



Article from

The Actuary

December 2015/ January 2016
Volume 12 Issue 6

WEB EXCLUSIVE!

© JOE KEUM

The following is an excerpt from Society of Actuaries' President Craig W. Reynolds' address to members at the 2015 SOA Annual Meeting & Exhibit. Watch the video (bit.ly/SOA2015Video) or read the transcript (bit.ly/2015Transcript) of the speech in its entirety.

from the **PRESIDENT**

Five essential ideas for 2016

BY CRAIG W. REYNOLDS

Craig W. Reynolds, FSA, MAAA, is president of the Society of Actuaries.

craig.reynolds@soa.org

Twitter: @CraigWReynolds

As president, there are five essential ideas I would like to focus on for the year ahead:

- 1 | Maintaining the value of our credential.
- 2 | Strengthening relationships with other organizations.
- 3 | Expanding the breadth of work performed by actuaries.
- 4 | Encouraging diversity within our profession.
- 5 | Supporting our members in international markets and enhancing the global reputation of our organization.

To maintain the value of our credential, we cannot stand still as the world evolves. Our curriculum must change to meet the needs of the public and current and prospective employers. Our research must constantly push forward the frontiers of knowledge and provide practical solutions to important societal problems. The rigor and validity of our examination process must remain beyond reproach.

In addition to education efforts to support the credential, the Society of Actuaries continues to develop leading research reports and experience studies. We have completed research on multiemployer pension stress metrics and corporate pension risk, and last fall we released experience studies on private pension plan mortality.

Several life research projects have also been completed, including projects on understanding modeling and mitigation of extreme events, exploring the implications of new mortality tables on insurance products, and the impact of interest rate volatility on life insurance and annuity products.

This year, the new SOA health research on implications of pent-up demand was released. This research is a preliminary perspective on health services that may be deferred or avoided due to financial constraints as a result of individuals not having health insurance.

In the property and casualty field, we are currently developing research projects in General Insurance for 2016 as part of efforts supporting the SOA's General Insurance track to fellowship. We are also working with the Casualty Actuarial Society (CAS), the Canadian Institute of Actuaries and the American Academy of Actuaries to release the Actuaries' Climate Index, which analyzes data on the level of climate volatility. The Actuaries' Climate Index is a great example of the important and high-quality work that can be done when the actuarial organizations work together.

It is vital that members of our profession collaborate for the common good of actuaries, their employers and clients, and the public. These relationships *are* getting better, and

from the **PRESIDENT**

we hope and expect that this trend will continue. Our approach going forward must focus on each organization being the best it can be. We advance the profession by standing taller ourselves, and not by pulling the others down. One of my primary goals as president of the SOA is to make sure that we adhere scrupulously to this philosophy, and I ask the other organizations to do the same.

Collaboration becomes increasingly important as the work performed by actuaries expands. We have seen growth in other markets, such as actuaries in banking in South Africa and Australia. Actuaries are taking on human resources-related roles in Mexico and environmental sustainability efforts in the United Kingdom. The SOA's Cultivate Opportunities Team continues to explore other avenues for broadening the scope of actuarial services. A team of volunteers is working on a pilot actuarial candidate internship program aimed at introducing actuarial students and actuarial science to data analytics firms.

According to the Actuarial Talent survey findings, actuaries are needed to fill predictive analytics roles based on our industry expertise and know-how with models. Actuaries are already analyzing data analytics for insurers, particularly in the health and property and casualty spaces, but also in life, notably in the analysis of policyholder behavior, mortality and morbidity.

But we must do more for the actuarial talent currently in the pipeline. We have the modeling skills and statistical knowledge. From Amazon to Zillow, we should OWN this space.

Speaking of different perspectives, the need for diversity in our profession is growing. For too long we have accepted the fact that African-Americans and Hispanics are underrepresented in the North American actuarial profession—each group makes up only around 2 percent of the membership of the SOA and the CAS. According to data from the U.S. Census Bureau, an estimated 82 percent of the U.S. actuarial profession is Caucasian. This data also noted that 33 percent of the U.S. actuarial profession is female, though recent fellowship classes appear to be much closer to 50/50.

The actuarial profession must be inclusive of the diverse population we serve so that we attract the best and brightest candidates. Numerous studies show that diverse teams

and employers outperform teams lacking diversity. Confronting the issue of diversity and inclusion head-on will help our employers, our clients and the public.

Yes, the examinations help to make our profession a meritocracy. Some have argued that this is enough. I disagree. Fifty years ago, in a commencement address at Howard University, Lyndon Johnson said:

You do not take a person who, for years, has been hobbled by chains and liberate him, bring him up to the starting line of a race and then say, 'You are free to compete with all the others,' and still justly believe that you have been completely fair. Thus it is not enough just to open the gates of opportunity. All our citizens must have the ability to walk through those gates.

We can and must do more to ensure that *everyone* has an opportunity to reap the benefits of our profession and to walk through the gates.

For over 30 years, the SOA and the CAS have sponsored the Joint Committee on Career Encouragement and Actuarial Diversity to promote the profession and actuarial diversity to high school students and teachers. These efforts include exam reimbursement for qualified students, support for summer actuarial science programs at universities, and supporting the International Association of Black Actuaries through sponsorship of its annual meeting and student boot camp. Both the CAS

and the SOA support the Actuarial Foundation as it promotes diversity within the profession through an annual college scholarship program for minority college students pursuing actuarial studies.

Important to note, too, is the ever-increasing global nature of the business world. Through technology and market shifts, we have become increasingly connected. You may already work for a company owned outside of North America, or you may work for an American company with interests outside the United States and Canada. Expanding the reach and reputation of the SOA outside North America has the potential to benefit all of us.

Finally, I will be listening to you, SOA members, for feedback and new ideas. I hope I won't let you down. I am looking forward to the year ahead and hearing more from you on what the SOA can do to strengthen our profession and better serve the public. ■



We can and must do more to ensure that *everyone* has an opportunity to reap the benefits of our profession and to walk through the gates.”