



THE *future* ACTUARY

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Actuaries Advancing Beyond: Daniel Rachlis, Deloitte Consulting LLP

By Wei Zou Ang

Aspiring actuarial students often find themselves in a particular dilemma when choosing their first careers out of college: Insurance or Consulting? However one cannot help but ask if there exists opportunities that lie outside the traditional actuarial career paths. Are actuaries only limited to the traditional fields of insurance and consulting for their entire careers?

Unbeknownst to most, actuaries are being increasingly sought after by non-traditional employers for their industry specific expertise and prior actuarial work experiences. This series of interviews will help shed light on non-traditional careers that actuaries have ventured into and how real actuaries have leveraged their unique skill sets to move beyond traditional actuarial career fields.

Daniel Rachlis, ASA, MAAA, is a specialist master in the Health Actuarial Group with Deloitte Consulting LLP, a worldwide provider of consulting services such as risk management, financial advisory, health care, technology, strategy and operations, actuarial, expert testimony, strategic services and data analytics to major companies and government agencies across the world. Our dialogue below describes his unique career path and current work at Deloitte Consulting LLP.

Wei: So tell me about Deloitte.

Daniel: Deloitte Consulting is a worldwide provider of consulting services such as risk management, financial advisory, health care, technology, strategy and operations, actuarial, expert testimony, strategic services and data analytics to major companies and government agencies across the world.

Wei: What is your role at Deloitte?

Daniel: I am a specialist master in Deloitte's Health Care Actuarial practice. I specialize in technology and data analytics relating to health care projects. This involves all aspects of an engagement, such as managing and performing the tasks related to data acquisition, data management, data analytics, project management and presentation to clients. In previous roles, I have assisted school districts in

obtaining reimbursement for Medicaid services provided to students that are covered by government programs. I have also been involved in auditing hospital systems and health care litigation consulting.

Wei: Could you explain what health care litigation consulting is?

Daniel: Sure, giving an example may be the best way to explain this. Let's assume there is a hospital group suing an insurer for better reimbursement where they agreed on a contract to pay 80 percent of usual customary charges. If both sides have a different definition for what "usual customary charges" actually includes and the hospital group thinks that they are being underpaid but the insurer disagrees, they may enter litigation. That's where the consultants would come into the picture to provide their expert opinion on the issue. When we are given access to the claims data, we would conduct peer comparison and statistical analysis and then present our findings in court. In summary, we help clients extract data from their systems, put it back together, and assist them with structuring their arguments. Beyond court cases, we also help clients conduct legal due diligences, like auditing health plans or analyzing pharmacy reimbursement data to make sure they are compliant with existing contracts.

Wei: What happens if there are two different litigation consultants on different sides of the court?

Daniel: We do compete with a variety of other litigation consulting companies in the marketplace. Ideally, both sides would come up with the same conclusion based on the same data, but there are just so many ways you can look at the data and it all depends on the angle you're taking to make sense out of it.

Wei: How did you end up at Deloitte?

Daniel: Here is a synopsis of my career. After graduating from SIU with bachelor's degrees in mathematics and business administration, I decided to take an actuarial exam. After passing Course 1, I was recruited to work for Columbus Mutual Insurance Company, a small life insurance company in Columbus, Ohio. It doesn't exist anymore since it was bought a while back, but I gained some traditional life insurance experience with them. After about two years, I decided to join a health insurance company in St. Louis, transitioning from life to health, and it was there that I truly developed my understanding of loss ratios, insurance reserving, IBNR and the typical insurance concepts. Since I was really good at crunching huge amounts of data and was doing a great deal of programming, I built my niche as the key liaison between the IT department and the actuarial department. If you think about it, an actuary is basically a statistician, computer programmer, accountant, and business analyst all rolled into one, which is why we are so good at so many different things. After a while, I decided to move out of the corporate insurance industry and into consulting where I've been for the past 15 years, working for several different consulting groups and ending up here at Deloitte. Along the way, I also received my master's in information systems management from Loyola University at Chicago.

Wei: What's a normal day like for you?

Daniel: There really is no normal day in consulting. Back when I was working for an insurance company, things were pretty routine day-to-day, but in my current role at Deloitte, each project is unique and demands different types of analyses or expertise. One minute you may be developing an Access database interface with claims data, next thing you know you're doing an offsite audit of a health plan, or validating a company's data against their financials.

Wei: What do you like best at your job?

Daniel: What I really enjoy doing is re-engineering data, pulling things from many different sources and then piecing them back together to understand the big picture. One of the more interesting projects I worked on was helping a company rebuild their trial balance from a few years back to calculate the back-taxes they owed. They didn't keep records stretching that far back, so I had to be creative in sourcing out the data, re-engineering it and essentially recreating their financial statements to match what they had on their books. That took a lot of work, but it was a lot of fun. I mean anyone can run a query, get the data and dump it on the table, but the challenge for me is in handling more sophisticated unknown data and being able to make sense of it.

Wei: On the flip side, what is the biggest challenge of your job?

Daniel: Like all consulting jobs, the biggest challenge is always communication. It always surprises me the lack of communication within organizations, or even convincing different departments within a company that they should talk to each other. Communication is so important when you are working to understand a company's system.

Wei: If you had one piece of advice for actuarial students, what would it be?

Daniel: Actuaries are typically not known for their outgoing personalities or presentation skills, but I think it is very important for actuaries to develop their communication skills especially in a field as technical as ours. It is so easy to just put on that visor, shut out the world and crunch the numbers, but actuaries really need to take more initiative to develop their communication skills as those skills go a long way in advancing one's career. The more they do it, the more confidence they get and the easier it eventually becomes. I started off as a back room actuary myself, and could now still probably get into my number-crunching mode, but I would have never been offered the opportunities I had, had I not consistently challenged myself outside of my comfort zone.

Wei: Where do you see the actuarial profession moving forward?

Daniel: Health care reform is obviously a space actuaries will get deeper into moving forward, but actuaries are also getting a lot more involved in creating risk management tools for the financial markets, such as developing swap pricing models or asset liability management tools. Technology is one of an actuary's strongest skill



set, and having seen technology grow so rapidly in these past 20 years, I believe that actuaries are at the forefront of data analytics and handling increasingly sophisticated data.

Wei Zou Ang is an actuarial analyst at Towers Watson in Chicago, Ill.