

# THE Actuary

VOLUME 16 ISSUE 5

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## LEADERSHIP— A NEW VIEW

**Perspectives in courage**

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# THE Actuary

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# Advancing the Profession and Our Future

**T**hank you for the opportunity to serve you as president of the Society of Actuaries (SOA). I have enjoyed the chance to meet many of you as I have traveled around the country and the world on behalf of the SOA and the actuarial profession. This year we have focused on the future of our profession. Each project success takes us that much closer to our goal of advancing the actuarial profession.

My biggest goal was to improve relationships with the other actuarial organizations. To that end, we have undertaken numerous co-hosted events, such as the predictive analytics seminar with the Canadian Institute of Actuaries (CIA) and the Casualty Actuarial Society (CAS) in February, and the banking seminar with those two organizations and the Actuarial Society of South Africa in May. Also, we have worked with the CAS, the CIA and the American Academy of Actuaries on the Actuaries Climate Index, which publishes quarterly research on changes in extreme weather events.

We have continued our work on a variety of projects with both the North American Actuarial Council, representing the nine North American actuarial societies; and the International Actuarial Association, which represents 75 actuarial societies from around the world—all with the goal of supporting the actuarial profession. I am glad to have been involved in strengthening our relationships with these other actuarial organizations.

Another priority was to identify ways the SOA can enhance your member experience.

You have heard me talk about how vital that will be for current and future generations of our profession. On the education front, we have added predictive analytics into our basic education and developed a predictive analytics certificate for our continuing professional development program. We are currently testing new concepts in learning, such as the Long-Term Care Tech Summit in November. It is essential to develop new learning concepts, and I am pleased to see us take on these projects.

Also, we have started work on three initiatives specifically aimed at our members. The first initiative is a task force to enhance our members' professional development experience. The second initiative is the creation of a digital app designed for mobile devices. The third one is a task force to increase engagement with our millennial FSAs. Surprisingly, at least to me, is the fact that millennials now represent more than 45 percent of our fellows.

My other major priority was to explore ways to expand employment opportunities for actuaries. While this does not happen overnight, I am encouraged by the steps we are taking as an organization and as a profession. As an example, we have formed a task force to examine long-term growth strategies for the actuarial profession. This is in addition to increased communication skills training in both the basic education and continuing professional development offerings. We are looking to develop additional certificate programs aimed at raising other actuarial skill sets. Hopefully, this will enable more actuaries to be sought out for nonactuarial c-level positions among traditional employers, as well as enable actuaries to pioneer actuarial employment at nontraditional employers, such as banking, financial planning, private equity and high tech.

There are two other important SOA initiatives that deserve an update. The SOA has been pursuing a more diverse and inclusive membership for many years through

*This year we have focused on the future of our profession. Each project success takes us that much closer to our goal of advancing the actuarial profession.*



PHOTO: HYON SMITH

**JAMES M. GLICKMAN**, FSA, MAAA, CLU, is president of the Society of Actuaries. He can be reached at [jglickman@soa.org](mailto:jglickman@soa.org).

its Inclusion and Diversity Committee. To support both initiatives, we have rolled out the new CAS/SOA Joint Committee for Inclusion, Equity and Diversity (JCIED). This will replace three existing committees, allowing a more concentrated focus on creating opportunities for education, career advancement and leadership within the actuarial profession.

We have also been very supportive of The Actuarial Foundation. The SOA, together with many of you, have stepped up support of The Actuarial Foundation this year and raised a record amount of new contributions. Much of this financial support goes to an initiative I believe is very important, the Math Motivators program. This program matches actuarial volunteers with high school students in underserved communities, enabling them to improve their math skills and learn about the actuarial profession.

In closing, I would like to encourage everyone to get personally involved. I especially recommend you look for a volunteer opportunity within the SOA in the area of your choice, or in your community with the Math Motivators program. Besides giving back to your profession, I am sure that you will find the experiences as rewarding as I have. ■

## RELATED LINKS

### **Predictive Analytics Resources**

[SOA.org/predictive](https://soa.org/predictive)

### **Diversity and Inclusion**

[SOA.org/programs/diversity-inclusion](https://soa.org/programs/diversity-inclusion)

### **Long-Term Care Tech Summit**

[bit.ly/2019-LTC-Tech](https://bit.ly/2019-LTC-Tech)

### **The Actuarial Foundation's Math Motivators**

[MathMotivators.org](https://MathMotivators.org)



# Take the Lead and be Courageous

BY NIMMIE VEERAPPEN

*Imagine a world in which the vast majority of people wake up every day inspired to go to work, feel safe and valued while they are there, and return home at the end of the day fulfilled.*

—Simon Sinek, author, motivational speaker and organizational consultant

**LEADERSHIP SKILLS ARE IMPORTANT FOR EVERYONE, INCLUDING ACTUARIES.** After reading that statement, you may be asking yourself, “Do leadership skills *really* need to be an integral part of an actuary’s skill set?” The answer is: “Definitely! And courage is one of its most critical components.”

As actuaries, we spend several years studying technical actuarial concepts. While leadership may not have been in our syllabi, many of its aspects are part of our career journeys. As we progress from being actuarial students to qualified actuaries and

into senior roles, we are confronted with increased leadership responsibilities that transition us from being problem-solvers to being the ones helping others solve problems.

To be successful leaders, we need to have both vertical and horizontal influence in our organizations. People managers need the tools and knowledge to build and sustain engagement and productivity; develop talent; and appropriately conduct challenging discussions with teams, peers or management. Yet, most actuaries, especially early in their careers, have had little leadership training.

Today, leadership challenges are emerging at every level. Employees with strong leadership skills will be best positioned to rise to these challenges. Organizations will need to invest in developing leadership skills among all employees. Ultimately, though, it’s a personal choice to courageously embrace the opportunity to lead.

This issue of *The Actuary* acknowledges the importance of leadership skills for actuaries. It explores the various aspects of leadership woven into actuaries’ everyday lives, centering



on a key aspect of leadership: courage. The authors in this issue discuss how important leadership skills are, how to develop those skills and how to create a path to leadership for the next generation.

### Leadership Is a Personal Journey

Leadership skills are a key component in an actuary's toolkit, regardless of tenure or title. A title does not make one a leader. Leadership can happen from wherever you are—if you recognize the opportunity. For this reason, training and development opportunities for young actuaries are critical.

Indeed, the Great Man<sup>1</sup> theory of leadership, popularized in the 19th century, posits that the capacity for leadership is inherent—that great leaders are born, not made, and if the need for leadership is great, great leaders will rise to fill it.

If leadership could be boiled down to genetics, then anyone with the right traits would become a leader. However, more recent research indicates leadership is surprisingly complex, relying on numerous factors such as the characteristics of the group being led, the leader in power and the situation—all of which interact to determine the type of leadership needed and its effectiveness.

As you read the articles in this issue, you'll notice a common theme: Leadership is a personal journey, meant for every one of us. Leadership is like a muscle. We all have it, but only by exercising that muscle can we grow into effective leaders.

While the leadership journey is different for each of us, there are some common elements:

- » Desire to achieve a specific result or goal
- » Willingness and capacity to take ownership to achieve the goal
- » Ability to recognize the opportunity to lead
- » Courage to step up and take risks
- » Effectiveness, to make an impact on the result

### Choose to Be the Leader You Want to Be

There is an abundance of concepts, theories and training materials on leadership, based on psychological research around group and interpersonal behavior.

One of my favorite theories is from Simon Sinek, whose books, *Start With Why* and *The Infinite Game*, and his popular TED Talks, explicate his almost evangelical fervor about the need for a shift in culture, where leadership is inspirational, committed, connected and grounded in values such as authenticity, empathy, perspective and vision.<sup>2</sup>

These methodologies can help develop a vision and be the building blocks for leadership, but ultimately you need to bring these concepts to life. You need to spot the opportunities to lead. Once you find opportunities to lead from where you are, the question becomes: What kind of leader will you choose to be?

Leadership is more about your EQ (emotion quotient) than your IQ. Growing as a leader involves an awareness of the interplay between how you view yourself and the actions you choose to take. When challenges arise, do you dig deep, set an example and inspire courage in those around you? Do you create a vision to help others develop a sense of purpose in what they are doing? Is your communication and interaction inclusive, encouraging a diversity of perspectives? Do your words and actions generate trust with those around you? Do you listen, take the time to coach and have the courage to have difficult discussions when they are necessary? There are many paths to build your own brand of leadership, and leading by example is a great way to develop your skills.

As actuaries, we need to go beyond our technical abilities to make an impact in our organizations, industry and societies. We need to embrace our

roles as leaders and elevate the actuarial profession by leveraging our innovative problem-solving capabilities and helping our organizations navigate the rapidly changing business landscape. To me, leadership is about who you choose to be, how you deliver value to your customers and business, and how you choose to inspire those around you. As the saying goes, the journey is much more important than the destination.

I hope you enjoy this issue of *The Actuary* and courageously embrace your future opportunities to lead. ■

#### References:

- <sup>1</sup> The Great Man Theory. *Villanova University*, May 6, 2019, <https://www.villanovau.com/resources/leadership/great-man-theory> (accessed July 5, 2019).
- <sup>2</sup> Sinek, Simon. *The Science of WHY*. Simon Sinek, <https://simonsinek.com/commit/the-science-of-why> (accessed July 5, 2019).



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# Pride-based Leadership: The Five Key Skills of a True Leader

BY DAVID C. MILLER

*True leaders need to create, monitor and manage an environment of pride in the organization's culture.*

**WHAT MAKES TRUE LEADERS UNIQUE IS WHAT THEY DO.** While some leaders have official leadership roles in an organization, anybody at any level can be a leader by performing certain actions that exhibit true leadership. But due to many of the “leadership” programs that focus more on developing management skills, these five key

skills of true leadership have been lost over time.

### **Skill 1: Articulate a Compelling Vision**

A leader is someone who can verbally communicate a vision in a way that is compelling, persuasive and inspirational. This requires an individual to possess (or develop) the speaking skills needed to communicate the vision

effectively to any individual, team or large audience.

This doesn't mean the leader needs to formulate the vision—often this comes from the board or others with higher authority. However, the leader is the one who communicates the vision, so others are moved, inspired and really get it. It's also vital that the leader knows how to translate this vision and

apply it to any person on their team, at any level of the organization, so everyone knows what it means for them specifically.

### Skill 2: Awaken and Sustain Desire in the Hearts of Others

*“A leader is a leader not because of who he or she is, but because of who others become when in the leader’s presence.”*

—T. Falcon Napier

A true leader does more than express how the mission will benefit the company. They also will emphasize what accomplishing it will do for the employee. Leaders are experts at answering their followers’ question: “What’s in it for me?”

Let me give you an example from my own experience. I once worked for a company that had quarterly “state of the union” meetings. They were totally depressing. They only involved management above a certain level, we met in the cafeteria, and the topics usually consisted of how we needed to cut more expenses and downsize.

The next company for which I worked also had quarterly breakfast meetings. In contrast to my previous company, these were held off-site because every employee was invited. I had no idea what to expect when I attended my first meeting.

As I entered the hotel, I heard the song “Eye of the Tiger” blaring down the hallway. I followed the music into the ballroom and saw people giving each other high fives, eating breakfast together—having fun! This was *our* meeting.

The CEO presented our results, gave special recognition to individuals, let us know all the ways we would grow and benefit, and made each one of us feel that we were part of something awesome. This skill set is not limited to how it applies to employees. It also applies to vendors, media, shareholders, customers—everyone who hears the message.

### Skill 3: Create and Maintain a Feeling of Pride in Others

Pride is the fuel that drives the human enterprise. In contrast, shame is the disease that destroys it. True leaders need to create, monitor and manage an environment of pride in the culture. It needs to become part of an organization’s DNA.

The best way to measure your culture is to observe others’ reactions when something goes wrong. Is there finger-pointing, anger, blaming, excuse-making and gossiping? Or is there rallying, learning, encouragement, owning the mistake, extension of

grace, constructive problem-solving and lifting each other to a higher place? The first reactions are the symptoms of a shame-based culture, while the second list is what you might find in a pride-based one.

I made a bad mistake once on a job and felt horrible about it. I was sure my boss would be very angry with me (and rightfully so). When I saw him, he said, “My pencil has an eraser.” I felt a great sense of relief and was motivated to do better going forward.

### Skill 4: Focus Others on a Clearly Defined Destination

A leader is focused on what the ultimate outcome should be. *How* we get there is in the domain of management. The manager figures out all the mechanics of how it will get done: scheduling, resources, logistics and so on. The leader’s job is to keep everyone focused on what exactly is to be achieved. When distractions come, the leader needs to realign the focus back on the destination.

### Skill 5: Identify and Develop More True Leaders

True leaders never try to hold people back from their full potential. They are never threatened by someone else, even if that

person may be or become a more effective leader! They understand the only way to grow is to find and develop more leaders. They do this by noticing someone who is naturally doing any of the four other skills mentioned, even if it is just a glimmer of potential. The leader makes sure these people have the mentoring and resources they need to develop into true leaders. By producing more true leaders, the organization thrives.

Take a moment to examine and assess yourself and others in your organization against these five key skills. Then make a conscious decision to cultivate these skills more fully, make a plan and pursue it diligently. ■



#### ABOUT THE WRITER

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## SOA Asia-Pacific and China Annual Symposia Held in Guiyang and Bangkok

Asian actuaries gathered in China and Thailand in June for two of the Society of Actuaries' (SOA's) major annual symposia in Asia tailored to local actuarial practice interests and markets.

The fourth SOA China Annual Symposium, held June 13–14 in Guiyang, China, attracted leaders from China's insurance regulatory authority, actuaries, executives and scholars, as well as other experts from the actuarial, insurance and finance fields.

During his opening remarks, William "Flick" B. Forna, FSA, MAAA, EA, FCA, SOA Board of Directors, chair of the International Committee, emphasized the importance of the growth of the profession in China and the SOA's commitment to further its work with Chinese partners.

Jia Biao, deputy director general, Life Insurance Regulatory Department, China Banking and Insurance Regulatory Commission, gave a keynote speech titled "Get Ready for Opportunities and Challenges and Be Accountable." Jia stressed that, with increasing attention on risk management in China, actuaries are playing a more important role in insurance companies and other relevant industries than ever before.

Li Mingguang, vice president, chief actuary and board secretary of China Life Insurance Co. Ltd., and chief actuary of China Life Pension Co. Ltd., delivered a second keynote sharing his belief that actuaries must be more forward-looking, innovative, integrated and service-oriented, and strive to improve their actuarial professionalism, communication and coordination.

In addition, Wang Jiachun, president of Wefar Assets Management Co., and other leaders and experts practicing in the actuarial realm, discussed the profession's opportunities and challenges. They also shared their perspectives on the future of the insurance industry.

The symposium also featured concurrent sessions covering current market topics, including:

- » Health and health management
- » New technology and innovations
- » International Financial Reporting Standards (IFRS) updates
- » C-ROSS Phase II



PHOTO: YILING GUO

The day begins. Meeting participants pick up their event materials and ready themselves for a variety of insightful sessions.

Following the China Symposium, the SOA held the ninth Asia-Pacific Annual Symposium June 17–18 in Bangkok, Thailand. The event attracted more than 150 delegates from 15 nations. It was supported by the Society of Actuaries of Thailand (SOAT); Thai Life Assurance Association (TLAA); and Risk Management, Economic Sustainability and Actuarial Science Development in Indonesia (READI), a project devoted to the development of the actuarial profession in Indonesia, supported by the University of Waterloo.

