Mentoring Edition

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“Year One and Year Four”
By John Robinson, IABA President, FSA, MAAA

Welcome to 2013, the first full year of our new Affiliate Framework. Apart from our extraordinary Annual Meeting, our Affiliates are our identity throughout the year, and our long-term success as an organization will largely depend on their success. I know that great things are in store.

This year, the Board has launched the development of a new Strategic Plan. A sub-committee has had its first meeting, and I am confident of a great outcome. The Strategic Plan will guide the efforts of all our affiliates and committees for the next few years.

The Board has also affirmed the creation of our Data Management Committee. Our website is poised to gather data in several dimensions. This committee’s task is to manage that data and provide actionable information to the leadership. Members of the team will have exciting opportunities to explore unanswered questions using, hopefully, good data. This committee, led jointly by Stephen Cameron and Dodzi Attimu, will work closely with the Technology Committee in meeting their respective objectives.

I am already looking forward to our Annual Meeting in Chicago. Among other attractions, we will have the privilege of meeting Themba Gamedze, FASSA, president of the Actuarial Society of South Africa and that country’s first non-white Fellow. Themba’s acceptance of our invitation is further evidence that the IABA is seen very favorably throughout Actuarial Africa. It is my hope that these ties will only be strengthened in the coming years.

This is my fourth, and my final, year as president of the IABA. The knowledge that I will hand over to passionate and wise leaders, armed with a renewed vision in the form of a new Strategic Plan, give me great comfort that the IABA will continue on a trajectory to accomplish great things.

See you all in Chicago, and……
It is not uncommon for actuaries and actuarial students to change jobs or rotate within their company. In some cases actuarial students may even change their actuarial track as they pursue a designation. Moving around sounds easy, right? What happens though when you’re an FSA and you’ve spent the majority of your career in one particular actuarial track – how easy is a change then?

I sat down with Stephen Cameron, who worked as a Pension Actuary for over a decade before switching to life reinsurance, to discuss his experiences with changing fields.

Stephen is currently an Associate Actuary at Munich American Reassurance Company (Munich Re). A graduate of the University of the West Indies, he started his career at Guardian Life Limited in Kingston, Jamaica. He worked as an actuarial student in Guardian’s employee benefits department performing valuations for pension plans and group life pricing for three years before moving on to Towers Watson in Atlanta, Georgia. There he worked as a Consulting Actuary for nine years, consulting on the design, valuation and risk management of employer sponsored defined benefit pension plans. During that time he obtained his Fellowship (FSA) and Enrolled Actuary (EA) designations. In the fall of 2012, Stephen made the change from retirement consulting to join Munich Re as a reinsurance pricing actuary in their individual life business.

Stephen, why Retirement Consulting? What led you to that path initially?

Like many students graduating from college in Jamaica my decision was based on job availability. I had not given much thought to what actuarial track I would pursue; my primary goal was to get a job that provided actuarial experience. I was fortunate to have had two actuarial offers, both were in employee benefits and the only conscious consideration I made at the time was whether I would accept the position at the insurance company or the consulting firm. I went with the insurance company as it was a larger company with more potential future opportunities within the same company.

When the opportunity arose at Watson Wyatt (now Towers Watson) the practice area being offered was not my main consideration. I just knew it sounded like a great opportunity to work for a strong global company and to take advantage of the career opportunities in the United States. In addition, I had a pension background which would help with the transition.

What did you like most about consulting?

I liked that every day was different. It was unpredictable and challenging. I worked with a variety of clients and while the core work
was the same, each client presented its own unique challenges and issues. The pension consulting actuary has the opportunity throughout his or her career to be exposed to a wide variety of industries. I did consulting for companies in the health care, manufacturing and financial sectors among others. It was a great learning opportunity to observe the view points of clients in different industries and how their pension plans fit into their compensation strategy and overall business model. It was very rewarding to have that interaction with clients and help them navigate through their issues to arrive at a workable solution given certain constraints. I also enjoyed the team structure of consulting firms. It was typical to work with different teams internally on each client which facilitated increased interaction among co-workers.

Consulting sounded great. What were your reasons for leaving it behind?

I enjoyed my time at Towers Watson but reached a stage a few of years after attaining my FSA where I seriously considered what my long term goals were. Retirement consulting is a highly specialized area and I wanted to expand my actuarial knowledge base. I considered moving to a different area within the company or doing something completely different. When the opportunity at Munich Re presented itself I took the opportunity after giving it some careful thought. Hours of consulting can be fairly demanding and I was also at a stage where I wanted to achieve greater work/life balance, so that was an additional consideration. Another plus was that I did not have to relocate.

Was there anything that you had a chance to use from your previous experience despite the differences? How do the two fields compare?

At a high level, there are some similarities between the two areas. Reinsurers, like consulting firms, have clients. In reinsurance we help clients (insurance companies) with solutions for managing their risks and efficiently deploying capital. In my current role there is client interaction and the ability to communicate effectively is important. Project management and working on teams are other important similarities between my current and prior roles. As a pricing actuary, I have to interact and coordinate with a number of other departments, such as Treaty and Underwriting, when evaluating a reinsurance proposal.

How did you make the transition?

