As our businesses become increasingly a part of the day to day expansion of the global economy, it becomes clear that:

**Broadening Horizons lead to Expanded Opportunities**

and

**Narrowing Horizons lead to Lost Opportunities**

Also:

*Unless things change, they remain the same!*

The actuarial profession continues to also be challenged by these axioms. It is easy for some people to focus on things that they do well while losing sight of the world that is passing by. It is sometimes more difficult for these people to take a step back and realize that their horizons are narrowing and opportunities are being lost.

Over the past year the actuarial profession, led by the Society of Actuaries, has taken a step back to review the role of the actuary in today’s global economy. In doing so, the actuarial profession has decided to reposition the “actuary brand.” We envision the actuarial profession as dynamic and relevant to today’s business environment, which lays the groundwork for increased influence and opportunity in traditional and broader financial services markets.

The International Section can play a significant role in the repositioning of the “actuary brand.” With membership and influence in numerous countries around the globe, the International Section can continue on page 4
expanding the opportunities of the actuarial profession globally while enriching the roles of individual actuaries.

**Broadening of Section Responsibilities**

Recently, the roles of the sections in the SOA have changed dramatically. Special interest sections began as their name implies—to serve the special interests of the members of the Society of Actuaries. These “grassroots” operations have been tremendous successes in the SOA. The International Section is no exception as it has grown in membership and continues to serve its constituency admirably.

However, providing a sense of community to actuaries interested in the international environment is necessary but not sufficient to the success of the International Section. The International Section is being challenged to do more than provide a sense of community. It is being challenged to constantly be scanning the environment for key issues that are important to its members. These key issues can then be communicated to the membership through publications, continuing education and basic education and examinations. The key issues may result in research initiatives or expanded experience studies.

Overall, you as members of the International Section are being asked to be “thought leaders” to the actuarial profession from your perspective.

**Morris Review**

Actuaries familiar with the global profession have noticed that the actuarial profession has received significant scrutiny in the United Kingdom as a result of the Morris Review. A primary criticism from Sir Derek Morris regarding the U.K. actuarial profession is that the profession has become too “insular.” To some, insularity implies narrowing horizons and lost opportunities. Many actuaries have asked how the SOA views the report from the Morris Review.

Over the past few years, the Society of Actuaries has developed a Strategic Plan that the SOA leadership uses as a roadmap for accomplishing the objectives that are important to its members. Concurrent with the issuance of the Morris Report in February 2005, the Society of Actuaries Board of Governors appointed a “blue-ribbon” Task Force to evaluate the SOA Strategic Plan in light of the Morris Review. The Board was asking this Task Force to determine if the “roadmap” was leading to the proper place. The four pillars of the SOA Strategic Plan:

- Professional Community Advancement,
- Marketplace Relevance,
- Knowledge Management, and
- Membership Value,

provided a backdrop against which the Task Force evaluated the Morris Review.

In its June report, the Task Force determined that the Morris Review validates the core tenets of the SOA Strategic Plan as it repeatedly calls upon the actuarial profession to be:
The SOA’s mission focuses primarily on education and research.

- Proactive in dealing with business and public interest situations in which actuaries offer unique expertise (Professional Community Advancement);
- Relevant and non-insular in developing professional methods for actuaries at all levels (Marketplace Relevance); and
- Forward looking and broad thinking in developing educational topics and techniques (Knowledge Management).

The SOA’s mission focuses primarily on education and research. Comments by Morris regarding the U.K. actuarial education system have helped the SOA to focus on reinforcing the need for changes within the Society of Actuaries basic and continuing education offerings. The development of actuaries’ skills in the areas of business acumen and communication is increasingly necessary. And, the exploration of university accreditation and alternate routes to actuarial credentials must be continued.

FAP
Over the next months, several new educational initiatives will be implemented that will continue to globalize the services of the Society of Actuaries.

In 2006, the Fundamentals of Actuarial Practice (FAP) modules will be introduced into the examination syllabus. These modules will utilize computer-based learning tools to provide learning experiences to students via the Internet. Students around the world will be able to access these modules from their own computers.

In 2007, additional e-learning components will be introduced that will provide further basic education in an interactive format to supplement the traditional written exams for the FSA.

Thermometer or Thermostat?
We should ask ourselves, are we thermometers or are we thermostats? A thermometer is a device that measures the temperature in a room, but does not influence the temperature. The temperature may be uncomfortably high, but the thermometer can do nothing about the situation except report that the temperature is high. On the other hand, a thermostat is a device that can impact the temperature of a room. If the thermostat detects that a room is warmer than desired, it will send a signal to the air conditioner to cool the room to the desired temperature.

Are we thermometers or thermostats? When the environment around us is not desirable, do we acknowledge that it is undesirable and complain about it? Or, do we determine what we desire the environment to be and make changes to influence the environment?

The International Section is in a unique position to be a thermostat for the actuarial profession globally. We know that the world may not always view the actuarial profession as dynamic and relevant to today’s business environment, but we must lay the groundwork to increase the influence and opportunity for actuaries in traditional broader financial services markets.

If you are not sure how you can become a thermostat for the actuarial profession, I encourage you to go to www.imageoftheactuary.org for more details and ideas.

Conclusion
The topic of broadening our horizons applies to everyone in this ever-changing world. Through your membership in the International Section, you can make a difference in the actuarial profession of the future by providing “thought leadership.” The Society of Actuaries recognizes the need for change by providing increasing value to its members through a variety of services. But, it is incumbent on each of us as actuarial professionals to step forward to expand the opportunities of actuaries worldwide. □

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