Dr. Suthiphon Thaveechaiyagarn, secretary-general of the Office of the Insurance Commission of Thailand, joined Forna and Andy Peterson, FSA, EA, FCA, MAAA, in delivering the welcome remarks. Tommy Pichet Jiaramaneetaweasin FSA, FIA, president of SOAT, opened the symposium with comments on the future of the actuarial profession, noting: "An actuary is like a cook, taking good quality materials and using processes (recipes) to create a masterpiece. A master chef ensures both amazing taste as well as presentation—actuaries need to do the same! And people need to understand what we have done."

Simon Lee, ASA, FCAS, regional chief operating officer of AXA Partners Asia, also shared new applications for artificial intelligence (AI) in both health and motor insurance with vivid case studies.

Some interesting quotes from the sessions included: "The customer doesn't care if you are on blockchain, using AI or predictive analytics or anything else—what they care about is whether you solve their problems," said

Continued on page 14

# The U.S. GAAP challenge

Do more: Faster. Better and make it simpler

Changes to the U.S. GAAP put forward by the Financial Accounting Standards Board (FASB) will go into effect January 1, 2022. Insurers that use a high level of automation in a governed and auditable environment will be able to focus their time on analyzing results, rather than producing accounting numbers.

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Justin Yiu, ASA, of Solaria Labs.

“The top four actuarial technologies of 2019 are data visualization tools, predictive analytics, cloud computing and collaborative tools,” said R. Dale Hall, FSA, CERA, MAAA, CFA, managing director of Research at the SOA.

Paul Setio Kartono, ASA, MAAA, director and chief strategic officer with PT FWD Life Indonesia, representative of the organizing committee and Greater Asia Committee member, closed the symposium with remarks on the ongoing SOA endeavors and activities to support the profession in Asia.

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## Reinsurance Section Update

The Reinsurance Section’s mission is to advance the reinsurance profession through the identification and communication of emerging issues and trends for the global reinsurance community through programs and initiatives focused on education, research, professional development and networking.

While this is a very succinct tagline, it’s not an easy task given how wide ranging the disciplines, lines of business, geographic jurisdictions and areas of practice are for our diverse group of more than 1,800 members. That’s why our biannual member survey is so important. In this year’s survey, the top five topics were: mortality improvement; treaty remediation; impact of accelerated underwriting and predictive modeling on mortality/morbidity estimates; regulatory changes including capital requirements, accounting rules and tax laws; and insurance industry disruptors.

The Reinsurance Section Council uses this information to develop activities and continuing education, including:

- » The SOA Reinsurance Seminar
- » Sessions at SOA meetings
- » Our section newsletter, *Reinsurance News*
- » Podcasts
- » Webcasts

In addition, we strive to add value to two significant areas that are unique to the section: LEARN and research.

LEARN stands for Life Education and Reinsurance Navigation. LEARN volunteers provide a comprehensive overview of life and health reinsurance knowledge to state regulators and other interested parties. They work with each state Department of Insurance (DOI) to tailor the content and agenda to the specific information that the regulators feel would benefit their staff. In 2019, we have been working through an exciting enlistment of new speakers, a revamp of materials and increased overall promotion of LEARN. The SOA has been canvassing several state regulators, and we expect to hold as many as eight sessions in 2019.

The Reinsurance Section is heavily involved in developing research that impacts the reinsurance industry and related disciplines. At the time of this publication, the Reinsurance Section is supporting research projects for accelerated underwriting, recapture, extreme events, machine learning and more.

Thanks to all of our section members and volunteers who make the Reinsurance Section activities such a huge success. If you are not a section member, please consider joining at [SOA.org/reinsurance](http://SOA.org/reinsurance). If you are a member and you’d like to become more involved, please don’t hesitate to reach out.

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BY KELLY HENNIGAN





# High Hopes and Shooting for the Stars

Recognizing and balancing perfectionist tendencies in our journey for continuous development

*Everything that looks too perfect is too perfect to be perfect.*

—Dejan Stojanović, Serbian poet, writer, businessman



The pursuit of perfection surrounds us in various facets of our lives—in a “perfect world,” eating right and exercising would ensure “perfect health” and enable us to shed those last 5 pounds to reach the “perfect weight.” Stores would carry “perfect-fit” clothing to guarantee the “perfect outfit” for every occasion. Our holiday greeting cards would feature our “picture-perfect” children, who are academically known for attaining a “perfect score” on their SATs, as well as their extracurricular successes with their “pitch-perfect” singing voices and ability to pitch a “perfect inning” or—better yet—a “perfect game.”

Reflecting on all of this perfection amounts to a “perfect storm,” because, in reality, we need the courage to recognize perfection is not truly attainable. Perfectionism actually can hamper our success! Rather than striving for the “perfect life,” we should focus on our development and strive for continuous improvement—both professionally and personally.

## What is Perfectionism?

Antoine de Saint-Exupéry, the French writer, journalist and poet, said, “Perfection is achieved, not when there is nothing more to add, but when there is nothing left to take away.” In psychology,

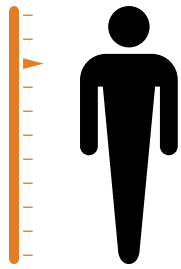
perfectionism is defined as a personality trait whereby individuals set excessively high performance standards in their quest for flawlessness. Those who are perfectionists typically are passionate overachievers with high hopes and soaring aspirations—they want to shine the brightest and shoot for the stars.

The perfectionism trait may be driven by birth order, gender or upbringing. According to Kevin Leman, author of *The Birth Order Book*, firstborn children and only children tend to exhibit perfectionist instincts when compared to children ranking in subsequent birth order. (When I asked my mom why I exhibited several of the perfectionist traits I mention later in this article, her response was, “It was inevitable, with two perfectionist parents and being a firstborn ... forgive us!”)

Women are more likely to be perfectionists than men, as women typically strive to be 100 percent certain in their ability to predict an outcome. For example, women will apply for a job only when they meet all of the job requirements, while men will apply if they meet 60 percent of the qualifications.<sup>1</sup> Finally, an individual’s developmental years may contribute to a predisposition toward perfectionism, particularly if the home life or school setting extolled successes and penalized failures.

While perfectionists are enthusiastic about what they do, their fervor can quickly turn into fixation. Perfectionists usually are overly critical during self-evaluations and place undue emphasis on external perspectives. Oftentimes, the qualities associated with perfectionism can be physically and mentally detrimental and ultimately interfere with living life, as described later in this article. However, in some situations, attributes of perfectionism can be beneficial. For example, aspiring to a lofty goal can be motivating.

To measure perfection, psychologists Paul Hewitt and Gordon Flett created a Multidimensional Perfectionism Scale. The scale measures three aspects of perfectionism:<sup>2</sup>



The Multidimensional Perfectionism Scale measures three aspects of perfectionism:

1. Self-oriented perfectionism
2. Socially prescribed perfectionism
3. Other-oriented perfectionism

- 1 | **Self-oriented perfectionism** is defined as putting high personal expectations upon oneself (e.g., an individual setting a work deadline that is unrealistic based on the resources available and time frame). These individuals have a harsh inner voice that tells them to keep trying and to accept nothing less than excellence.
- 2 | **Socially prescribed perfectionism** occurs when an individual's behaviors are unduly influenced because of society's expectations (e.g., the peer pressure a high school student might face to wear only brand-name clothing). In recent years, this type of perfectionism has been trending upward, and this is likely due to the rise of social media and other factors influencing younger generations. To epitomize this, singer/songwriter Alanis Morissette once said, "In L.A., where I live, it's all about perfectionism."
- 3 | **Other-oriented perfectionism** is characterized by a person believing those around them should also live up to high expectations (e.g., a manager who puts in weekend hours to finish a project and also assumes the project team will devote their weekends to completing the work).

Individuals may exhibit one or more of these three "symptoms" of perfectionism, which can be self-inflicted, imposed by external forces or outwardly projected.

### Characteristics of a Perfectionist

*"I have to say that I've always believed perfectionism is more of a disease than a quality."* —Rowan Atkinson, actor, comedian, screenwriter

Some typical characteristics<sup>3,4</sup> of being a perfectionist—both positive and negative—are also traits commonly attributable to professionals in the actuarial, finance and insurance industry. In particular, being detail-oriented, results-focused and law-abiding is common among this population. As previously mentioned, some of these behaviors are also more common in first-born children, only children and in women:

- » **Detail-oriented.** Like actuaries, perfectionists are known for their attention to detail. They pick up on imperfections in their work product, in themselves and in others. At times, they can drown in the minutiae without contemplating the true level of detail needed by the end user (e.g., does the answer need to be in decimal places or rounded to the nearest million?).
- » **Results-focused.** Perfectionists want to be productive, solve problems and use their analytical skills to arrive at an accurate result. (Sound familiar?) They are propelled by the fear of not reaching their aspirational goal, and success is achieved only by accomplishing the original ambitious target.
- » **Law-abiding.** Perfectionists like rules, which they follow and believe others should follow, too. Perfectionists operate well within corporate governance structures and, akin to the detail-oriented characteristic, ensure their final work effort is an upstanding product with all of the "i"'s dotted and "t"'s crossed.
- » **Fear of failure.** As surrealist painter Salvador Dali stated, "Have no fear of

perfection—you'll never reach it.”

Perfectionists frequently set overly elevated goals that are completely idealistic, and they work tirelessly to achieve them. Unlike a high achiever who can be satisfied with a job well done when they come close to hitting the mark, an “almost perfect” or “just a hair off the bull’s-eye” outcome equates to failure for perfectionists.

- » **Procrastination.** Due to this fear of failure, perfectionists become immobilized. At times, they will not take any action at all out of apprehension that whatever they do, it will not be the best. Or, they initiate a project and have trouble completing it due to not being satisfied with the end result, and they perpetually fixate and spend more time on what could be done to make it even better.
- » **Defensiveness.** Perfectionists do not take constructive criticism well, as being critiqued indicates their work was not perfect. This is somewhat analogous to the fear of failure personality trait, as perfectionists are afraid to disappoint.
- » **Low self-esteem.** By nature, perfectionists are very critical of themselves, which can result in unhappiness if their high expectations are not met. This can be isolating, intimidating and can push others away—giving the appearance that perfectionists are introverts.
- » **Lack of trust.** Perfectionists struggle with trusting others to complete tasks, and therefore they rarely delegate. They prefer to work independently, as they want to ensure the job gets done the right way—their way.

When by themselves, many of these characteristics may be viewed as beneficial—particularly if you are on the receiving end of a perfectionist’s output! Just the right amount of perfectionism can result in a polished, high-quality work product that goes above and beyond. However, when several of these traits are aggregated together, it can become problematic.

## Perfectionism and Health

“Perfectionism is self-destructive simply because there’s no such thing as perfect.” —Brené Brown, research professor, author

Perfectionism is directly attributed to impacting an individual’s mental and physical health, due to the relentless and chronic stress associated with being a perfectionist. The pressure felt by perfectionists ultimately can lead to anxiety, depression, high blood pressure, eating disorders and even suicide, based on research published in 2014 in the *Review of General Psychology*. In a U.K. study by Thomas Curran and Andrew P. Hill of more than 40,000 American, Canadian and British college students conducted from 1989 to 2016,<sup>5</sup> socially prescribed perfectionism was identified as the most devastating of the three variations of perfectionism previously discussed. During this time span, the study found the proportion of people exhibiting these perfectionism traits rose by as much as 33 percent. However, recent cohorts of students are found to exhibit all three strains of perfectionism, as they are more demanding of themselves, believe others to be more demanding of them and are also more demanding of others.

## Collaborating to Achieve Perfection

A Clear Company survey cites 86 percent of workplace failures are due to a lack of collaboration or ineffective communication.<sup>6</sup> In considering this statistic, I recalled I had a manager who commented that each time I shared my work, it was a “ta-da” moment. I was always prepared (to be honest, overprepared) for our scheduled update meetings. Thinking back on it, I put too much emphasis on using our time together to showcase my progress over the week and my capabilities to perfectly execute. Rather than using these sessions to demonstrate I produced a perfectly polished work product, I instead could have brought a partially explored idea to our conversations. We then could



One survey found **86 percent** of workplace failures are due to a lack of collaboration or ineffective communication.

have leveraged the discussion into a brainstorming session and an opportunity for further collaboration—which may have resulted in an optimal end product.

University of Michigan professor Scott Page, who was a speaker at the 2017 Society of Actuaries (SOA) Annual Meeting & Exhibit and the author of *The Difference: How the Power of Diversity Creates Better Groups, Firms, Schools, and Societies*, writes about the topic of cognitive diversity. Cognitive diversity is the philosophy that a group of individuals who have different styles of problem-solving will collaborate to produce better decisions and more optimal outcomes. Page believes that when “solving a problem, cognitive diversity can trump ability, and when making a prediction, diversity matters as much as ability.” Each of our backgrounds and uniquely formed experiences equates to a cognitive diversity “toolbox,” which includes varying perspectives, heuristics, interpretations and predictive models. When we collaborate and work with individuals who approach problems with their own distinct toolboxes, we are more likely to make better decisions and innovations.

### Overcoming Perfectionism

As actuaries, we all have likely been asked this question regarding our exam passing history: “Did you ever get a perfect 10?” (Which is typically followed by, “If you did, you WAY over-studied!”) Throughout my exam-taking years, which spanned at least two exam system conversions, I scored a 10 once. I failed the Course 110 Probability and Statistics exam after repeated tries of consistently and frustratingly receiving a four or a five each sitting. I ultimately passed with a perfect 10—a prime example of perfectionism not paying off ... I would have been thrilled to have passed with a six—preferably on the first try!

Ariana Huffington, a Greek-American author, columnist and businesswoman, once said: “The fastest way to break the cycle of perfectionism ... is to give up the idea of doing it perfectly—indeed,

to embrace uncertainty and imperfection.” For those who exhibit signs of being a perfectionist, becoming aware of the issue is the first step toward overcoming it. In setting goals, ensure they are realistic and achievable. Recognize that people are imperfect, and individuals make mistakes—we all are “perfectly imperfect,” and failure can and will occur.

In itself, failure is not a weakness. Rather, it is how you react to the failure that matters. Failure quickly turns into success if it can be learned from and result in a developmental opportunity, or failure can perpetually ruminate and cause self-doubt. Be courageous, have high hopes and shoot for the stars. Focus on achieving your greatest potential throughout the journey toward your vision, rather than getting to the ultimate destination. Former British Prime Minister Winston Churchill summarized it best: “Success is not final, failure is not fatal: It is the courage to continue that counts.” ■

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Be courageous, have high hopes and shoot for the stars. Focus on achieving your greatest potential throughout the journey toward your vision, rather than getting to the ultimate destination.

