

Society of Actuaries Action Report *Presented to*

Actuaries Club of Boston

Bob Beuerlein, SOA President



“The world has evolved rapidly in recent decades. What about us, the actuaries? We have to adapt to the new world. Is the SOA preparing us for the future? We need leadership!”

—SOA MEMBER, 2005 MEMBER & CANDIDATE SURVEY



2005 Member Satisfaction

Initiative	Performance	Importance	Gap
The SOA is taking a leadership position on ENTERPRISE RISK MANAGEMENT	6.1	8.0	1.9
The SOA will enhance the image of the actuary through a long-term IMAGE CAMPAIGN	5.8	7.9	2.1
The SOA will conduct ENVIRONMENTAL SCANNING to assist in planning of the profession's future	5.8	7.5	1.7
The BASIC EDUCATION SYSTEM has been redesigned to improve relevance, value and travel time	5.3	7.5	2.2
The SOA will focus on a greater ongoing relationship with the ACADEMIC COMMUNITY	6.1	7.1	1.0
The SOA has moved to become a SECTION-DRIVEN organization	6.4	7.0	0.6

Rating is based on a 10 pt scale.



Expanded ERM Education

- SOA Board approved ERM strategy in February 2005
- SOA/CAS Risk Management Section
- Delivered record-setting ERM Symposium with CAS and PRMIA



ERM Credential Update

- Establish a leadership position for actuaries in the ERM marketplace
- Board approved introduction of new ASA-level credential
- Expected to be implemented by June 2007



Marketing & Market Development Plan

- Leverage our comprehensive understanding of risk into the broader financial services market
- Reintroduce ourselves in traditional markets as creative problem solvers who see the “whole picture”



We are motivated by curiosity and exploration.
We are futurists who explore the unknown;
where possibilities are imagined,
opportunities are created and
dreams are realized.
We are guided by a shared vision,
a vision that inspires us to make changes,
a vision powered by ideas; big and small.

WHAT'S YOUR VISION FOR THE PROFESSION?
VISIT IMAGEOFTHEACTUARY.ORG TO
JOIN THE DISCUSSION.

Actuaries
The Best-Kept Secret in Business™



E&E Redesign

- Computer-Based Testing
- Fundamentals of Actuarial Practice (FAP)
- Validation by Educational Experience (VEE)
- Financial Economics
- Nation- and Practice-Specific Material



Morris Review Index

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16 March 2005

Morris Review of the Actuarial Profession

Morris Review
of the Actuarial Profession

Final Report

Sir Derek Morris published the final report of his review of the actuarial profession on 16 March 2005. The final report is addressed to the Financial Secretary to the Treasury, Stephen Timms MP. It summarises the consultation feedback the review received on the policy options set out in the interim assessment and gives Sir Derek's final recommendations for change.

[PDF file of the Morris Review of the Actuarial Profession: Final report](#) (679KB)
[PDF file of the Government's Response](#) (80KB)
[Press notice 16/03/05: Morris Review final report published](#)

Interim Assessment Report

The review has published its **interim assessment report**. This report summarises the initial consultation feedback that the review received, identifies key issues and proposes possible policy options to address these issues.

[PDF file of the Morris Review of the Actuarial Profession: Interim assessment report](#) (1.25MB)
[Press Notice 17/12/04: Morris Review interim assessment report published](#)

Interim Assessment Report Responses

The review is very grateful for the responses received on its Interim Assessment Report. The review have **published online on this website all the non-confidential responses**.



Continuing Education Requirement

- Learning does not stop at Fellowship
- Board to review the possibility of a CE requirement at October meeting



Section-Driven Organization

- Strengthen the section connection to our strategic initiatives
- Transfer many practice area activities to sections, and
- Develop a common framework for section activities



Issue Identification

- Environmental Scanning
 - Important Issues Submission Process
 - FutureRisk.org



Research

- Initiated multi-phased study on factors affecting retirement
- Initiated work on Select Mortality Valuation Study



Communication & Business Skills

- Task force provided recommendations
- Conducted groundbreaking “Analysis and Presentation of Financial Results” seminar
- Expanded low-cost, convenient distance learning opportunities



Launched Grassroots Program



actuary@work

A grassroots program designed for actuaries to share real-life stories and take advantage of helpful tools to build relationships with business leaders and peers one conversation at a time.



Generated National Publicity



THE WALL STREET JOURNAL

CNN HeadlineNews.