The transition has gone fairly smoothly to date. I worked with my manager to outline a transition plan. At this career level there isn’t a formal training plan outlined for you, so you have to proactively map out your own course. Despite all the planning it still felt a bit overwhelming in the first few weeks, but that was soon replaced with a more positive outlook. In the first few months my efforts were focused on learning life insurance products, the associated terminology and key actuarial features, as well as the specifics surrounding reinsurance. This self-study was supplemented with attendance at the SOA annual meeting, webcasts, internal training and partnering with other more seasoned pricing actuaries on projects. It is an ongoing learning process that has proved rewarding to date.

The SOA has very specific tracks at the Fellowship level exams. Were there any barriers or limitations since you attained your fellowship designation under the Retirement Track? Did you have to achieve additional educational credentials to perform your new role?

Great question! Under the SOA code of conduct and the US Qualification Standards I would not be qualified to start issuing Actuarial Opinions/Communications related to life reinsurance on day one or even day 100 in my new role. I have to satisfy certain requirements which include both relevant education and work experience. I did not have to take any additional exams, however, I did find the study materials published for the life insurance FSA exams useful for my personal training plan.

The other potential barrier would be whether an employer would hire someone without experience in a particular actuarial track given the required transition investment. There is one school of thought that once you have reached the fellowship level in a certain track you may be limited there. There is some truth to this thinking, but there are opportunities to make a switch. In some cases the opportunity may be facilitated within a company if they have multiple lines of business, and then there are some employers (like Munich Re in my situation) that are willing to hire a Fellow without the specific actuarial background, once the candidate possesses other transferrable skills that can add value. Attaining a fellowship designation demonstrates a certain level of technical competency. You could also infer that it demonstrates an ability to achieve competency in any of the actuarial tracks. It is therefore not unreasonable to think that transitions between actuarial practice areas should be possible.

What advice would you give to actuarial students trying to decide on what path to take?

For those at the college level, my advice would be to secure as many internships as possible in different practice areas. That way you can get some first-hand experience of what the various actuarial paths are like. You may also want to network and talk to actuaries in different areas to gain some insights into their particular field. If not for the information, you at least introduce yourself to a number of potential future employers. Getting involved in actuarial organizations such as IABA is a great way to build that network and find out what actuaries in the profession are doing. Most US cities have IABA affiliates that host networking events. The company you choose to work for can be as important as the actuarial track. Companies with a good rotation program are great for providing exposure to different fields without having to change jobs. You’ll also want to evaluate the company’s exam program. At the end of the day the skills and knowledge gained as an actuary, regardless of the specific area of practice makes for a well rounded employee who should be able to achieve success in multiple disciplines. There is no wrong or right area, you just have to choose what works best for you.
What advice would you give to Associates or Fellows considering a new actuarial track?

Making any career change involves some risk, and the pros and cons of such a decision should be carefully weighed. You have to do your research and gather data to determine just how green the grass really is on the other side. I was able to draw on contacts from IABA in assessing the life reinsurance opportunity – the importance of networking. A recruiter may also be able to assist with identifying opportunities and may assist with interview prep. Once you have decided what actuarial track or opportunity you want to pursue, you have to answer an important question - why should an employer hire you over someone who already has relevant technical experience? That can be a daunting question, until you realize that actuarial experience is only one criterion an employer is looking for. A more useful question to ask yourself is - can you demonstrate sufficient value to a potential employer? Or, what skills do you currently possess that will enable you to succeed in the desired role? I would posit that most FSA roles require strong non-technical competencies (“soft skills”). In fact, I would say that more and more companies are looking for individuals with leadership potential and the related skill set those individuals may possess. Once you look at it that way and can find the overlap between the skills you have acquired in your prior roles and the skills needed for the new role, it should make it easier for you to build your case. The final piece of the puzzle is being honest with yourself and potential employers about expectations. Remember, you won’t be able to review models or sign reports on day one, but there are other ways you can add value in the short term.

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The IABA is grateful to all its donors, individual and corporate. As a sign of recognition, we have decided to publish a list of all our donors so far this year. Thank you!

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The IABA mentoring program is in place to give both the mentor and the mentee a unique chance to learn, share and grow together. Beyond initiating the pairings, the mission of the committee is to “increase the number of effective and long term mentoring relationships in order to influence the successful career development of our members, while also helping those with an interest in the actuarial profession by providing useful and valuable information to help them break into the profession.”

To continue to support the mentoring process, we have developed a calendar of touch points throughout the year. Earlier in the year, we conducted a survey to gauge the status and measure the satisfaction of mentors and mentees. As a follow up, we are excited to share a recorded interview aimed at helping you get the most out of your mentoring relationship. This webcast focuses on building effective mentoring relationship. According to Kim Mahan of Maxx Potential, trust and honesty are the essentials.

Kim Mahan started her first website business in 1996 and has been working with emerging technologies ever since. She has held IT positions with global responsibility at GE Corporate, GE Industrial Systems and Genworth Financial. Kim founded Maxx Potential in 2012 with a goal of providing affordable technology solutions and growing the pool of technical talent.

You can listen to the recorded interview on the IABA channel at www.blackactuaries.org/resources/mentoring/podcasts.html.