### ABOUT THE WRITER

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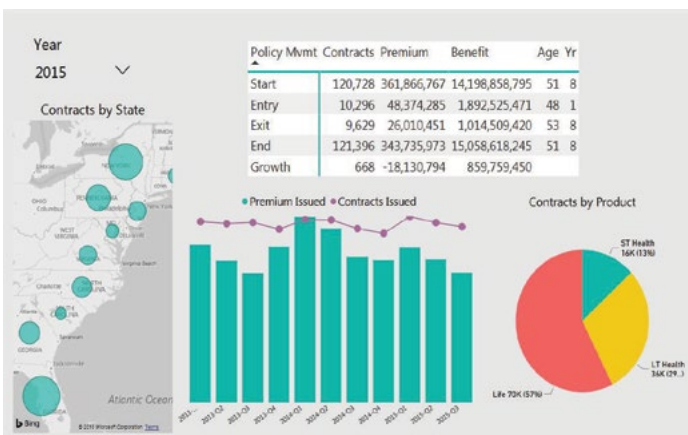
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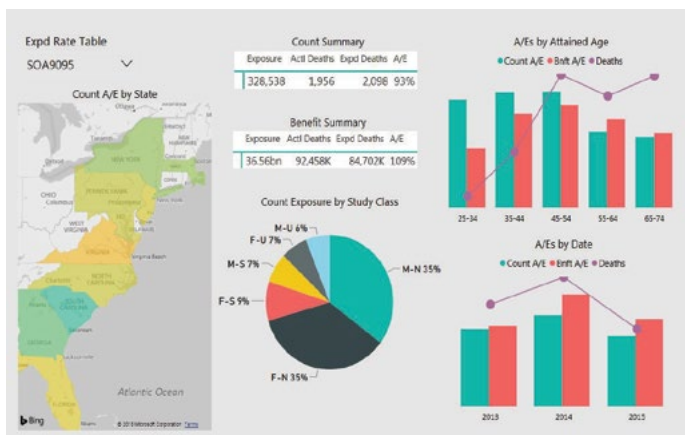
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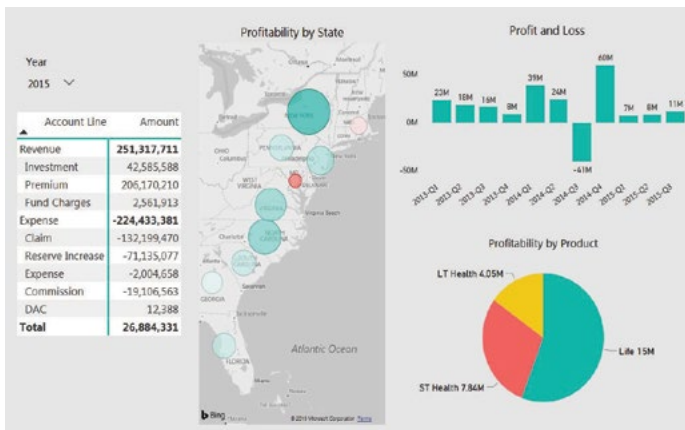
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FEATURE



# Perspectives in

J

Joanne B. Ciulla, Ph.D., author, professor emerita and one of the founding faculty members of the Jepson School at the University of Richmond, stated: “Leadership is not a person or a position. It is a complex moral relationship between people based on trust, obligation, commitment, emotion and a shared vision of the good.”

*The Actuary* reached out to several women at varying stages in their careers to provide perspectives on the courage involved with leadership. Within the three vignettes in this feature, the authors focus on life experiences unique to them:

- » Cynthia Meyn reflects on her recent career shift to an insurance company.
- » Sarah Maune, FSA, CFA, EA, talks about her involvement in building a women’s support network at her company.
- » Muriel Holmquist shares her journey of immigrating to the United States at a young age and her current pursuit of an actuarial career.

While each story is distinct, they all share the common themes of courage, connection, trust and empathy that they have developed with others, as well as cultivated within themselves.

# Courage

**Three women share their stories about the courage it takes to be a leader**

## Thinking Won't Overcome Fear— Action Will

BY CYNTHIA MEYN

Action conquers fear. I often rely on this maxim when I find myself facing change. Whether intimidated by the unknown, stymied by indecisiveness, sideswiped by an unwarranted challenge or in the midst of a crisis, I write down what is troubling me, look on the bright side and face the issues head on.

In January 2018, as Venerable was being established, I was brought in to serve as the chief operating officer at the holding company level. I was not nervous at all, but perhaps I should have been. With 34 years of experience, I possessed a successful executive track record of leading operations, technology and risk management teams across the financial services industry. But I had never previously worked for an insurance company, and I'm not an actuary.

I was—and still am—excited about Venerable's mission. We are a solution provider for legacy blocks of variable annuity policies. We grow through reinsurance treaties and whole-entity acquisitions, and we apply an expert hedging process to guarantee our liabilities.

Feeling confident of my abilities, I fearlessly accepted the role and walked across the metaphorical bridge to my future. But on day one, trepidation struck me—relative to everyone else's expertise with insurance, I was a clueless person in a very senior role. I sat quietly and froze for a day. Then, leaning on my go-to thought, I reflected on what was so scary, and I took action.

First, I worried I wouldn't "match up" with my colleagues, given my scant knowledge about the liability side of our balance sheet. But they helped me make a list of gaps, and I studied up—I read white papers about contingent tail expectation, listened to our chief risk officer explain our hedge effectiveness metrics, learned about our annual assumption updates and even watched YouTube classes covering actuarial science.

Second, I worried I wouldn't be able to add value. Conquering that doubt, I asked others around me where they thought I could help. I was able to dive in and lead our teams through several large projects: our general ledger software selection, an asset accounting system conversion,



Cynthia Meyn

negotiation of floor space leases, a trade floor deployment for our derivative hedges and market data procurement, among others.

Most prominently, I wrote down a fear that might resonate with anyone changing jobs. I worried I would be rejected like the new kid in school who cannot speak the local language. So, I got out of my chair and worked to forge genuine friendships at Venerable—true friendships that will endure for years. Through my new friends, many of whom are very senior leaders, I learned the most important lesson of all.

We all bring different skills to the table; I am not the only person who feels different; and, together, we form a great team.

I got lucky. Because I was so unfamiliar with liability management, I was forced to step back and let others lead. It was actually very beneficial that I was quiet that first day. My role as a leader at Venerable has become one of listening, participating in a consensus decision and cooperating with a team effort. I feel very fortunate to have had such a great learning experience both practically and interpersonally.

In closing, I'll share a short vignette. In penning these reflective thoughts, I finally researched the origin of my go-to belief. When I learned it was Clement Stone, the businessman and philanthropist who opened his own insurance company at the age of 18, employed more than 1,000 agents within 12 years and ultimately co-founded Aon, who had stated, "Thinking will not overcome fear but action will," I felt like the planets had aligned.

### ABOUT THE WRITER

**CYNTHIA MEYN** has more than 30 years of investment operations, technology and risk management leadership experience at leading financial services firms. Currently, she is the chief operating officer of Venerable Holdings Inc., a private company that acquires and scales variable annuity blocks of business. Meyn previously held senior positions at PIMCO, Morgan Stanley, AllianceBernstein, Cantor Fitzgerald, Mizuho Capital Markets and Lehman Brothers. She currently serves as a member of the Board of Trustees of Smith College, the Board of Directors of Duke Management Company, the CUSIP Board of Trustees, the Board of Visitors of Duke University Fuqua School of Business, and is on the steering committee of the Smith College Women's Business Network. She earned her Bachelor of Arts from Smith College and her MBA from Duke University's Fuqua School of Business. Meyn can be reached at [cynthia.meyn@venerableannuity.com](mailto:cynthia.meyn@venerableannuity.com).



## Creating a Women's Leadership Support Network

BY SARAH MAUNE

Why start a women's network? Indeed, how is one started? What topics should be discussed?

These questions came up for the women in my department at Reinsurance Group of America (RGA) in early 2018. At the time, several senior women were retiring, causing the existing dearth of females in leadership positions in our department to become even more pronounced.

I also had just taken on a leadership position right around then. I felt I was experiencing the onset of "impostor syndrome," which meant I was doubting my accomplishments and capabilities. Finding a support system and broadening my network was at the forefront of my mind.

A woman in our department reached out to some female colleagues, including me, about the idea of starting a leadership support group for the department's women. We quickly jumped at the opportunity and began to work on forming what we today call our "Lean-in Circle."

### Getting Started

To create our group, we knew we would need support from our department's leadership. This would ensure that members of the group would be encouraged to spend time on it and contribute to it, and it also would allow us to ask for a small budget for webcasts and materials.

We put together a brief proposal, making sure to describe what our group was, why we were forming it and whom we would include. The "why" was the most important element, because we knew if we could make a strong business case for the group, we were more likely to get support. To do this, we tied our proposal back to talent management and culture, which we knew were important for the department.

After receiving approval and enthusiastic support, we embarked on our journey. Our group utilizes the framework and resources provided by *LeanIn.Org*, a nonprofit organization founded by Sheryl Sandberg in 2013 after the release of her book, *Lean In: Women, Work, and the Will to Lead*. The organization's website contains a wealth



Sarah Maune

of knowledge, articles and a set of invaluable meeting guides for many topics, which provided us with an easy way to get started and customize our meetings to our needs.

### Topics

Since our group's launch, we have hosted meetings on topics such as "power and influence" and "communicating with confidence." While these meetings were effective and impactful, we wanted to pull in additional resources. This led to our hosting of a session with a panel of senior

female leaders across several RGA departments to discuss their journey into leadership and hear their advice and guidance. For that meeting, we also invited associates from several departments outside of our own.

This panel discussion gave us a valuable opportunity to hear viewpoints from outside of our department and learn about the paths women leaders have taken throughout their careers. For me, it yielded several important insights and takeaways, which centered on coping with and ultimately overcoming impostor syndrome. The main concept that resonated with me was not letting "perfect be the enemy of good." To me, this means get done what needs to get done without worrying whether it has been done perfectly. Doing something well is better than not doing anything because it's not great.

RGA's human resource department was an additional resource for content for our group, and it enabled the planning and execution of one of my favorite sessions to date. The session, inspired by *StrengthsFinder*, is based upon the book *StrengthsFinder 2.0* by Tom Rath. This book, which helps people assess and uncover their own strengths and talents, includes an assessment test that helps users determine their top five talents and provides information on how to apply them to day-to-day work. We purchased the book for each session participant.

The available tools helped session participants share our strengths, discover more about ourselves and each other, and gave us space to identify strategies to utilize those strengths. So often people work on improving weaknesses. However, leaning into your strengths and improving what you are already naturally good at can lead to extraordinary results. It can also lead to greater happiness, because doing what you likely already enjoy is a strength.

We plan on utilizing the information the exercises elicited about our strengths in future sessions, to explore what else we can do to amplify these strengths even more.

## Outcomes

Our group has been a true success: Communication in the department has improved, and participants report higher levels of confidence in their day-to-day activities.

I learned two main things in developing effective sessions for our group:

- 1 | Include more group members in the planning process. It is helpful to hear from other voices.
- 2 | Delegate tasks to group members in order to facilitate the plans. The structure of the group provides a safe environment for each member to practice leadership skills.

We also have found it is imperative to find ways to keep the group's momentum going. So, we have regular monthly meetings, which keep us focused and looking forward to what's next.

Our women's leadership group has been a great success. The forum has enabled us to connect with colleagues throughout our company and build an encouraging, supportive environment for discovery and growth.

### ABOUT THE WRITER

**SARAH MAUNE**, FSA, CFA, EA, has been in the actuarial field for 11 years and is currently vice president, ALM Risk Management, in the Global Financial Services division at Reinsurance Group of America, where she has spent the past four years working on asset intensive life insurance. Prior to becoming an actuary, she spent two years teaching high school mathematics before deciding to take her first actuarial exam. Maune started her actuarial career at Willis Towers Watson in the retirement practice before moving to life insurance. Maune also is an avid SOA volunteer: She has spent time on the Education and Resource Section Council; has graded and written exam questions; and is currently serving as a vice chair for one of the fellowship exam committees. Maune can be reached at [smaune@rgare.com](mailto:smaune@rgare.com).

## Courage and Leadership From an Actuarial Student Perspective

BY MURIEL HOLMQUIST

My story is both unique and common. While the details of my journey are specific to me, the purpose and nature of my story are shared by millions. I immigrated to the United States from Peru at the age of 5. While 5 seems very young, I was acutely aware of the risk we were taking. I never chose my path, but navigating a whole new world, a new language and finding a place for myself in this foreign society as a child profoundly changed the way I approach life and its opportunities.

There have been many times when life seemed to be fighting against me. While I could have let the trials and tribulations bury me, I decided to push back and take life's challenges as opportunities to develop both intellectually and emotionally. What I am learning about this career, the actuarial process and life in general, is that it is not about success or failure. Life is about having the guts to do the thing that frightens you the most and not only accepting, but fully appreciating, our adversities as opportunities that can perpetuate exponential growth and learning.

Atticus Finch, the protagonist in Harper Lee's *To Kill a Mockingbird*, defines courage as mental, emotional and psychological fortitude, or more specifically as, "know[ing] you're licked before you begin ... [and] see[ing] it through no matter what."<sup>1</sup> He understood that courage is not an outward display of physical strength. Instead, true courage is risking the guarantee of comfort for the chance to attempt to do what is challenging and extraordinary.

During my entire collegiate career, I was riddled with anxiety, because despite my determination, there was



So often people work on improving weaknesses. However, leaning into your strengths and improving what you are already naturally good at can lead to extraordinary results.



Muriel Holmquist

never a guarantee my meticulous life plan would come to fruition. I remember as I was graduating with my master's degree in education, an achievement I have wanted since I can remember, I was scared to death. I was petrified because I knew with all my heart that as much as I wished I could love teaching, I did not.

The harder I tried, the more evident it became that the career path to be an educator did not suit me. I was devastated. I had completely convinced myself there was only one path, only one way to achieve success, which hinged solely on an organized plan of action. I felt as though I let my loved ones down, and I did not know how I was going to find a career that was both intellectually fulfilling and realistically attainable.

During this period of my life, the actuarial field crossed my path. I specifically remember reading a *CNN Business* article, titled "The Best Job You Never Thought of," by Annalyn Kurtz, and finding it very comprehensive and convincing for someone considering a new profession. I had heard about actuarial science before, but for one reason or another never seriously considered it as a viable career path.

After I read this article, I did what I usually do when a topic sparks my interest: I Googled it! The more I learned about the profession, the more interested I became. Before I knew it, an idea had sparked: What if I studied for the first actuarial exam? Sure, there were many reasons in my head as to why I would not succeed. I did not have an actuarial science degree; I had limited computer language skills; I did not have nor would I get the opportunity for an actuarial internship; and I would be risking time, effort and financial resources on an idea that was supported more by intuition than logic. With all that being said, I had one advantage. I had *ganas*.

In Spanish, *ganas* means desire. While this is the traditional denotation of the word, to me, *tener ganas* means having the guts to risk success for failure in order to do what both frightens and enlightens us. It means even when we know the odds are stacked against us, we decide to jump and fully endure life's adversities for the slightest chance of attaining our dream.

Just like the risk of immigrating to the United States more than 20 years ago had paid off, I knew taking this

leap of faith would come with gifts beyond my imagination—even if it tested both my strength and my determination. So, I did it. I cannonballed into the actuarial field, and I dedicated my time and effort to studying actuarial science. I did not know if this would work. I had no guarantees; just a gut feeling that I had to try.

The moment I knew actuarial science was truly my passion was the first time I attempted Exam P. After so many late nights, strong coffee and frustration, I walked out of the room knowing it was the first time I had completely failed an examination. This was it. This was the true test to see whether my instinct was right or not. I cried the whole car ride home. When I arrived home, I took a nap, woke up, made myself a tall and deliciously strong cup of coffee and instinctively started studying again. The thought of quitting never once crossed my mind.