The New York Times



Themes

- Enterprise Risk Management
- The Actuary: A 21st century thought leader
- The **value ladder** for the actuarial profession



ACCOUNTING VALUE LADDER - EXAMPLE

Economic Platforms	Scope of Knowledge	Distribution of Knowledge and Effect	Time Span of Impact
Platform 7	Global	Ability to determine the rules of the game at an international level	50 years
Platform 6	National	Ability to influence the rules of the game at a national level	30 years
Platform 5	Industry	Ability to conceptualize the multiple realities that exist within the environment and capitalize on them.	10–15 years
Platform 4	Market	Ability to create and manage multiple, parallel outcomes based on market	3-5 years



Four Audiences, Four Campaigns

- Actuaries
- Traditional employers — insurance
- Traditional employers — benefits
- Nontraditional employers — BFS



Key Programs

- Grassroots
- Web
- Public relations
- Horizontal marketing



How Will We Measure Success?

The Balanced Scorecard—Our Dashboard

Four Strategic Themes



Membership
Value



Knowledge
Management



Marketplace
Relevance



Professional
Community Advancement



Four Perspectives Provide Balance

- Stakeholder
- Operations and Management
- Learning and Growth
- Financial



Outcomes That Drive Opportunity

- Nine board-level outcomes will lead to the fulfillment of our vision:
To be recognized as the leading professionals in the modeling and management of financial risk and contingent events.
- Result: Increased opportunities for actuaries and for the profession.



Outcomes That Drive Opportunity

- Increasing actuarial employment
- Improving stakeholder satisfaction
- Increasing the value of the credential
- Effectiveness & Efficiency
- Enhanced “Actuary” brand
- More employable actuaries
- Outwardly focused organization
- Increased volunteer population
- Sufficient Resources



Balanced Score Card

- The percentage of employed actuaries increased for the first time in five years.
- The credentialed population of FSAs and ASAs has grown.
- Salaries for life, health and finance actuaries increased steadily.
- Members and candidates were surveyed on overall satisfaction:
 - “Meeting my professional needs” declined (6.5 to 5.7)
 - “Advancing the actuarial profession” declined (6.3 to 5.6)



Balanced Score Card (cont'd)

- Number of candidates increased 34% and exams administered increased 35% since 2001.
- Perceived performance of SOA in maintaining high exam standards decreased (7.1 to 6.8).
- Candidates rated SOA support for exam preparation at 5.5 and customer service at 5.7.



Balanced Score Card (cont'd)

- Opportunities for actuaries to be recognized as experts in:
 - ERM
 - Contingent liabilities
 - Individual financial security
 - Pension plan design and funding
 - Predictive modeling



Redefining the Actuary Brand – The Brand Promise



What is a brand?

- A combination of tangible and **intangible** attributes that influences a thought-process in the mind of an audience and creates value.





It's Like A Whole Other Country.



- CHICAGO – The American Medical Association (AMA) unveiled an ambitious marketing campaign [three-year, \$60 million] today aimed at attracting more physicians to its ranks and solidifying its role as the country's most influential advocate for health and medicine.



What attributes define a brand?

Tangible

- Features and benefits.
- Name.
- Visual identity.

Intangible

- Implied “promise.”
- Past experiences.
- Word of mouth.
- Personality.
- Reputation.



How do we re-define the brand?



What does the profession think?

- Positive, powerful, clear, compelling.
- Consistent with branding best practices.
- Conservative/aggressive.
- Careful on promise, brand, public interest.
- Need brand vision.
- Want practical application

