

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**SOCIETY OF
ACTUARIES®**

Session 2, Leadership & Development Section Hot Breakfast - Professionalism: What Would You Do?

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2018 SOA Life & Annuity Symposium

JOHN HADLEY & ABE GOOTZEIT
Session 002, Leadership & Development Section
Professionalism: What Would You Do
Monday, May 7, 2018



SOCIETY OF ACTUARIES

Antitrust Compliance Guidelines

Active participation in the Society of Actuaries is an important aspect of membership. While the positive contributions of professional societies and associations are well-recognized and encouraged, association activities are vulnerable to close antitrust scrutiny. By their very nature, associations bring together industry competitors and other market participants.

The United States antitrust laws aim to protect consumers by preserving the free economy and prohibiting anti-competitive business practices; they promote competition. There are both state and federal antitrust laws, although state antitrust laws closely follow federal law. The Sherman Act, is the primary U.S. antitrust law pertaining to association activities. The Sherman Act prohibits every contract, combination or conspiracy that places an unreasonable restraint on trade. There are, however, some activities that are illegal under all circumstances, such as price fixing, market allocation and collusive bidding.

There is no safe harbor under the antitrust law for professional association activities. Therefore, association meeting participants should refrain from discussing any activity that could potentially be construed as having an anti-competitive effect. Discussions relating to product or service pricing, market allocations, membership restrictions, product standardization or other conditions on trade could arguably be perceived as a restraint on trade and may expose the SOA and its members to antitrust enforcement procedures.

While participating in all SOA in person meetings, webinars, teleconferences or side discussions, you should avoid discussing competitively sensitive information with competitors and follow these guidelines:

- **Do not** discuss prices for services or products or anything else that might affect prices
- **Do not** discuss what you or other entities plan to do in a particular geographic or product markets or with particular customers.
- **Do not** speak on behalf of the SOA or any of its committees unless specifically authorized to do so.
- **Do** leave a meeting where any anticompetitive pricing or market allocation discussion occurs.
- **Do** alert SOA staff and/or legal counsel to any concerning discussions
- **Do** consult with legal counsel before raising any matter or making a statement that may involve competitively sensitive information.

Adherence to these guidelines involves not only avoidance of antitrust violations, but avoidance of behavior which might be so construed. These guidelines only provide an overview of prohibited activities. SOA legal counsel reviews meeting agenda and materials as deemed appropriate and any discussion that departs from the formal agenda should be scrutinized carefully. Antitrust compliance is everyone's responsibility; however, please seek legal counsel if you have any questions or concerns.

Presentation Disclaimer

Presentations are intended for educational purposes only and do not replace independent professional judgment. Statements of fact and opinions expressed are those of the participants individually and, unless expressly stated to the contrary, are not the opinion or position of the Society of Actuaries, its cosponsors or its committees. The Society of Actuaries does not endorse or approve, and assumes no responsibility for, the content, accuracy or completeness of the information presented. Attendees should note that the sessions are audio-recorded and may be published in various media, including print, audio and video formats without further notice.

“An Actuary with a Personality Can Go Anywhere”

Richard P Hadley, circa 1976



Analytic & Technical Skills



What does your soft skills arm look like?

But We Do Have to Play by the Rules

Professionalism Framework (Authoritative Guidance) Applicable to All Actuaries Who Are Members of the Five US Based Organizations

- Binding Guidance
 - Code of Professional Conduct
 - Actuarial Standards of Practice
 - Qualification Standards
- Non-Binding Guidance
 - Practice Notes
 - Discussion Papers
 - Applicability Guidelines
 - Actuarial Literature

The Story Of “Frank”

Case Study 1: Sufficient Preparations

The Finance operation typically has both an ASA and a junior student. This year Martin rotated in as the ASA, on his own.

Joanne was the prior junior student who had rotated into another operation, where she failed one too many actuarial exams. She needed to find a new role, or leave the company.

Martin's boss asked his opinion, as he was considering hiring her to be a programming and technical resource for the department. Martin agreed that Joanne had a good reputation, and was well-liked. She was hired.

Case Study 1: (continued)

Although Joanne wasn't hired to assist Martin in his role, she had a year under her belt with the area's year-end financial processes. She offered to train Martin on what she and his predecessor had done the prior year-end.

There was good documentation, which Martin reviewed thoroughly, and he quickly reached a point where he felt that he was as prepared as he needed to be.

Joanne felt Martin wasn't taking her advice as to how to prepare seriously enough, and worried that at year-end she would be forced to work overtime to assure the deadlines were met.

Case Study 1: (continued)

Martin didn't expect to ask Joanne to do any of the financial work at year-end, and was fully prepared to put in whatever additional hours might be required of him to meet the deadlines, so he moved on to other work.

- What would you do if you were Martin?
- What would you do if you were Joanne?
- Are there “professionalism” issues?

Case Study 2: Does Substance Trump Style?

Joan is an actuary who finds any new assignment extremely stressful. She's terrified of missing deadlines, and the uncertainty makes her very grumpy. As a result, even though she generally does a terrific job, people complain about working with her.

In fact, in the five years she has been at Bingham Life, they have on three separate occasions begun the paperwork that would lead to firing her. Each time she has agreed to a corrective action plan, followed through, and has been reinstated.

Case Study 2: (continued)

Bill is the nicest actuary, who everyone loves to work with, but is incompetent. He never asks questions, and simply proceeds with his work in whatever way he has interpreted the assignment in the first place, often making mistakes and rarely meeting deadlines.

Bingham goes through a reorganization, and both Bill and Joan are moved to new units. The head of the operation warns their new managers of their shortcomings. One month later, both managers come to see him.

Case Study 2: (continued)

Joan's new manager tells the head that he needs to fire Joan because no one in his area can work with her.

Bill's new manager tells the head she can't believe he gave Bill up, because he is so good and everyone loves him.

- What would you do as the operation head?
- As Bill's new manager?
- As Joan's new manager?
- Professionalism Issues vs. Business Issues?

What Happened To Frank?

Questions To Consider

1. What will your actions communicate?
2. Is the situation one that requires fast action, or careful consideration?
3. Once you 'decide' on a course of action, how will that affect your reactions?
4. What will your style or speed of reaction communicate?
5. What will your thinking process communicate?

Additional Resources

- *The Actuarial Ethicist* series in The Stepping Stone Search www.SOA.org – Author Frank Grossman
- *What Would You Do* series in The Stepping Stone www.SOA.org/LD
- *Influential Leadership Tips* weekly series by Dave Miller & John Hadley www.JHACareers.com/InfluentialLeadershipSignUp.htm
- *Career Tips* monthly e-newsletter www.JHACareers.com/Newsletter.htm
- *The Influential Actuary* by Dave Miller www.TheInfluentialActuary.com



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