Failing this exam was not part of the plan, but I knew I could frame the situation in a couple of different ways. I could look at the result as an indication of my success or failure as an actuary, or I could take it as a gift that proved to me that this was something I truly wanted. Without mental and emotional strength, I would not have been able to perceive this as the latter. My courage had nothing to do with success and everything to do with the moment I decided to take that risk, reach for that chance and throw away the plan. In other words, life is not linear; it is a beautiful oscillating function that acts erratically. We cannot control it, but we can decide to not let fear dictate our actions and thoughts, and courageously choose the unexpected. ■

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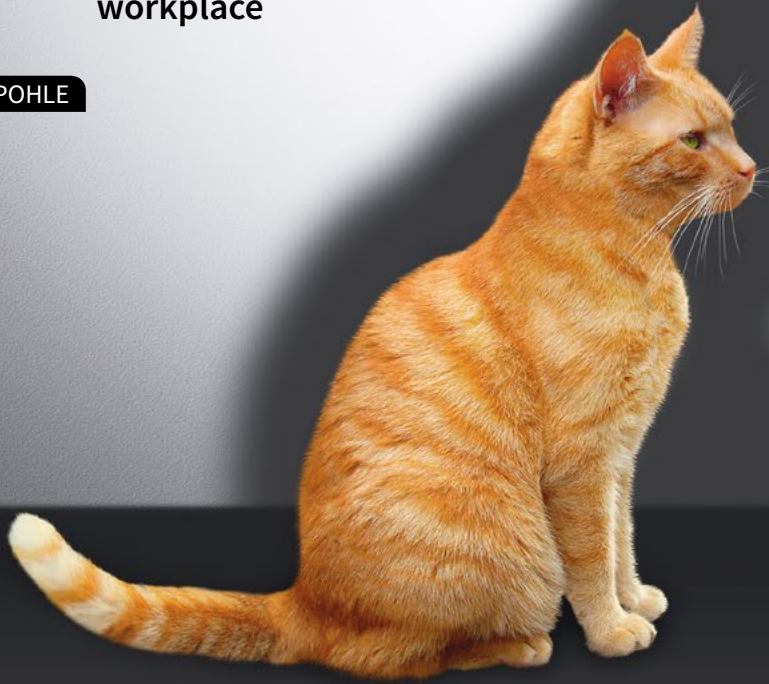
#### ABOUT THE WRITER

**MURIEL HOLMQUIST** is an aspiring actuary and is currently an underwriter at Avatar Property & Casualty Insurance. She has seven years of experience with broad professional and academic exposure as an educator, bilingual researcher, mathematician and underwriter, with specialized skills in curriculum design and instruction development. Holmquist attended the 2019 SOA Life & Annuity Symposium and participated in the SOA Candidate Connect program, and she is currently studying for Exam FM. Holmquist holds a Bachelor of Science from Auburn University and an M.Ed. from University of South Florida. She can be reached at [murielholmquist@gmail.com](mailto:murielholmquist@gmail.com).

# Actions Speak the Loudest

Reflections on  
leadership and  
courage in the  
workplace

BY NATE POHLE



## C

ourage is a defining characteristic of great leaders. Everyone is born with the capacity to be courageous, but often we are inspired to be courageous when others around us are acting brave. Courage is a byproduct of risk-taking experiences, of exposure to challenging circumstances where we must act with integrity and oftentimes face opposition by choosing the path less traveled.

Courage and leadership are relevant as ever—particularly for actuaries, because of how the future of the actuarial profession and insurance are changing, along with the broader business landscape. While the situations in which actuarial leaders are being asked to demonstrate courage may be shifting, many of the fundamental components of courage and leadership have not changed. In fact, because organizational structures are becoming flatter and the economy is becoming more ecosystem based, having strong leadership and being a good leader are even more critical.

This article will provide some real-life examples and quick exercises for how to demonstrate leadership and courage. This impacts not only the c-suite, but also team leaders, project managers and even new hires—both within and outside of the actuarial field.

### Walking the Talk

One of the quickest ways to establish an environment of honesty, integrity and trust as a leader is by following through on your words with action. That is why this entire article is focused on action and how to bring these principles to life. Regardless of what leadership principles are adhered to, it is important that your actions and incentives directly align with the tone you set. For example, it is easy to tell your team

that the thought process they used to arrive at a solution is as important as their actual answer, but it's another to hold true to that message. Be sure not to overly penalize team members if, in your opinion, they get an answer wrong.

Translating words into action is not always easy and may not pay off in the short run, or ever. Be honest with yourself as a leader: Are you comfortable doing the right thing even if no one ever finds out? Leadership is not only displayed in front of a conference room full of people—it is also present in the little things behind closed doors or one-on-one.

**One-minute reflection:** *Consider the last time you sacrificed short-term gains or accolades because you knew it was the right thing to do.*

### Everyone's Opinion Matters

Today, we are trying to solve more complex problems in new industries/functions, along with working in an environment with emerging technologies, including artificial intelligence (AI). This is increasing the visibility and importance of knowing everyone's opinion, as sometimes the most junior team members are the most technologically savvy. The best idea may not come from the most experienced professional in the room. In fact, we are finding the best idea may not come from within your function or even your organization. Based on my experience, the more I have honored everyone's opinions and facilitated a culture of open dialogue, the more we arrive at better solutions.

**One-minute reflection:** *Answer these questions:*

- » *In group meetings, when was the last time you asked your most junior staff to contribute their ideas?*
- » *When was the last time you implemented their idea as opposed to yours?*
- » *When was the last time you celebrated your junior staff's ideas and gave them credit for their ideas?*

### Establishing Trust

As a team leader, I encourage you to understand your team and their wants and desires. This goes beyond their professional career aspirations. One common technique to better understanding your team members is to start the work week by having a session devoted to discussing things going on outside of work. This gives each team

member the opportunity to talk about what is happening in their lives and what is important to them that week. It could be a yoga class on Tuesday morning or a birthday party on Thursday night. It is important to gain insight into what matters to them and, more important, to respect and support them.

As we learn about each other and our desires, an enhanced sense of team emerges naturally, as well as a level of encouragement and respect that did not exist before. Team members will start supporting the team member training for a marathon in ways never done before. This will go a long way in establishing trust.

**One-minute reflection:** *How much do you know about your team members outside of work? Do you know what they value in their personal lives? Should you?*

A second way to establish trust is to give your team the right level of autonomy while concurrently providing a safety net—it's finding a balance of checking in frequently enough without instilling a culture of too many meetings. For relatively junior team members or teams newly working together, one effective method I have seen is a sliding scale approach for checkpoints: two hours, four hours and eight hours of work dedicated to a project.

- » Start with a meeting cadence of every two hours.
- » Then move to every four hours.
- » Then move to every eight hours.
- » Then move to less frequent, as required.

The timing reflects two primary factors:

- 1 | Complexity of the problem
- 2 | The manager's rapport and working relationship with the team

Establishing a cadence and balance is important to gaining trust. It allows you to foster innovation and creativity, while not creating an environment where the team members become frustrated because they do not have enough help. By establishing fixed touchpoints that reduce in frequency over time, you enable the team members to learn and be creative, because they know when help will be provided.

**One-minute reflection:** *Think through your meeting cadence with your team.*

### Always Do the Right Thing

Doing the right thing is so simple, yet so difficult. It can take many forms and flavors, including admitting when

you are wrong. In the world of leading teams and organizations, this can be particularly difficult. So, courage, based on my experience, simply can be admitting you do not have all of the answers or that you were wrong.

As problems become more complex, it is impossible for a single person to have all of the right answers. Leadership can simply be admitting you do not know something and taking action to find the answer by tapping into your network to find the solution.

**One-minute reflection:** *Has there been a time when you gave an answer that may have been wrong, rather than admit that you were unsure?*

In today's work environment, the 9 a.m. to 5 p.m. working hours apply less frequently, so work-life balance continues to be an important topic. Pressing deadlines and night/weekend work can be a regular occurrence. An important attribute of doing the right thing as a manager is to provide the team with advance communication on workload and expectations. Be realistic on how long something may take and whether night/weekend work will be involved. If your team members have personal conflicts, see whether the deadline is flexible, and/or if you can bring in other team members to help.

**One-minute reflection:** *Recall your latest deadline. Did you stay late with your team, or were you helping your team throughout?*

### Flexibility

The physical workplace is changing—more work is being performed remotely and virtually. Because of the flattening of organizational structures, the notion of a “command-and-control” working style is becoming less and less common. The importance of team building and collaboration in the workplace is increasing. Virtual team rooms are a necessity and no longer optional. It is important for everyone, including leaders, to have a baseline of tech savviness to work together, collaborate and lead.

**One-minute reflection:** *Contemplate your leadership style. Has it changed over the past five years? Do you modify your leadership approach depending on whether the work is virtual or in-person? If the answer is no, consider enrolling in some technology training to be sure you're getting the most out of your teams.*

### Development

Pausing for growth and development is a challenge with the day-to-day pressures, deadlines and fire drills. I'm a firm believer that I was given the chance to write this

article as a result of my mentors sacrificing for me. My primary example is when I was considering going to business school. Going back to school would have required me to leave my consulting firm for a minimum of two years, and more likely, permanently. When you consider that, I felt my leadership likely was incentivized to find a way to *prevent* me from pursuing my MBA.

But my leadership supported me with their words and deeds. They invested hours writing my business school recommendation letters, and after I was accepted to business school, they kept in touch from a distance, letting me pursue my passions in sports business. This enabled me to strengthen my communication, leadership and other enduring skills, which has helped me upon my return to Deloitte Consulting. My leadership's "true colors" were apparent, and they built trust and showed their integrity.

Likewise, for me, going to business school was a step into the unknown, and that took some courage. Pursuing an MBA is a helpful step for actuaries who also want to pursue their dreams in nontraditional industries and professions.


**One-minute reflection:** *Outside of the day-to-day work, have you made a personal investment in your team members' development, even if it would not benefit you?*

### Followership

The simplest way to see if you are being a good leader and exhibiting the attributes described in this article is to see if you have followership. Having "followers" and team members who work with you does not need to mean that people *like* you—the term "followership" is not meant to convey a popularity contest. It is easy to fall into the trap of trying to please everyone. In fact, having honest conversations on performance is not meant to make you popular, but these discussions will be in your team members' best interest. Taking a stance about what's wrong and what's right may not please everyone, but it will instill respect over the long run.

**One-minute reflection:** *Look back on your career and think about the people who have worked for you and with you. Have you established a sense of followership? Do people ask to work with you again after their first project with you? If the answer is yes, there is a good chance you are being a good leader and exhibiting the necessary qualities of honesty, integrity and trust.*

Strong, courageous leadership is in high demand and will continue to become more important for actuaries. Imbuing the qualities of honesty and integrity in leaders,



Likely the simplest way to see if you are being a good leader and exhibiting the attributes described in this article is to see if you have followership.

project managers and their teams is essential. This can be achieved by following the guidance in this article, including:

- » Walking the talk
- » Incorporating everyone's opinions
- » Ensuring we are doing the right thing, even if these decisions appear small
- » Being flexible in our management approach
- » Respecting others
- » Pausing occasionally for growth and development

Perhaps most important, a good leader has the courage to inspire others, takes accountability for their actions, knows the importance of creativity and innovation for a successful outcome, empowers the team, and communicates with their head and heart.

As Maya Angelou said, "Courage is the most important of all the virtues because without courage, you can't practice any other virtue consistently." ■

#### ABOUT THE WRITER

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## REFERENCES ON LEADERSHIP AND COURAGE

While it is true that "actions speak the loudest," it is always helpful to have references, context or recommendations to fall back on. Many situations that occur in our professional or personal lives also have been experienced by others who often have words of wisdom from which we can learn. Anecdotes from others can be leveraged to support us through challenging circumstances whereby we may need to be brave and summon the courage to act. Here are some books, articles, videos and podcasts that may inspire and encourage your future actions as a fearless leader.

#### Books

- » *Trust and Betrayal in the Workplace: Building Effective Relationships in Your Organization* by Dennis Reina, Ph.D. and Michelle Reina, Ph.D.
- » *The 5 Languages of Appreciation in the Workplace: Empowering Organizations by Encouraging People* by Gary Chapman and Paul White

#### Articles

- » "Three Types of Workplace Courage" by Bill Treasurer
- » "5 Ways to Demonstrate Integrity at Work Today" by Kara Goldin

#### Videos

- » "The Power of Vulnerability" (TED Talk) with Brené Brown
- » "10 Ways to Have a Better Conversation" with Celeste Headlee

#### Podcasts

- » "Transforming Your Company's Culture" with Tony Robbins, featuring Marissa Levins, CEO of Successful Culture
- » The Flexible Movement series with Pauline Yau

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A photograph of a middle-aged couple taking a selfie in a desert landscape. The man is wearing a red polo shirt and a denim jacket, holding a red motorcycle helmet. The woman is wearing a blue patterned jacket and a light green scarf. A white Honda motorcycle is parked to the left. In the background, there are rocky hills under a clear blue sky. Three overlapping circles are overlaid on the top left: a grey circle at the top, an orange circle in the middle, and a green circle at the bottom. The text 'Your connected customers' is in the grey circle, 'Our customized solutions' is in the orange circle, and 'More moments like this' is in the green circle. A plus sign is between the grey and orange circles, and an equals sign is between the orange and green circles.

**Your**  
connected  
customers

**Our**  
customized  
solutions

**More**  
moments like this

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# LEADERSHIP—A

BY JANELL LOBDELL

It's challenging to institute change in the workplace, but a strategic approach can help improve your chances of success

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# NEW VIEW

he frenetic and accelerating pace of change in our industry is not new: It has been affecting us and the companies for which we work for decades.

Those now approaching retirement can share stories of how dramatically different things were when they entered the workforce 35–40 years ago. They can bear witness to the many inflection points of change—mainframe computers, personal computers, the internet, cell phones, and connected and wearable devices—and the changes they subsequently imposed on our industry.

A famous quote about the work of Charles Darwin—“It is not the strongest of the species that survives. It is the one that is most adaptable to change”<sup>1</sup>—emphasizes that change is not only good for humanity, but it also is required for survival.

Today, we could say change is inevitable—the new normal. Studies have been done, theories tested, methodologies developed, books written and trainings conducted, all in the pursuit of improving how we initiate as well as respond to change. Yet, somehow, we still struggle with it. These struggles are seen at companies that can’t adjust their offerings or approaches in order to stay relevant and competitive; in projects that flounder and fail because there wasn’t enough support for the initiative; and in precious time spent trying to encourage employees and clients to accept a proposed change.

## Why is Change so Difficult?

In 2012, sociologist Rosabeth Moss Kanter, a professor at Harvard Business School and chair and director of the Harvard Advanced Leadership Initiative, published an article in *Harvard Business Review* titled “Ten Reasons People Resist Change.”<sup>2</sup> The reasons (with my paraphrased explanations) are:

- ❶ | **Loss of control.** Change in which those impacted have no say can breed unease and feelings of insecurity.

- 2 | **Excess uncertainty.** Companies often roll out change before having all of the answers to how the change will be managed or how it will impact individuals. This can drive employees to cling to what is known and perceived as safe.
- 3 | **Surprise, surprise!** If all of the work on a change initiative is done behind closed doors and then sprung on employees, there is little space left for considering and preparing for change.
- 4 | **Everything seems different.** Vast change can be overwhelming, requiring the abandonment of long-held habits and practices.
- 5 | **Loss of face.** Feelings of responsibility for and loyalty to the standing practices being changed can elicit a defensive response.
- 6 | **Concerns about competence.** Fear of failure or of appearing incompetent in new processes can drive fear of and resistance to change.
- 7 | **More work.** Projects involving change require increases to existing workloads, often for those who are already overworked.
- 8 | **Ripple effects.** Unanticipated downstream impacts can make a project seem poorly planned or considered, and can fuel feelings of “I knew this wouldn’t work” that may develop in the course of experiencing change.
- 9 | **Past resentments.** Many older or long-term employees at insurance companies harbor elephant-like memories of past failed projects, especially at those companies with cultures where failures are punished instead of treated as learning opportunities. These memories and the pain associated with the failures help validate resistance to change.
- 10 | **Sometimes the threat is real.** Sometimes change brings layoffs and/or significant and undesired changes in responsibility. People rightfully fear these threats.