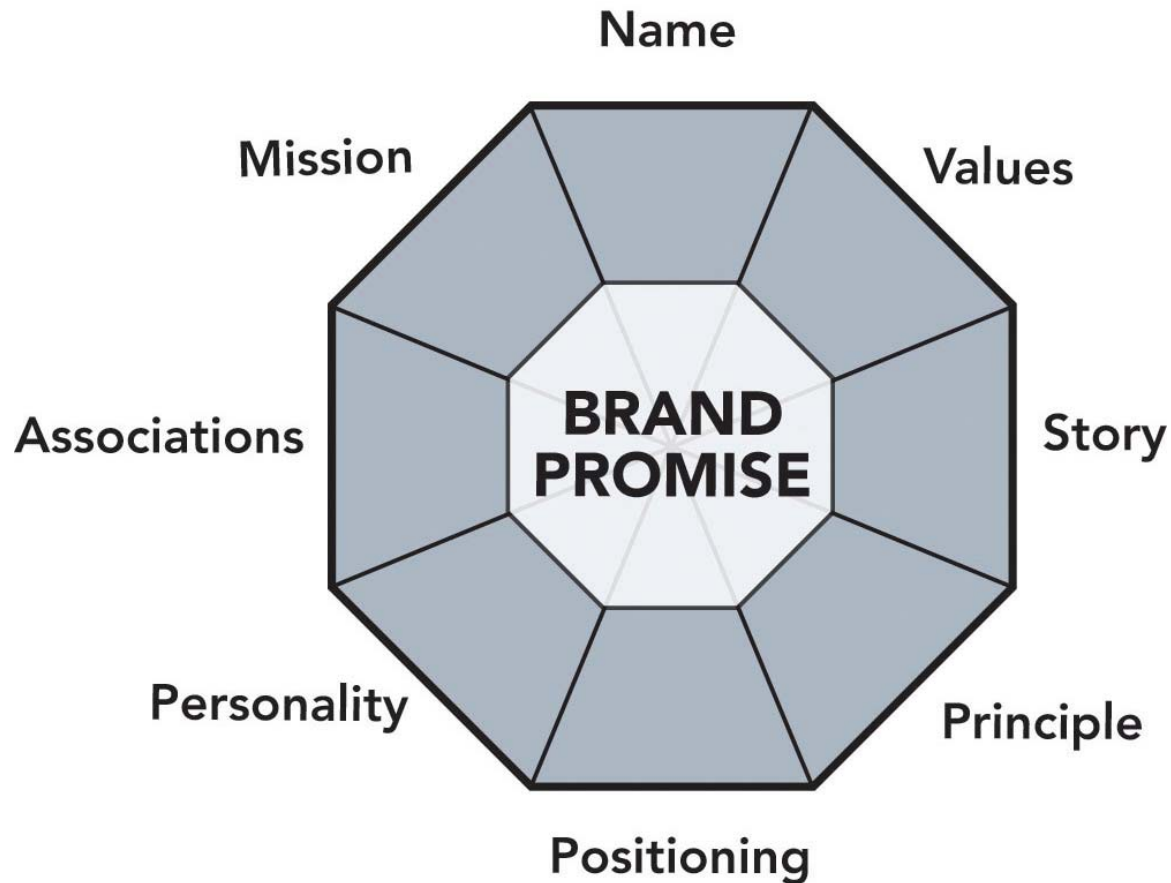


Six key findings

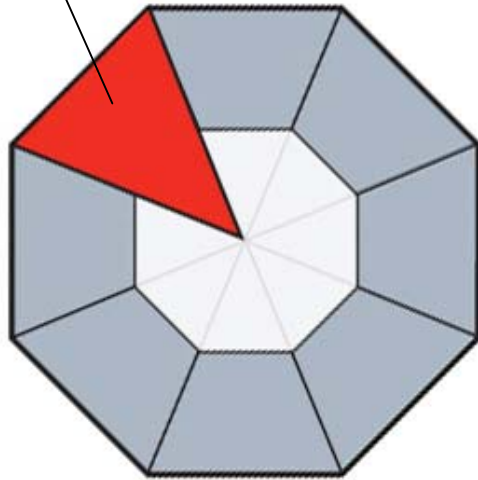
1. Deep risk knowledge (Mission)
2. Five core values (Values)
3. Rigorous training and standards (Story)
4. Creative problem solving (Principle)
5. Comprehensive approach (Positioning)
6. Compelling personality (Personality)



