



SOCIETY OF ACTUARIES

Article from:

The Actuary

April 1997 – Volume 31, No. 4

Actuary uses skill set in new CIO role

by Jacqueline Bitowt
SOA Public Relations Specialist

When executives of one of the nation's largest managed health care companies, Humana Inc., needed a leader to plan the giant company's information strategy, they didn't select the usual computer guru, MBA, or Silicon Valley business leader. Instead, Humana's top executives invited into their ranks an actuary who until recently had worked for their own company.

Granted, Carol J. McCall, a Fellow in the Society of Actuaries since 1991, had been moving away from traditional actuarial work toward the strategic role of an executive for some time. Nonetheless, her actuarial skills and experience will be central to her success as Humana's chief information officer (CIO), she said.

The CIO position is new at Humana, a publicly traded health plan with 4.8 million members in 22 states and

the District of Columbia, and it is separate from the everyday digital technology functions. "This position recognizes that information — identifying it, creating, using it — is what's going to help the corporation's larger strategy succeed," McCall said. "Humana's senior management realizes that because information links the elements of the corporate strategy together, information management is not a technical issue but a strategic one."

McCall began her career in 1985 working as an actuary for Central Life in Des Moines, Iowa. In 1987, she moved to the company's group health division in Madison, Wis., where she remained when the division was acquired first by Employer's Health Insurance and then, in 1995, by Humana. Unlike some professionals, McCall found that acquisitions helped her career. "I experienced three different environments in nine years without ever having to move. I worked with new leadership and new management, and this was very refreshing and educational." When McCall moved to a consulting firm in 1996, Humana pursued her. "I came back here for the opportunity [to serve as CIO]," she said.

Starting in 1990, Employer's Health offered her management and leadership

training and a position managing people. "After I became a very solid individual contributor, I was trained in the core competencies needed for management:

self-confidence in dealing with people, coaching others, ability to deal with difficult situations."

It's those skills and others "that leapfrog you into management and possibly into an executive role," McCall observed. "Moving from being an individual contributor to a manager and leader cannot be made by simply being a better individual contributor. More of the same will not work."

So how will an actuarial background serve an executive whose role is new to a corporation, does not involve managing actuaries, and does not require actuarial work per se?

"An actuarial background does provide a particular advantage," McCall said. "Both our training and in many cases our experience require that we



Carol J. McCall
CIO, Humana Inc.

Setting the pace

From time to time, The Actuary will feature stories of actuaries who have moved successfully into nontraditional areas. Here is the first article in this occasional series. The Actuary welcomes nominees for future stories. Contact Bill Cutlip, editor, at his Directory address or Jackie Bitowt, staff editor, at the SOA office.

Skills needed for the executive suite

Becoming a health actuary, moving to the role of manager, and then becoming chief information officer (CIO) for one of the nation's largest health care companies required the acquisition of many core competencies. Here, Carol McCall, Humana's new CIO, cites some of the traits and skills needed at each level.

Individual contributors

- Analytical skills
- Technical expertise
- Concern for order

Managers

- Influence skills
- Coaching and development
- Team leadership

Executives — strategic level

- Strategic thinking
- Vision communication
- Resource stewardship

All levels

- Customer focus
- Continuous learning
- Drive for excellence
- Teamwork
- Results-oriented approach

Virtual mentors and role models needed

A joint project of the American Mathematical Society (AMS) and the Society for Industrial and Applied Mathematics (SIAM) has asked for the Society of Actuaries' help in securing nonacademic actuaries as mentors for recent graduates and for students in a master's or doctorate program in mathematical sciences.

Volunteer mentors are matched with appropriate students and stay in touch for one year answering e-mail messages on the work environment in

actuarial science, job and internship opportunities, interview and resume tips, and recommended course work. Several students have expressed interest in actuarial science, but few actuaries are involved in the program at this point.

In addition, this project's Web site (www.ams.org/careers/) needs career profiles provided by actuaries for site visitors to learn something about actuarial careers. They are looking especially for profiles from those who graduated

within the past five years.

For more information on how to encourage a future actuary through this project, prospective mentors should contact Cecilia Green (phone: 847/706-3561; fax: 847/706-3599; e-mail: cgreen@soa.org). Although registration is available on the Web site, those interested also should contact Green so that the SOA will know of members' interest in this mentoring project.

Actuary uses skill set (continued from page 9)

learn about a lot of things — and, more importantly, how one thing affects another. Also, the actuarial profession tends to attract people who have a great deal of curiosity. They want to learn things, to know about things, and to use that knowledge.”

Technical skills are important, too, McCall said. “They allow actuaries to understand the system. I think it's terribly difficult to be an effective manager today without the ability to understand how things fit together at a comprehensive level.”

However, moving beyond the individual contributor role to management

and, eventually, to executive leadership requires a broader perspective than even the most difficult actuarial work can provide, McCall said. “What has been especially important for me is that my career has been a synthesis of underwriting, actuarial, sales, systems, and service, where I have had to understand how different areas impact one another. This role [as Humana's CIO] brings it all together. I view it as a once-in-a-lifetime opportunity.”

Observed McCall, “A major strategic question for every company today is how to align their technology and their partnerships. If you try to use the tech-

nology first before you've discovered the partners' real needs, you will fail. In too many situations, health care companies and providers are seen as adversaries. But the relationship should not be an adversarial one.”

McCall will direct her skills toward a number of activities for Humana. “Two key areas of emphasis for the company this year are customer focus and provider relations,” she said. “Success in each of these areas depends on developing and using key information strategies that will help us realize our overall goals.”

The silent majority (continued from page 3)

Case in point:

Kassebaum-Kennedy
The Academy is not a lobbying organization. It attempts to provide an unbiased, professional analysis of actuarial issues involved in major public issues.

It has played a major role in the health care debate in general and in the Kassebaum-Kennedy legislation in particular. Last year, it appeared that Kassebaum-Kennedy was hopelessly stalled in committee. I understand that it is quite unlikely that anything would have happened had not Senator

Kennedy called the Academy. At a command performance before the senator, Bill Bluhm, the Academy vice president for health practice and an SOA board member, discussed the implications of this bill. Following that meeting, Senator Kennedy called for a vote, and the bill subsequently passed Congress. Academy representatives were invited to the White House for the signing of the bill into law. The actuarial profession is far from mute. Our voice is heard on the Hill, within the administration, and by the NAIC

and state regulators.

If you are not already a member of your national organization, I urge you to call, fax, phone, or e-mail right away for a membership application. Also, you can make your voice heard in the SOA by participating in its education, research, or professionalism activities. David M. Holland is president and chief executive officer at Munich American Reassurance Co., Atlanta, and can be reached by e-mail at 72277.2602@compuserve.com.