One challenge that becomes apparent when reviewing such a list is previous experience with change rarely increases our comfort with it. Instead, past experience often provides additional reasons to fear and resist change. Instead of building change-ready muscle, many people build change-resistant muscle, sparking the rise of a variety of passive-aggressive and direct resistance behaviors, such as “if I ignore it, it will go away,” and “if I make it too hard, they will give up.”

Another observation is of the truly individual nature of the change experience. Every person will react to change differently based on several factors, including the need for security and safety, the perception of impact to their work and/or their ego, and previous experience(s) of change.



Most professionals have at least one story of an epic change effort failure—time and money spent, and perhaps some fanfare, only to result in either no change whatsoever or a very short-lived change that faded right back to the previous approaches.

### Why Do so Many Change Efforts Fail?

When it comes to change, failure has to be considered. There are myriad reasons change can fail—probably as many as there are efforts. A Google search will reveal many articles on why projects fail. However, further review can often uncover the motivation behind cited reasons. For example, project management software providers generally will name the lack of a tool (such as their product) to manage the project as a reason for failure, and project management consultants will espouse the dangers of inexperienced project managers. These certainly could be contributing factors to a project’s failure.

Other commonly seen reasons for failure include a lack of quality change management practices, under-resourcing, lack of executive support or sponsorship, unclear goals and objectives, and unrealistic deadlines.

In a more scientific analysis of change resistance, David Rock and Jeffrey Schwartz, in their 2006 article “The Neuroscience of Leadership,”<sup>3</sup> cited several key findings that provide insight into why change can be so difficult.



*Teaching employees personal mindfulness practices can help develop resilience and a sense of calm during change.*

The first, they said, “has to do with the nature of human memory and its relationship to conscious attention.”<sup>4</sup> Essentially, they wrote, working memory is frequently engaged when people encounter something new, and it requires higher amounts of energy. More routine and familiar activities, on the other hand, engage a part of the brain where long-standing habits are formed and held. Habits, they said, require far less energy than new thoughts and ideas.

In addition, they said the cognitive dynamics required to perform an unfamiliar activity, such as driving on the opposite side of the road from one’s habitual side, also come into play when people face strategic or organizational change. They said this often leads to feelings many find uncomfortable, so people do what they can to avoid change.

Another reason change makes people feel uncomfortable is related to brain function. The human brain is able to detect perceived differences between expectation and actuality. For example, Rock and Schwartz said, when a child (or an adult) is promised a sweet but receives something salty or bitter, the brain emits strong error signals, which use a lot of energy and manifest in imaging technology as dramatic bursts of light.

These error signals are generated by the brain’s orbitofrontal cortex, a part of the prefrontal region closely

## SEVEN CHANGE MANAGEMENT BEST PRACTICES

To meet the challenges associated with driving change, Prosci, a change management agency, developed Seven Change Management Best Practices.<sup>1</sup> The practices were derived from responses to a study on change management effectiveness. They are:

- 1 | **Mobilize an active and visible executive sponsor.** Projects with sponsors rated as “extremely effective” were almost three times more likely to meet or exceed project objectives than projects with ineffective sponsorship.
- 2 | **Dedicate change management resources.** Respondents with dedicated change management resources were significantly more likely to have good (80 percent) or excellent (91 percent) change management effectiveness vs. those without.
- 3 | **Apply a structured change management approach.** Respondents who applied a structured approach were 33 percent more likely to experience good or excellent change management effectiveness than those without a methodology.
- 4 | **Engage with employees and encourage their participation.** Engagement tactics include highlighting “what’s in it for me” and identifying and building relationships with groups that are affected.
- 5 | **Communicate frequently and openly.** This helps build those new brain maps. Important topics to communicate may include why the change was happening, expectations, long-term plan perspectives, how the change will impact employees, and essential business drivers.
- 6 | **Integrate and engage with project management.** Consider training the project management team in change management approaches to help them build awareness and understanding of these critical factors to project success. In addition, change and project plans can be integrated to reduce confusion and facilitate a complementary approach.
- 7 | **Engage with middle managers.** Identified by respondents as the most resistant group, mindful focus on middle managers’ roles and needs could make this group “a change practitioner’s greatest ally in times of change, because they are closest to employees impacted by change.”

### Reference

<sup>1</sup> Best Practices in Change Management. Prosci, <https://www.prosci.com/resources/articles/change-management-best-practices> (accessed June 11, 2019).

connected to the brain’s limbic system, which includes the amygdala. When the amygdala and orbitofrontal cortex are activated, they elicit a fear reaction and draw metabolic energy away from the prefrontal region, which promotes and supports higher intellectual functions. Rock and Schwartz went on to say that error signals “can thus push people to become emotional and to act more impulsively.”<sup>5</sup> To wit: Trying to change a routine behavior “sends out

strong messages in the brain that something is not right. These messages grab the individual’s attention, and they can readily overpower rational thought.”<sup>6</sup>

It takes a strong will to push past such mental messaging. And the same is true for organizational change. Attempts toward change, even with the best intentions, will elicit discomfort, and, ultimately, people’s capacity for higher thought decreases.

## TRULY MANAGING CHANGE

When one of RGA’s global divisions combined two functional areas into one, a great deal of work went into it. A compelling story for change was shared, employees took part in developing the team’s new look, and information was disseminated regularly throughout the process.

One of the process changes sought by department leadership was whether greater efficiency could result from replicating a function in our international offices in the United States. Good change management meant beginning with conversations about the function and its components both in the United States and internationally, and what might need to happen for a smooth unification. During the discussions, a key challenge—time zone differences—was uncovered. Being in different time zones might make the process less efficient to standardize. Still, for clarity about why it still might be the best decision, we built a RACI chart (see Figure 1).

RACI is an acronym for a well-known project management tool with many possible applications. It lists key process steps

and identifies, for each step, who is **responsible** (does the work), **accountable** (ensures the step is done), **consulted** (provides input) and **informed** (is told of the outcome).

Developing the chart for this process was an eye-opener. Numerous inconsistent steps—without compelling reasons for the inconsistencies—were discovered and subsequently addressed, making for more efficient processes worldwide.

Although the process did not ultimately result in the change first sought, it had several benefits: It gave new and needed clarity to roles and responsibilities, provided a common understanding of the process and its components, and facilitated faster decision-making and improved partnering.

Sometimes the right answer is not change, but rather making mindful and informed decisions about change. Change that is helpful and useful, and introduced and communicated in a way that helps people consider the possibilities instead of resisting them, can truly help build change-ready minds.

**Figure 1** RACI Chart—Responsibility Assignment Matrix

Key Business Processes	Project Sponsor	Project Manager	Project Lead	Pricing Lead
Manage client relationship	A		R	C
Maintain project plan	I	R/A	C	C
Develop client solution	A	I	R	R
Develop pricing proposal	I	I	C	R/A
Approve proposal	R/A	I	C	C

At least one responsible and only one accountable person are designated for each task. Optional consulted and informed roles may be identified.

If we go back to the science of how the brain reacts to change, Rock and Schwartz also discussed how neuroscience and physics provide some insights. Without delving too deeply into the science, what they found is the brain can be eased into change through mindful, focused attention. Essentially, that which gets and maintains attention can influence changes in the brain. Mindful attention, repeated over time, provides a way to remap how individuals experience change. Rock and Schwartz believe such remapping can be facilitated “if we focus people on solutions instead of problems, let them come to their own answers, and keep them focused on their insights.”<sup>7</sup>

### How Can We Apply Mindfulness to Change?

The *Merriam-Webster Dictionary* defines mindfulness as “the practice of maintaining a nonjudgmental state of heightened or complete awareness of one’s thoughts, emotions or experiences on a moment-to-moment basis.” A 2016 study regarding the benefits of mindfulness in managing and leading change found that, in addition to basic fundamental change management practices of “clarifying the goals and direction for the change project, securing guidance and support from executives and other professionals, and seeking to learn as much as possible about situations in order to drive the right actions,”<sup>8</sup> teaching employees personal mindfulness practices may be “the easiest for change leaders to implement and perhaps the most effective for developing resilience and a sense of calm during change.”<sup>9</sup>

Another way to encourage employees to remain mindful during the change process is to provide both the tools and information needed to move through the cycles of change. One company, Prosci,<sup>10</sup> developed a model for change known as ADKAR, which is based on the idea that change happens in phases and at the individual level.

ADKAR is an acronym for the stages individuals must move through in order to enable effective change:

- » **A—Awareness** of the need for change
- » **D—Desire** to support the change
- » **K—Knowledge** of how to change
- » **A—Ability** to demonstrate skills and behaviors
- » **R—Reinforcement** to make the change stick

Individuals will move through these phases at different speeds. This is not to suggest that companies seeking to make changes need to tailor a change management plan

for each individual. Instead, they should build a plan that accounts for the needs of each phase.

Many times, organizations will jump straight to training when rolling out a change, believing if employees are given the steps and tools they need, the change project will succeed. Doing this, however, skips over the first three stages:

We are not building awareness of or the desire for the change, nor have we helped the brain understand why and how the desired change might benefit them, and what things might look like after the change.

Think of those early stages as ways to help employees affected by change begin to build mindfulness. Introducing the drivers and need for change, and providing the “what’s in it for me” of change, assists in that critical remapping of the brain and keeps panic and fear from overtaking logical thinking.

Yes, change is hard, and given today’s accelerating pace of change, its associated pain will continue. However, steps can be taken to help ease that pain and build a change-ready brain. We need to have the courage to take the time to help people through the process. ■



**Another way to encourage employees to remain mindful during the change process is to provide both the tools and information needed to move through the cycles of change.**

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#### ABOUT THE WRITER

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# Volunteer. Learn. Lead.

By giving back and serving others, you can build character and develop valuable leadership skills







One of the most powerful and meaningful ways to learn about leadership is through volunteering. Modern leaders have self-confidence and work for a higher purpose. They embrace change and approach learning as a lifelong process. Volunteering is an extremely valuable chance to develop yourself and hone your leadership skills.

Volunteering is beneficial across multiple facets of your life, as it requires dedication and commitment, and results in expanding your skill set and network. As such, volunteering experiences are impactful well beyond the hours spent on-site volunteering and carry through to your day-to-day roles and responsibilities.

*The Actuary* asked four volunteers—Mark Alberts, FSA, MAAA; Tony Brantzeg, FSA, MAAA; Brian Pauley, FSA, MAAA; and Maureen Premdas, FSA, FCIA—to recount their volunteer experiences and share why they donate their personal time to the Society of Actuaries (SOA) and/or other organizations. They contend it expands their reach, fine-tunes their leadership skills and builds character. Read their stories—you’ll find the common thread is the desire to help and be of service to others.

### Does volunteering make you a better leader?

**Pauley:** Yes, because leading a group of volunteers is much different than leading those who rely on you for a paycheck. Volunteers follow you because they want to, not because they must. Thus, you must be in a position of influence to be effective.

**Premdas:** Yes, 100 percent. You are a more rounded leader. Through volunteering, you observe and learn more about others’ experiences and leadership styles, and you can incorporate this knowledge into your professional career. Being an SOA volunteer, there are lots of opportunities for positive feedback. But you also learn to deal with difficult situations—for example, “crisis” (someone could not attend grading at the last minute) or underperformance (someone is not delivering high-quality materials and is always late)—without the tools you have at your disposal in your work environment. The experience is invaluable.

### What motivates you to volunteer?

**Alberts:** Partly, it’s a simple sense of commitment. The SOA, for instance, is a member-driven organization that relies heavily on volunteers to get its work done. I feel a sense of responsibility to share that load. My volunteering choices are also based on my personal interests and priorities. I am interested in research and believe it is important to keep the actuarial profession moving forward, so I sought out volunteer opportunities related to research. Similarly, environmental issues are very important to me, and I am motivated to volunteer in areas and with organizations that address those issues.

**Pauley:** I started out as an SOA volunteer by grading a fellowship exam. I really

enjoyed meeting and working with new people outside of my normal job. That is what motivated me in my earlier years of volunteering.

Volunteering has given me so much in return over the years that it is now what gives me the fuel to keep doing it. When people hear about how many things I'm involved with as a volunteer, they ask, "How do you have time for that?" My response is that I make time, because the return I get is great. I've won the SOA Outstanding Volunteer of the Year Award twice, which is one of my most celebrated accomplishments!

**Premdas:** When I first started volunteering roughly 20(!) years ago, I signed up to work on an exam committee because I wanted to give back to the actuarial community and learn more about the exam process. I figured I would give question writing a try ... I learned so much about the enormous efforts that go into constructing the exams and keeping the standards of our profession so high!

At this point I've volunteered for so long not because of the continuous learning, but rather to continue interacting with the people I have met along the way. Friends and mentors who have had a huge impact on my career and have selflessly shared their time and experiences with me—I am a better leader and professional because of my volunteer experiences with the SOA.

### How has volunteering improved your leadership skills?

**Alberts:** For the last 10 years, I have been a solo actuarial consultant in my day job, so one benefit of volunteering is that it has provided an outlet to keep my leadership skills sharp. In addition, in a volunteer environment, many different people may fill leadership roles on different projects or initiatives—this provides the opportunity to observe and learn from various styles of leadership. Finally, they say the best way to learn is by doing, and the longer I have volunteered with an organization, the more I have been viewed as a leader and have been asked to fill leadership roles.

### How does volunteering build character?

**Premdas:** Volunteering at the SOA has taught me a lot. I've learned how to look at things from many different perspectives—there is rarely one right answer! Through working closely with others, I have gained valuable insights into other areas of the profession. I've also worked on my negotiation skills—we are all busy, and volunteering requires a time commitment and passion for what we do. You learn to take "no" for an answer, but



when you love what you are doing, it shows, and you work to share that positive experience with others.

### Tell us about your volunteer experience overall.

**Alberts:** My primary volunteer work has been with actuarial organizations—the SOA and, to a lesser extent, the American Academy of Actuaries (the Academy). My SOA volunteer work has largely been related to actuarial research: research committees and task forces, research-related presentations and so on. My time commitment has been 100–200 hours per year over the last several years. As some of my SOA commitments are winding down, I'm finding the capacity to volunteer with more organizations in my community. I recently joined the board of a local social/fitness club and am beginning to volunteer with a local environmental organization.



In a volunteer environment, many different people may fill leadership roles on different projects or initiatives—this provides the opportunity to observe and learn from various styles of leadership.

## VOLUNTEERING NEAR AND FAR

I've had the opportunity to volunteer locally, nationally and even internationally. As you might imagine, they are very different experiences.

Some of the benefits of volunteering locally include supporting nearby communities and fostering relationships with other volunteers. I'm fortunate to work for a company, Voya Financial, that provides 40 hours per year of volunteer time away (paid time off to volunteer during work hours). It's a great team-building exercise to get outside of the office walls and work side-by-side with co-workers for organizations such as Habitat for Humanity.

While volunteering locally is beneficial to the nearby community and relatively easy to do, volunteering beyond my local community is a much different dynamic. My international volunteer experience has involved traveling to South Africa one or more times a year since 2008. I work with an organization called Mosaic ([mosaic.org](http://mosaic.org)), whose focus is supporting families that care for orphans or other vulnerable children by:

- » Equipping the parents with jobs, training and facilitation to government programs.
- » Supporting the children with access to quality education and after-school programming.
- » Moving the family from a shack to a modest house.

I am proud to be involved with Mosaic, which has provided support to more than 70 parents and 225 orphans/vulnerable children.

As you can imagine, volunteering in South Africa certainly can take a person out of their comfort zone. Experiencing a different culture, different languages, different food (I'm a very picky eater), different amenities, a different level of poverty and more can be challenging. But the overall experience is something I look forward to and cherish each year.