The actuary brand

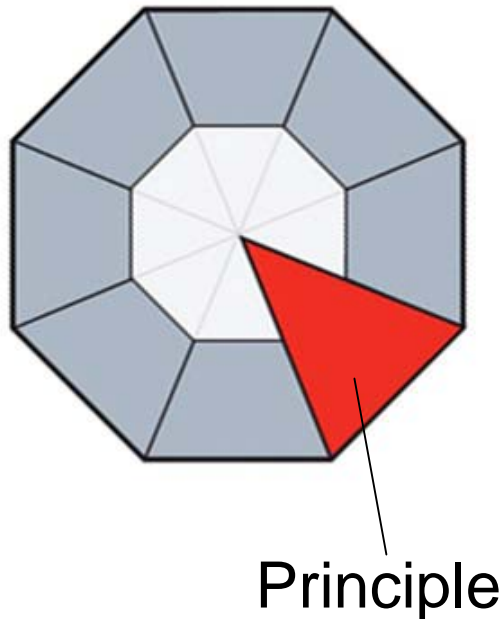


Mission



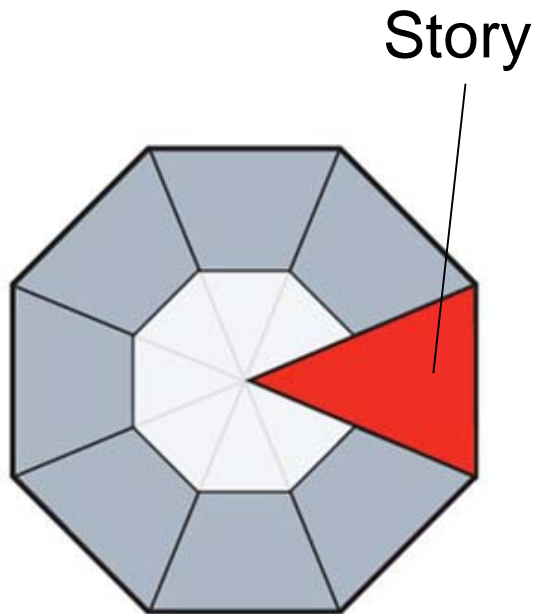
In a world of uncertainty, actuaries provide a deep, comprehensive and practical understanding of the dynamics of risk and its financial impact to create **social and economic value.**





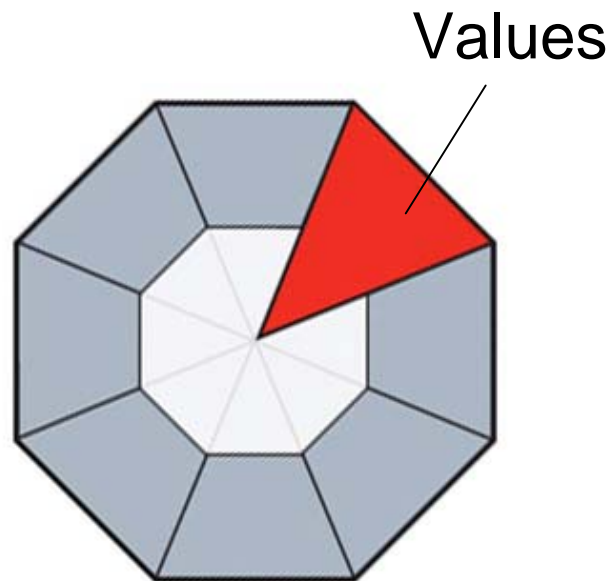
Actuaries possess the unique ability to anticipate, identify, quantify and manage risk to bring about **creative solutions** to complex financial challenges facing business and society.





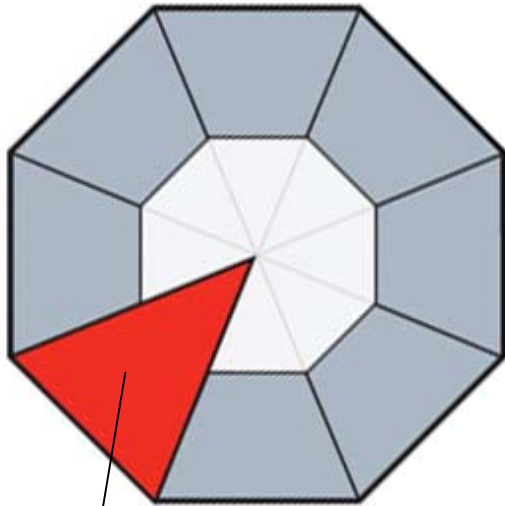
Actuaries are integral to the success of the enterprise, applying **rigorous training**, **high professional standards** and a deep understanding of the relationship between risk and opportunity.





- Insight
- Creativity
- Integrity
- Professionalism
- Public Interest

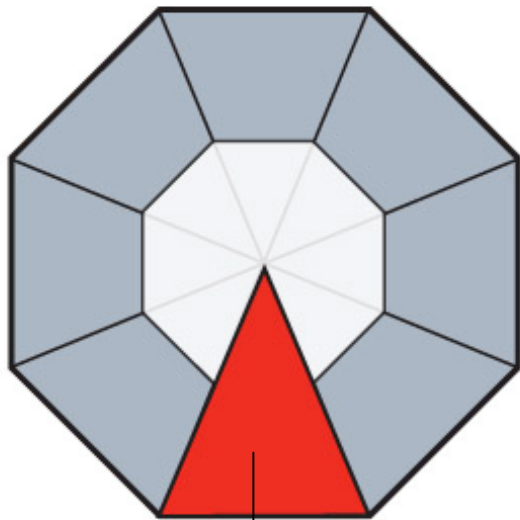




Personality

- Ethical
- Intelligent
- Unbiased
- Creative
- Inquisitive





Positioning

Actuaries bring a **comprehensive** approach to problem solving that combines strong analytical skills, deep risk expertise, and an unwavering commitment to professional standards.