My first two volunteer trips with Mosaic were as an individual contributor. But since 2010, I've been leading teams to South Africa, which has improved my leadership skills. The trips can be physically and mentally challenging, and there are many different personality types on each trip. I must use a wide range of techniques to prepare and organize the team before we leave, manage through the expected and unexpected challenges while on the trip, and help the team decompress afterward. These developing skill sets are ones I also use at work as I encounter many different personalities and expected and unexpected challenges in the corporate world.

One thing I did not expect to happen the first time I volunteered in South Africa is that it would become an annual retreat for me. Even with the challenges, the trips have become a haven from the daily grind of life. When I am there, I unplug from work and focus on being in the moment. It can take a few days to mentally unwind from work and the tasks that occupy our daily lives, but then I can really enjoy the experience.

Not only do I feel we are doing great things there, but my tank is refueled. I feel refreshed when I come back to work. It is true in many circumstances that people who give often feel like they get more in return. I can attest to this, and I can honestly say that volunteering on a local, national and international level has changed my life. I encourage others to do the same.

### ABOUT THE WRITER

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Volunteering can be a balancing act—there are many worthy organizations and only limited time. Giving the most to—and getting the most from—your volunteer work requires you to really think about what is important to you.

**Pauley:** I've been involved with SOA education and exams (E&E) since I became an FSA in 2009. I started out as a grader and, ultimately, ended up serving five years as chairperson of an FSA exam. I'm excited about my next chapter as an E&E volunteer, as I'll become general officer of the Group and Health Curriculum Committee in 2020. I've also been involved with section councils, most recently serving as chairperson of the Health Section. I'm also in my second year of a three-year term on the SOA Nominating Committee. My most recent endeavor has been chairing a special SOA initiative called "Initiative 18|11: What Can We Do About the Cost of Health Care?" You can learn more about this important work at [SOA.org/initiative1811](https://SOA.org/initiative1811).

### Has volunteering helped you move out of your comfort zone?

**Premdas:** I'm an introvert who is more comfortable in front of a computer screen than in a group setting, but I have not met a more welcoming group of people than the SOA staff and exam committee members. This group helped me feel comfortable in different roles, which in turn gave me more confidence and brought more success in my professional career. I think I could have been happy grading exams and writing questions for a few years and then leaving the committee. But, fortunately, I continually was given the opportunity to take on roles with more responsibility, which in turn helped me build up confidence. I am grateful.

### How does your volunteering experience benefit your community or society in general?

**Alberts:** With some of my past volunteer work, it has been difficult to see a clear benefit for my community or society in general, which is leading me to shift my volunteer efforts toward more community-based organizations. Volunteering can be quite a balancing act, because there are many worthy organizations and only limited time. Giving the most to—and getting the most from—your volunteer work requires you to really think about what is important to you. ■



### ABOUT THE INTERVIEWEES

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## RELATED LINKS

### Volunteer With the SOA

[SOA.org/programs/volunteer-program](https://SOA.org/programs/volunteer-program)

### Value of Volunteering

[SOA.org/programs/volunteer-program/value](https://SOA.org/programs/volunteer-program/value)

### Volunteer Opportunities

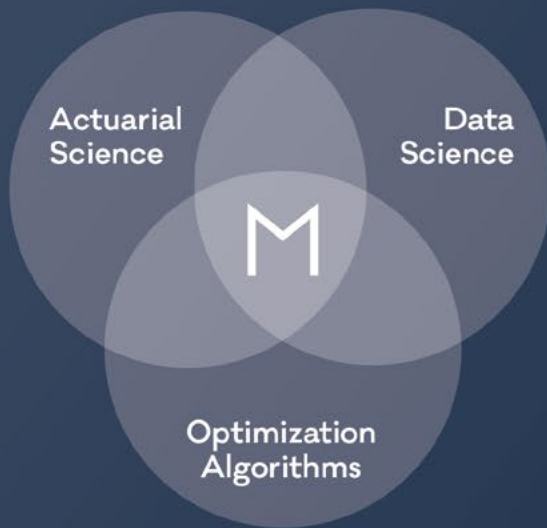
[engage.SOA.org/volunteeropportunities/opportunities-list-public](https://engage.SOA.org/volunteeropportunities/opportunities-list-public)

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# Launching a

Starting your own company takes focus, courage and tenacity

BY MICHAEL L. FRANK

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ometimes it is better to be lucky than good. When my business partner, Don, and I started our own business, Aquarius Capital, we were fortunate to land four clients in our first month—luck can be an important element. However, I'm primarily a believer that hard work helps you generate your own luck.

My job path in 1991 had a big influence on my career direction. When Exxon's corporate office relocated from New York City to Texas, my employer at the time (Coopers & Lybrand) sent a team to go with them. My role on the team was as a life and health consulting actuary, and as a Fortran programmer for the company's pension and retirement business. As a consultant who was both seeing clients and serving as a backroom programmer, my project work and roles were very diverse.

At that same time, I was a consulting actuary helping hospitals build themselves into health maintenance organizations (HMOs), assisting insurance companies to grow and purchase reinsurance, while also working as a computer programmer doing pension and retiree health valuations. Today, those skills are proving particularly valuable, as our firm helps hospitals become HMOs, guides organizations in building and managing insurance companies, works on life and health reinsurance transactions, and performs retiree health valuation work (e.g., Government Accounting Standards Board Statement No. 45/75, Financial Accounting Standards Board Statement No. 106, Statement of Position No. 92-6).

### Changing Roles

The role of the actuary is ever changing. More actuaries are involved in putting together deals as underwriters (especially in reinsurance) and as intermediaries. Our firm became a licensed broker (life and health) in 2002, and later became a reinsurance intermediary in addition to providing traditional actuarial services. Actuaries working as brokers and intermediaries were a rare commodity only 10 years ago, but not anymore. When speaking to people in the insurance business, some feel we have "crossed over to the dark side" as actuaries, while others feel we have crossed over *from* the dark side.

In the profession, I see more actuaries going into nontraditional roles including investments, reinsurance, underwriting, sales, auditing and brokering/intermediary services. More actuaries are becoming brokers/intermediaries, investment specialists and taking career paths in enterprise risk management (ERM).

As an independent consultant, you must be an expert in your craft while continually looking at ways to reinvent

# Business

yourself and be current. With today's technology, companies do not need to hire as many actuaries as in the past. As a result, actuaries must continue to reinvent themselves, which is one of the hardest things to do.

### It Takes Courage to Make the Leap

When I started my own business, my wife and I had three (of our now four) children, two of whom were in diapers at the time, and we had no income coming in. As a result, there were a lot of bills and responsibilities to think about. Taking on this risk forced me to really focus on activities that mattered and to not spin my wheels doing things I didn't believe would have a meaningful impact. I refinanced my house and took money out to have cash in reserves (or what my investment friends call "dry powder") to deal with any short-term cash flow issues.

As an independent actuary, you now are forced into the role of sales—someone must find clients! As a result, the phone does not ring unless you make it happen. Actuaries must learn how to market themselves. Some of it can be done through volunteer work since the Society of Actuaries (SOA), American Academy of Actuaries (the Academy), Conference of Consulting Actuaries (CCA) and other organizations have plenty of opportunities to volunteer and network. Read "Volunteer. Learn. Read." on page 40 for more on volunteering and to get inspired.

### Challenges and Opportunities

Running your own business has its challenges and opportunities. Here are three I find to be relevant in today's work environment.

- » **Globalization.** Globalization has created the most opportunity for our firm, because we can consult on business outside of our office. We have clients throughout the United States, as well as internationally. At the same time, globalization also has created a threat for many businesses, as other organizations similarly are able to quote on business outside of their physical location. As an example, we bid on a government contract, and we saw bids from 28 actuarial firms on one engagement, including multiple bids from the same company (different offices). So, while globalization creates opportunities, it also creates the risk of commoditization of services in all professions, including our own.
- » **Social media.** Social media has become a large part of the business. We've seen the benefits at Aquarius Capital: People have contacted us through LinkedIn (as an example), and we have generated material amounts of business as a result. I even recently set

up a Twitter account @MikeatAquarius. The balancing act is that we must remind ourselves that this is a people business, so we don't want to downplay the importance of face-to-face meetings and networking to get business, or become too reliant on the power of social media. However, with the internet and the ability to consult remotely, I have not met more than half of our clients face-to-face, but I have been able to work with many of them for 10-plus years.

- » **Continue to network.** Even after 32 years in the business, I still try to continue to network as least once a week. It helps me stay current in the market.

### Patience and Fortitude Are Key

It's particularly important to be able to be your own psychologist—to manage the highs and lows in business, which could come daily, or even hourly. Entrepreneurs need to have a vision as to what they want to accomplish, and they need to be proactive in finding business—it's rare the business finds you. I worked as an underwriter for part of my career, which has been beneficial since we must underwrite our own clients to assess things such as what is a quality company to partner with and which companies might be willing to ultimately pay for our services.

As an entrepreneur, there are many opportunities to network and volunteer in our profession. Networking creates the opportunity to not only expand your business opportunities, but also to give back to the profession. Our profession creates a lot of opportunities for public speaking, which in turn can lead to business generation. Strong business communication skills are increasingly important for actuaries who want to work as consultants or have executive-level positions.

Determination, trust, integrity and honesty are critical when starting a business. As leaders of our own company, Don and I also had to focus on things we could make in our "wheelhouse"—you must figure out what works and what doesn't. This includes growing an expertise.

### Teamwork: It's the Only Way to Fly

Don and I have worked together for close to 25 years, counting time at Transamerica Reinsurance and Physicians Health Services prior to founding Aquarius Capital together. We have been able to rely on each other for years, which is helpful. We also divide and conquer tasks that neither one of us finds enjoyable (e.g., bookkeeping, licensing and various paperwork).

Teamwork is especially important. The 2014–2015 period was one of the busiest for our organization.



In addition to the work we were doing at Aquarius Capital, Don and I also were adjunct professors teaching health actuarial science at Columbia University. Our class size was approximately 50 students (one semester ballooned to 70 students), so we were co-teaching the class and managing the workload of these students (e.g., homework, exams, research projects, volumes of emails).

During that same time period, we also were involved in the formation of a startup reinsurance company in Bermuda and the Cayman Islands, which involved countless hours of work (e.g., business plan writing, analysis, numerous capital raise meetings and calls, etc.). We also assisted many of our students with finding employment, including taking a team of students with us to meet with 26 organizations in Bermuda.

Lastly, on a personal note, I had a partial hip replacement surgery in 2015 and was a victim of health care billing fraud. Based on this experience, combatting insurance fraud is an area I have become extremely passionate about, and some of you may have seen the story about it in articles in the *Conference of Consulting Actuaries*, *ProPublica/National Public Radio*, *The Wall Street Journal* and/or on *NBC News* (my 22 seconds of fame on national TV).

The bottom line: Work hard. Be open-minded. Lead with your best foot forward. I've learned so much and am glad I made the leap to entrepreneurship. ■

#### ABOUT THE WRITER

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## TIPS FOR THE ENTREPRENEUR

Frequently, I am asked questions by actuaries and students about things to keep in mind when starting your own business. There is a long list, but here are some examples.

- » **Find investors.** We found investors—us (my wife and I took a loan against our house to have working capital to cover bills as we got started). When you “hang your shingle,” clients do not come right away, nor does income, even if you start working. Unfortunately, the bills still come in, so you must plan accordingly.
- » **Learn from your wins and losses.** Learn what you can from both successful and unsuccessful ventures. When you do things well, try to figure out how to scale it. When you are unsuccessful in getting business, try to obtain feedback on what the drivers of the decision process were. Maybe there is something you can learn from it. Sometimes pursued ventures are unsuccessful, so try to learn what you can from them.
- » **Become an expert witness.** One of the things our firm does is expert witness work. It is an interesting process, and you can learn a lot from it. It gives you a different perspective when you create work products. I have found I review Actuarial Standards of Practice more frequently.
- » **Find business professionals to help support your business.** You may need accountants, lawyers and insurance professionals to manage your business. You may find you need attorneys to review business associate/Health Insurance Portability and Accountability Act (HIPAA) privacy agreements, consulting engagement letters and confidentiality agreements. You might even need one to help pursue collections activity. As a small business, insurance broker(s) can help with liability insurance, employee benefits and other coverages. An accountant can help with navigating the complicated tax laws.
- » **Be a volunteer.** It is a great way to network and meet new people, plus obtain continuing education credit. I spent a good portion of my career volunteering and hope to continue to do so. I met a lot of friends, mentors and even clients through volunteering. If you are an introvert, volunteering may be a way to help you open up more. You may find others who have gone down similar paths as you, and they can share insights. Anything you can do to accelerate the learning curve is a good thing. As a volunteer, you may also be able to help influence change in our industry, since you will have a seat at the table.
- » **Protect your brand.** If there are people you don't want to do business with, then choose not to do so. As you establish yourself, you also may find that you may terminate relationships with existing clients and decline work from prospects. Some organizations will want to use your credibility and credentials as an actuary for their own special interests, which may not align with your core values. If integrity is important to you, then protect your brand.

## What's Coming Next?

**Q&A with Ying Zhao, FSA, MAAA, senior actuarial consultant, Insurance and Actuarial Advisory Services (IAAS), at Ernst & Young LLP**

### **Who or what inspires you, and why?**

My maternal grandmother inspired and influenced me the most. She grew up in wartime China and had an incredibly hard life. As a girl, she was not given a proper education. She married young and had many children, but lost most of them at childbirth or at young ages due to illness. After the war, she looked for opportunities to support herself and her family. She learned to read and write in her mid-30s. She found a job in a clothing factory at age 40 and worked there for 20 years. She took care of the family alone for many years while my grandfather worked hundreds of miles from home. After retiring from the factory job, she helped my mom raise me while taking care of my ailing grandfather. Growing up, my grandmother was always a calming force. She was kind, strong and open-minded. The most important things I learned from her are to be resilient, and it's never too late to learn.

### **What do you hope to accomplish within the next year?**

A big part of my work these days is to help companies implement the accounting changes that are taking effect. In addition to satisfying the mandates, I hope to help my clients see beyond “what has to be done” and design solutions that position them well for “what's coming next.” I also will continue to volunteer for the Society of Actuaries (SOA) as a section leader and in other capacities to make the SOA a stronger organization and to help fellow actuaries become better leaders.

### **What are the most important attributes of a good leader?**

A good leader should have a clear and committed vision that creates a sense of purpose and guides a

team through challenging times. A good leader should be an open and effective communicator. A good leader must have courage to step up during times of need, to make hard decisions, to do the right things when they're not popular and to take responsibility when things don't go well.

### **Is there an experience that shaped your career?**

My experience at a life insurance startup for the past five years (before joining my current firm) has changed my perspective of the value of actuaries' work. As actuaries, we're already doing some of the most complex and critical work for our employers. Still, we can add so much more value when we go beyond the traditional actuarial practice areas. Our critical thinking and analytical skills stand out when we work with nonactuarial teams, which is highly valuable as insurance companies are going through a transformative time. I found deep satisfaction in collaborating with other teams, solving problems and implementing solutions. Leading multidisciplinary projects has made my work more impactful.