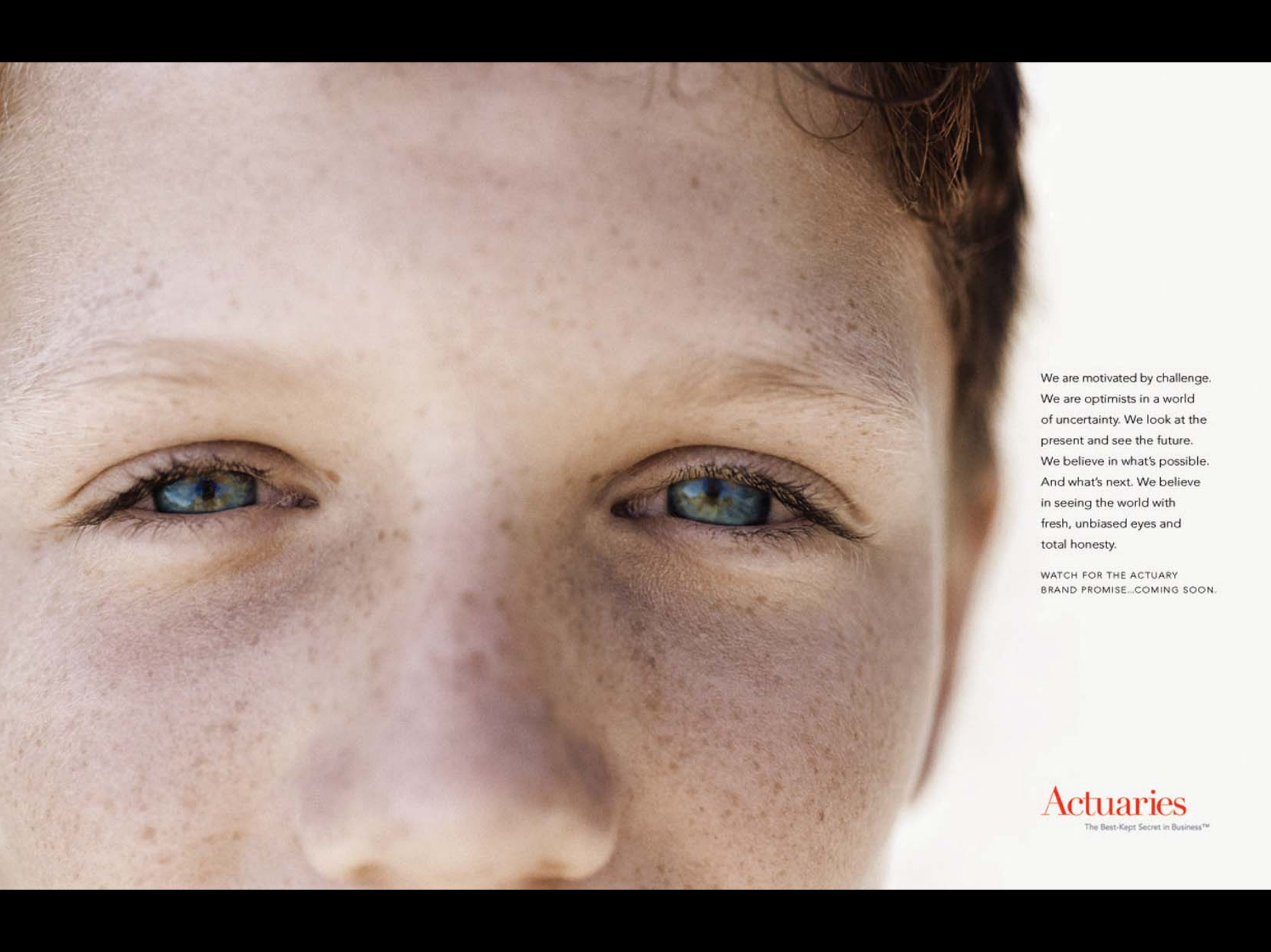


Next steps

- Validate brand promise..... Completed
- Develop, validate strategy..... 2nd/3rd quarter
- Implement 4th quarter







We are motivated by challenge.
We are optimists in a world
of uncertainty. We look at the
present and see the future.
We believe in what's possible.
And what's next. We believe
in seeing the world with
fresh, unbiased eyes and
total honesty.

WATCH FOR THE ACTUARY
BRAND PROMISE...COMING SOON.

Actuaries

The Best-Kept Secret in Business™

One Brand

One Voice



Actuaries

The Best-Kept Secret in Business™



SOCIETY OF ACTUARIES