### **What do you like most about your job?**

Solving problems and connecting with people—they go hand in hand. I love to take on complex problems; it's like solving puzzles. And in this day and age, problem-solving is a team sport. Most business problems involve multiple function areas and require solutions to balance many stakeholders' needs. I enjoy talking to people about their priorities and concerns, connecting the dots and developing solutions as a team. Along the way, I build long-lasting relationships that benefit everyone involved. ■



PHOTO: JOEL MAISONNETTE

*A good leader must have courage to step up during times of need, to make hard decisions, to do the right things when they're not popular and to take responsibility when things don't go well.*

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# Inviting Inclusivity

BY SARA TEPPEMA

I am a big fan of social scientist Brené Brown. I highly recommend her latest book, *Dare to Lead*, in which she brings her past work on vulnerability and courage into the realm of leadership. The book incorporates many practical examples and tools that we, as actuaries, can all apply to our work as leaders. Brown defines a leader as “anyone who takes responsibility for finding the potential in people and processes, and who has the courage to develop that potential.”

As the Society of Actuaries’ (SOA’s) chair for Inclusion, Equity and Diversity, I naturally latched onto a section of the book on cultivating a culture of belonging, inclusivity and diverse perspectives. Doing so is the antidote to common yet harmful practices of tolerating discrimination, encouraging echo chambers in which a leader pays greater attention to ideas from their team that echo their own, and promoting a culture of “fitting-in.” Brown says, “True belonging doesn’t require you to change who you are; it requires you to be who you are.”<sup>1</sup> How can we, as leaders, encourage a culture where the people with whom we share one-third of our lives can be who they truly are? How can we create that sense of belonging for ourselves, our teams and others at work or in our personal lives who share our goals?

First and foremost, belonging requires us to feel comfortable with ourselves. We need to be willing to be open, vulnerable and able to admit that we lack the answer to every question (a challenge for me and many other actuaries!).

Then, we must create environments in which we invite our colleagues to feel like they can belong without needing to modify who they are to fit in. “Fitting in” requires someone to change their natural behavior or say things they don’t believe to be accepted. Belonging only calls for someone to bring their whole self without modifying what they say or do to feel valued.

Examples of a culture of “fitting in” include team networking opportunities that only occur after work at bars; chit-chat that never goes beyond sports or children, leaving out many people who don’t follow sports or don’t have children; or hiring and promotion of people for the

sole reason that they are a “good fit” (read: they are just like me).

Can we make the shift to a culture of belonging? The first thing that needs to happen is to make sure inclusive leaders remain aware that they are interacting with other humans. They practice and demonstrate empathy and genuine curiosity about what their colleagues are thinking and doing. People may feel vulnerable sharing information about themselves, but they are never made to feel ashamed or embarrassed, and they feel they can safely share their authentic selves.

Inclusive leaders check their biases. They do not assume to know what their team members want or need unless it has been shared explicitly—further emphasizing the need for safe environments conducive to sharing. Inclusive leaders model this behavior in front of their teams so other emerging leaders understand that empathic leadership is expected.

Inclusive leaders pay attention to interactions among their team members. They notice exclusionary behaviors like favoritism, interruptions during discussions or dismissal of alternative ideas. They quickly confront those behaviors with feedback that is direct and helpful.

Inclusive leaders build and foster opportunities to network into the regular workday, in such a way that



these activities are accessible to all. They notice exclusive behavior and find ways to invite everyone in.

Finally, inclusive leaders hire and promote people not because they are a “good fit,” but because they are highly qualified for the role and bring a diverse perspective that may not always agree with other perspectives on the team. They ensure the qualifications for the role are clear so



there isn't room for anyone to say, “I just have a feeling that they won't fit.”

The traits outlined in this article only scratch the surface of how a leader can create a culture of belonging. As a first step, I invite you to simply take the time to listen to the members of your team, be open to learning something new and value what you learn.

Let me know how your listening goes. Send me an email with your stories—the good and the frustrating—about examples of leadership in inclusion and your experiences. I look forward to incorporating your stories into a future column. ■

#### Reference

<sup>1</sup> Brown, Brené. 2018. *Dare to Lead*, 107. New York: Random House.

#### ABOUT THE WRITER

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## NEW JOINT COMMITTEE ON INCLUSION, EQUITY AND DIVERSITY

We are excited to announce the SOA's Diversity and Inclusion (D&I) Committee has merged with the Casualty Actuarial Society's (CAS') D&I committee to form the Joint Committee on Inclusion, Equity and Diversity (JCIED). Our committee kicked off in late August and is made up of members of both actuarial organizations, as well as nonactuaries who provide expertise in diversity, equity and inclusion. I co-chair the committee with Mallika Bender, FCAS, MAAA.

The committee currently has three work groups with important missions:

- ❶ | **Career encouragement.** Promote the actuarial profession among students in underrepresented groups and educators.
- ❷ | **Professional development.** Raise awareness about diversity and inclusion issues and share best practices with the CAS and SOA memberships.
- ❸ | **Diversity in leadership.** Increase diversity within CAS and SOA leadership as well as management roles at employers and sponsoring organizations.

The broader strategic committee will support the three work groups and oversee measurement of impact and communications for all activities.

We will share our activities in future issues of *The Actuary* and via other SOA communications. I would love to hear from you regarding the SOA's diversity, equity and inclusion activities—please email me with your comments and ideas!



# Fellowship Education Changes

BY DANIEL S. PRIBE AND KAREN L. ANWAY

**T**he Society of Actuaries (SOA) announced in October 2017 that there would be updates to the exams and modules on fellowship-level tracks beginning in late 2018. The basic structure of two five-hour exams and one two-hour exam offered twice a year was retained (with an option to take a four-hour Enterprise Risk Management (ERM) Exam instead of the two-hour exam to also earn a Chartered Enterprise Risk Analyst (CERA) credential).

Changes and enhancements to the ASA requirements necessitated these track updates. Foremost among those changes was the addition of predictive analytics and other topics that previously were in the Financial Economics Module. The considerations behind the changes to the ASA requirements are relevant when considering changes to the FSA requirements. The task force that looked into the ASA requirements was asked to consider what fundamental knowledge is required for all actuaries, what actuaries need to know now and in the future, and what the proper balance between different topics is.

Similarly, the Curriculum and Examination Committees of each track considered which topics all actuaries in their respective tracks should know, what is the proper balance of these topics in the educational process, and how these should be tested through the 5-5-2 examination structure and modules.

The revisions/new exams and modules these committees developed are being rolled out sequentially through 2021. The remainder of this article summarizes the changes by track. More detailed information about these changes, transition rules and recommended order can be found on the SOA website at [SOA.org/programs/curriculum-changes/fsa-track-changes](http://SOA.org/programs/curriculum-changes/fsa-track-changes).

### Corporate Finance and ERM (CFE) Track

No changes will be made to the CFE track exams. However, two modules are being created and/or revised (see Figure 1).

» **Introduction to CFE.** The focus for this module is on providing a broad understanding of business strategy with exploration into financial statements and using modeling to achieve business objectives. It is scheduled to be released in December 2019 and will replace the Financial Reporting Module.

» **Advanced Topics in CFE Module.** This module will be updated significantly to align with the other track material. It is scheduled to be released in December 2020.

### General Insurance

The National Association of Insurance Commissioners (NAIC) has been evaluating the SOA's general insurance

curriculum for the past two years to determine if fellowship would provide an Accepted Actuarial Designation for signing its property and casualty (P&C) Statement of Actuarial Opinion. The committee thought it unwise to adjust the curriculum while this evaluation was ongoing.

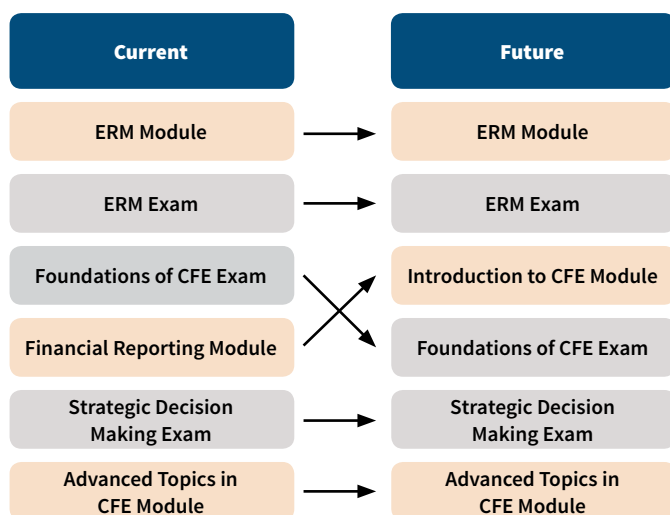
With the NAIC's approval of the curriculum in May 2019 (pending changes made for the fall 2019 exams), this process will be complete. Now that those portions of the curriculum necessary for NAIC purposes have been identified, the committee can update the remaining parts to align with the new ASA curriculum as well as cover emerging topics. Candidates should visit the website regularly for additional updates.

### Group and Health Track

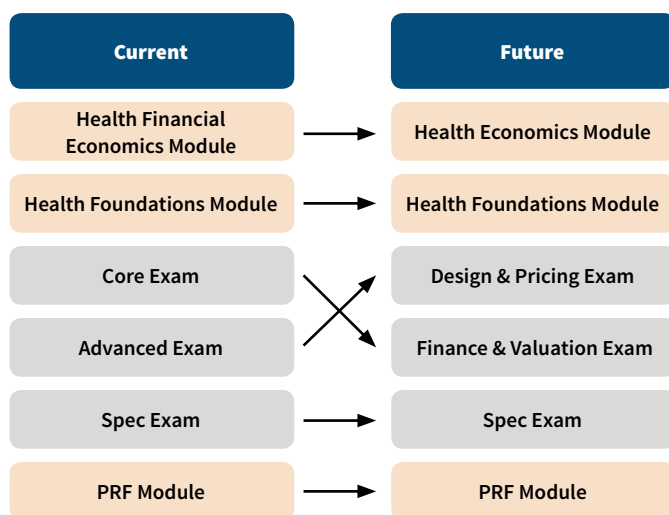
A new Health Economics Module replaced the Financial Economics Module in December 2018. Candidates currently have the option of replacing the Health Foundations Module with the Enterprise Risk Management (ERM) Module. The new requirements will have that option apply to the Pricing, Reserving and Forecasting (PRF) Module.

The revised examinations will be given for the first time in fall 2019. The two current five-hour exams, Group and Health Core (C) and Group and Health Advanced (A) will be replaced by two new exams, Design & Pricing (DP) and Finance & Valuation (FV) (see Figure 2). The FV exam will have separate Canadian and U.S. versions. To aid in the transition, the new exams will be offered in segments for four exam sessions (ending with the spring 2021 administration).

**Figure 1 Corporate Finance and ERM Track**



**Figure 2 Group and Health Track**



- » DP will be divided into two segments:
  - DP-C (two hours)
  - DP-A (three hours)
- » FV will be divided into two segments:
  - FV-C (three hours, Canadian and U.S. versions)
  - FV-A (two hours)

### Individual Life and Annuities (ILA) Track

The three exams have been renamed and underwent some minor adjustments in content. In addition, a new Introduction to ILA Module replaced the Financial Economics Module in June 2019 (see Figure 3).

### Quantitative Finance and Investment (QFI) Track

Topic coverage will be restructured among the three QFI exams, which will receive new names (see Figure 4). The modules have been created and/or revised:

- » **Scenario Modeling Module.** This is a new module released in June 2019 that replaces the Financial Reporting Module. The Scenario Modeling Module provides an opportunity to deploy RStudio to build simulations, apply variance reduction techniques, and calibrate and validate stochastic models.
- » **Financial Modeling Module.** This module will be revised to cover additional quantitative modeling techniques. It is scheduled to be released in December 2019.

### Retirement Benefits Track

A Pension Projections Module, scheduled to be released in June 2020, will replace the Financial Economics Module. Beginning with the November 2020 administration, the



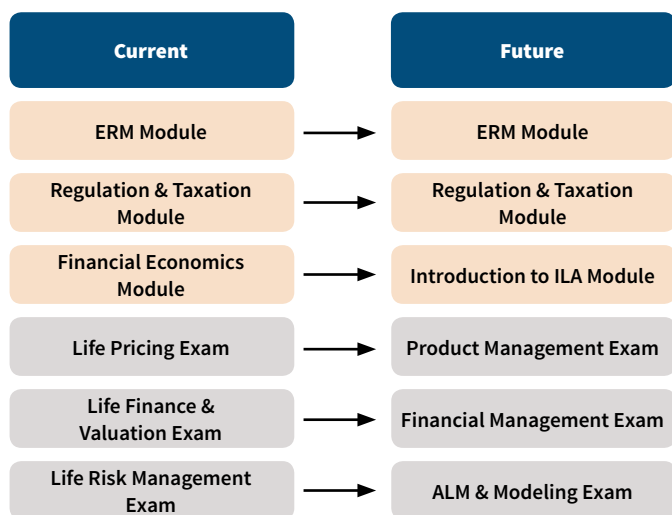
Retirement Benefits Track exam syllabi will be revised to reflect adjustments to the ASA syllabus and the new Pension Projections Module, but the changes are not significant enough to require any exam name changes (see Figure 5).

### Looking to the Future

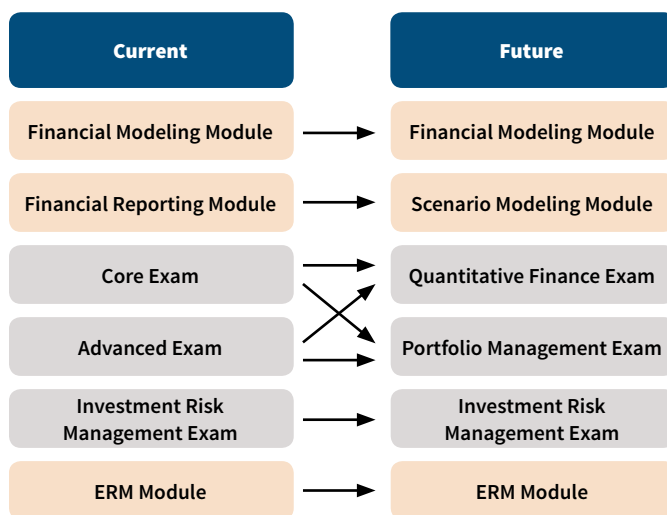
These changes, to both ASA and FSA education, are important to keep the SOA's curriculum current and ensure actuaries are experts in their areas of practice.

That said, these are not the final changes to the education of actuaries. As we experience greater competition from other professions such as data scientists, and as the profession grows internationally and actuarial subjects evolve, we need to ensure we are keeping the profession

**Figure 3 Individual Life & Annuities Track**



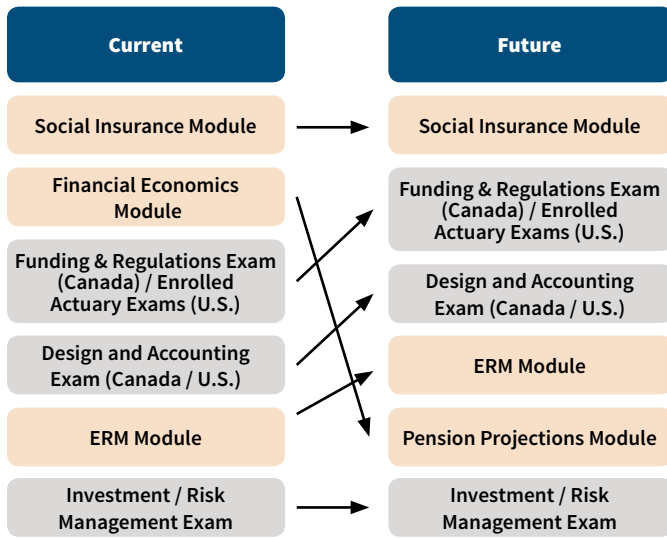
**Figure 4 Quantitative Finance & Investment Track**





and members of the SOA relevant and competitive. This is obviously done through the content of our education. However, another important aspect of education is the “method of delivery.”

**Figure 5 Retirement Track**



This is a particularly exciting area of change to the examination process and can be seen with the launch of the new Predictive Analytics Exam for ASAs. The exam is administered through a formal Prometric testing site that allows for the use of a computer, not the traditional room proctored by an FSA. The computer is a “closed system,” so to speak, that includes several different applications including Microsoft Word and Excel, and RStudio. Candidates use these to complete a project that tests their knowledge of the learning objectives for the Predictive Analytics Exam. This development has been well received by both the candidates and the graders. One can envision a future in which this type of approach also can be used in the FSA exams.

Thus, the closing words are: Stay tuned! ■

**ABOUT THE WRITERS**

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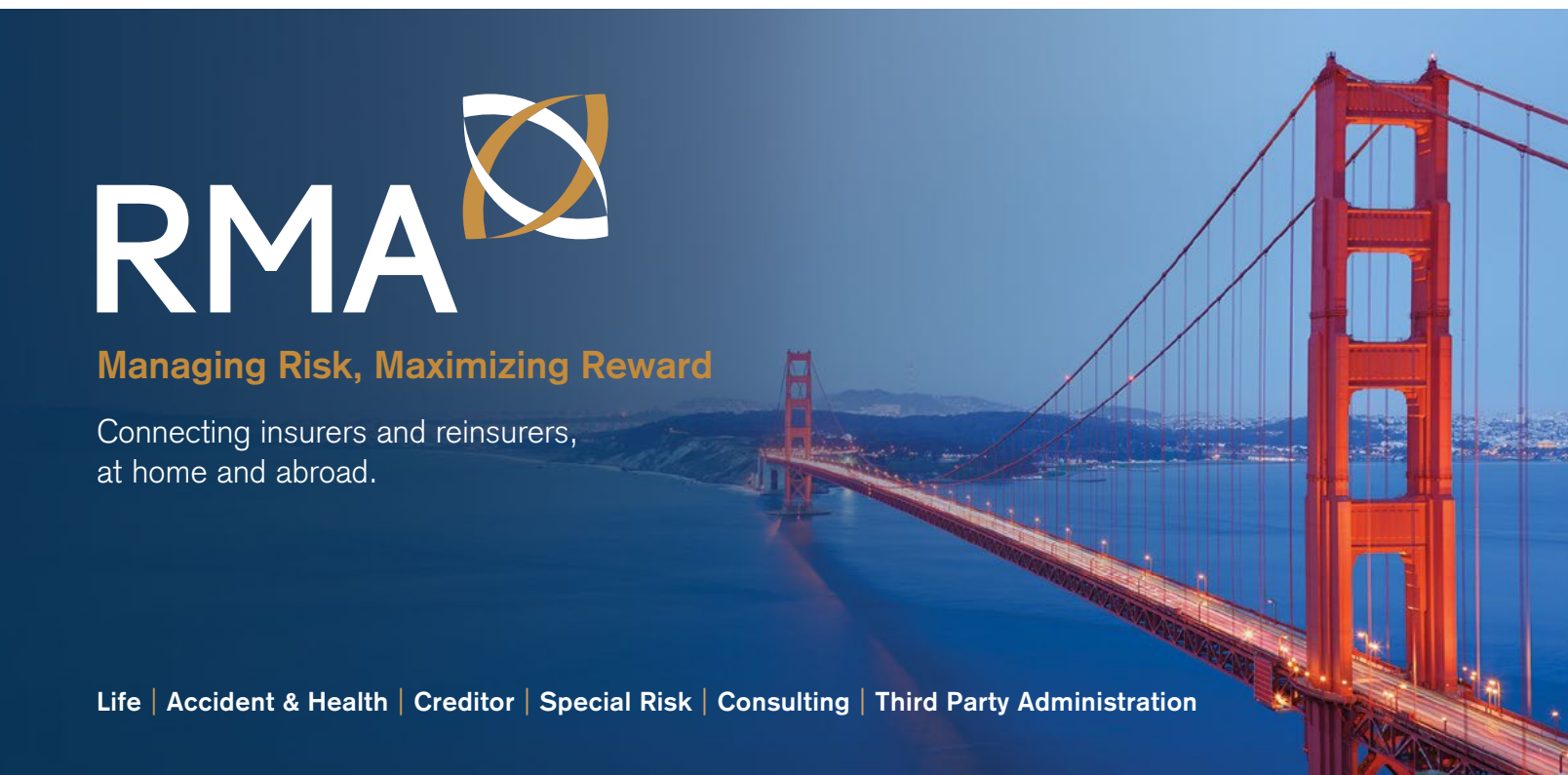
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# Exploring Strategic Research

## Q&A with R. Dale Hall

**T**he Society of Actuaries (SOA) established the Strategic Research Program Initiative to identify key themes of strategic research for the future.

R. Dale Hall, FSA, CERA, MAAA, SOA managing director of Research, provides an update on the strategic research programs.

### What is the main purpose of the strategic research programs?

**Hall:** In 2017, we developed the SOA Strategic Research Program Initiative to determine key themes of strategic

research that will be of long-lasting importance to actuaries, their employers, industry stakeholders and the public. We wanted these programs to help provide useful information for actuaries and continue to have the SOA be seen as a prominent and objective research organization around the world. We identified five key topic areas, and the programs cover a variety of practice areas and research methods, taking into consideration a global audience.

Each of the strategic research programs has a Program Steering Committee to help develop and maintain pivotal research projects, and to help inform the actuarial profession as well as support ideas from both a business and a societal perspective.

### What are the research programs available?

**Hall:** We launched our first of these programs in 2018 on aging and retirement. Since then, we've developed and released research on the impact of aging populations and the actuarial risk management of retirement. This program brings together our existing research and ongoing studies on post-retirement needs and risks, and at the same time helps highlight new areas of research within this space.

One example of a new type of project is the survey comparing retirement and financial concerns among different generations, from millennials and Generation X, to early and late baby boomers and the Silent Generation. I'm glad to see these new studies, which build upon our

available research resources. Other reports include a variety of studies on long-term care trends, multiemployer pension plans and retirement literacy.

Our second program launched was on actuarial innovation and new technologies. So far, we've created studies and reports on artificial intelligence (AI) and machine learning technologies, behavioral science, cloud computing, genomics and microinsurance. Also, there's a literature review on big data and how actuaries can use nontraditional data sources.

Most recently, we have a program focusing on longevity trends and the factors impacting models and mortality predictions. Through this program, we are building upon our existing experience studies catalog and providing further analysis on trends that impact mortality rates and longevity. We continue to develop observations on population mortality in the United States.

### What are the future programs?

**Hall:** There are two strategic research programs in development. One focuses on the forces that shape health care costs and utilization as well as changes over time. We'll be exploring what drives costs, including social factors and demographics as well as trends in medical services and pharmaceuticals utilization.

The other program will focus on climate trends and their impact on extreme and catastrophic events. These research projects will look at the impact of shifting climate patterns and both the frequency and severity of extreme events on the public and the insurance industry across all lines of business. The recent mortality, health and property impacts of a variety of hurricanes, wildfires, floods and other catastrophes emphasize the importance of this line of research. ■

#### ABOUT THE WRITER

**R. DALE HALL**, FSA, CERA, MAAA, is SOA managing director of Research. He can be reached at [dhall@soa.org](mailto:dhall@soa.org).

Visit [SOA.org/research/about-research](https://www.soa.org/research/about-research) for the latest updates on new research opportunities, data requests, experience studies and completed research projects.

## RELATED LINKS

### Strategic Research Programs

[SOA.org/strategic-research/default](https://www.soa.org/strategic-research/default)

### Actuarial Innovation and Technology

[SOA.org/programs/act-innov-tech](https://www.soa.org/programs/act-innov-tech)

### Aging and Retirement

[SOA.org/programs/aging-retirement](https://www.soa.org/programs/aging-retirement)

### Research Insights Podcast Series

[SOA.org/resources/podcasts](https://www.soa.org/resources/podcasts)

## RESEARCH READS

### Living Longer

The 2020 Living to 100 Symposium brings together actuaries, academics, demographers and many others interested in longevity. This event takes place Jan. 13–15 in Lake Buena Vista, Florida.

[Livingto100.SOA.org](https://www.livingto100.soa.org)

### Emerging Risks Survey

See the major findings from the 12th Annual Survey of Emerging Risks, which include growing climate concerns and continuing cyber concerns.

[bit.ly/12th-SOA-Risk-Survey](https://bit.ly/12th-SOA-Risk-Survey)

### Multiemployer Pension Plan Stats

Access the collection of multiemployer pension plan stats, which include a variety of plans involving sports and entertainment. The NBA Players' Retirement Benefit Plan Stats have been updated for 2017. For funding purposes, the discount rate used to compute liabilities represents the long-term expected return on assets; this plan uses 7.50 percent. For funding purposes, the plan is 64 percent funded for 2017.

[bit.ly/MultiPensionStats](https://bit.ly/MultiPensionStats)

# LEADING THE WAY



## News

### In the Headlines

The Society of Actuaries (SOA) is in the spotlight. Here are a couple of recent news items:

- » *Forbes* highlighted the SOA's retirement planning research in the article "How to Get SMART in Your Retirement Planning." The article specifically calls out the SOA's Spend Safely in Retirement Strategy approach. Read more at [bit.ly/Forbes-GetSMART](http://bit.ly/Forbes-GetSMART).
- » The SOA analyzed Health Care Cost Institute (HCCI) claims data from 2009 to 2015 to better understand cost and utilization trends in the commercial health insurance market. Our analysis revealed the companies participating in the data set experienced dramatic changes in both population and plan design in the individual market, coinciding with the launch of the Affordable Care Act (ACA) exchanges in 2014. Read the press release at [bit.ly/SOA-ACA-Trends](http://bit.ly/SOA-ACA-Trends).

## Podcast

### Be a Great Leader—Press PLAY

Want to fine-tune your leadership skills? You're just a podcast away. Tap into emerging ideas, trends and work-related topics that will help you stay informed about the increasing relevancy of leadership in the ever-evolving landscape of the actuarial profession.

Download the SOA Podcasts app to listen to our Leadership Series. From the qualities of a strong leader to finding the courage to take risks—there's something for everyone. Listen now at [bit.ly/SOAPodcastFeed](http://bit.ly/SOAPodcastFeed).

## Insights

### Leadership Extras

When asked about outstanding leadership qualities, leaders in the Americas and Europe said they would include knowledge of subject matter and intellect, communication and decision-making, and trust and transparency. Interestingly, leaders in Switzerland gain credibility through their level of punctuality, while leaders in China and the Middle East cited the level of authority within the organization as the most important attribute in gaining credibility. Leaders in Africa expressed that accountability is one of the most critical traits, while leaders in Japan expressed the need to empathize and respect old traditions when making changes—and ensure that the changes are gradual.

- » A visionary leader helps others see how they can contribute to the vision, allowing the whole team to move together toward a shared view of the future.
- » The ability to influence remains a challenge, but when it is done with patience, tolerance and belief, influential leadership can transcend time.
- » As the actuarial field continues to change and transform, leaders expect the visionary and coaching styles to become more prevalent.
- » Companies that encourage ideas from employees at all levels help them to build and increase confidence. Around the world, changing a company's culture remains challenging; however, this is possible through strong leadership.

Successful leaders understand and are aware of their audience. Deciding what works best for the environment and the composition of their teams is a critical skill for actuarial leaders, both now and in the future.

Thanks to Aisha Faleeldeen, ASA, ACA, MAAA, associate actuary, Modeling Center of Excellence—Model Steward team, at Prudential, who gathered this information. Faleeldeen can be reached at [Aisha.faleeldeen@prudential.com](mailto:Aisha.faleeldeen@prudential.com).

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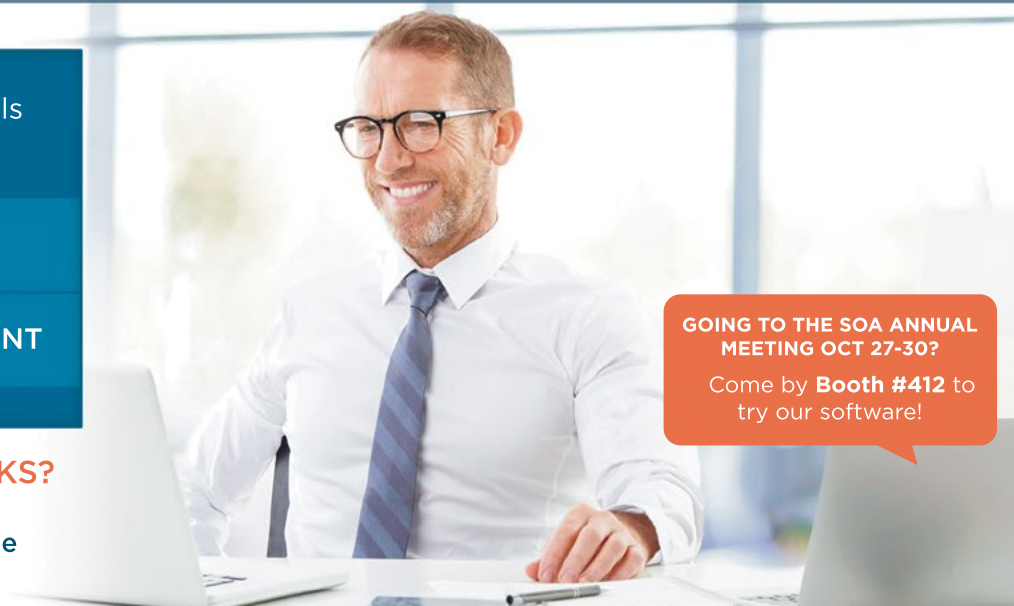
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# Timeless

THE PAST, PRESENT AND FUTURE OF THE SOA

1983

The Society of Actuaries (SOA) Special Interest Sections—now referred to as Professional Interest Sections—were created in 1983 to help plan major meetings, which led to sponsoring of sessions at annual meetings.

Oh, how much they have grown. Now 20 strong, sections not only sponsor sessions at regional and major meetings, they also produce webcasts and podcasts, sponsor groundbreaking research, host online discussions and professional contests, provide networking opportunities for growth and development, and perhaps most important, publish section newsletters that provide section members with content that helps them in their work, expands their knowledge base, and gives them a glimpse into the future of their specialty and the actuarial profession in general.

Newsletters have come a long way—from print to digital. The Leadership & Development Section’s newsletter, *The Stepping Stone*, is shown here to showcase the newsletter evolution.

Visit the SOA website to see all 20 Professional Interest Sections and to check out their digital newsletters. While you’re there, consider joining one, two or more of these dynamic groups.

## RELATED LINKS

### SOA Sections

[SOA.org/sections/section-listing](http://SOA.org/sections/section-listing)

### Join a Section

[SOA.org/sections/join-section](http://SOA.org/sections/join-section)

## The Stepping Stone Through the Years

1999



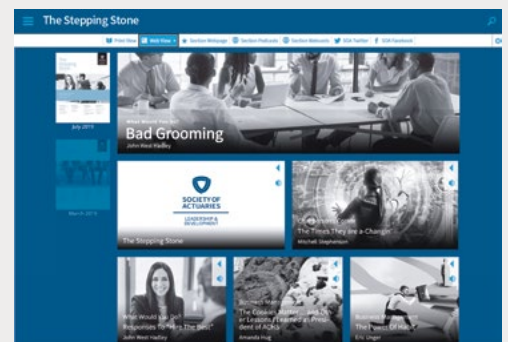
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2011



2019



Send information about SOA historical artifacts that highlight our organization’s past and serve as a springboard for future growth. Write to [theactuary@soa.org](mailto:theactuary@soa.org) and share.



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