

RISKY BUSINESS

— News and Notes on the Actuarial Studies Program —

Department of Mathematics

Fall 2012

The University of Texas at Austin

Welcome!

Welcome to another issue of Risky Business, the Official Newsletter of the Actuarial Program at UT Austin. In this issue you'll learn about the differences between the consulting and insurance practice, take a closer look at the actuarial profession, and learn more about the program and our students' activities.

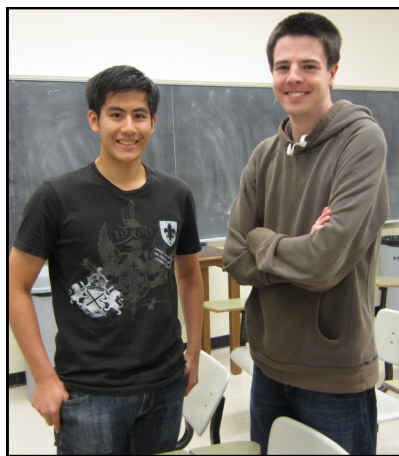
We also bring you a Special Issue! An interview with Mr. Brad Smith, president of the SOA, and with Mr. Gary Josephson, president-elect of the CAS. We discuss the General Insurance practice and the upcoming changes to the accreditation process.

So read on and enjoy!

-Keith Cruz, Editor

Actuaries Teaching Actuaries

By Peter Liu



Pictured from left to right: Brian Huang and Matt Krusz

Progressing through the Actuarial Exam process is easily one of the most difficult tasks any actuary must partake in. While many students find help from study manuals and from other courses offered at the University, sometimes these sources are not enough. Brian Huang, a 4th-year actuarial student, believes just that. Since last semester, Brian and a handful of other

students have banded together to create an unofficial Interest Theory Session. These sessions allow Brian and his team to help underclassmen prepare for their FM/2 exam while providing a service to the program.

Last year, Lindsay McDowell, former president of the Actuarial Science Club, began recruiting students who had passed FM/2 to help tutor fellow underclassmen struggling with the material. From then, the sessions have expanded and grown. At the beginning of this semester, (*Continued on page 4*)

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From the Editor

I am grateful for the dedication, enthusiasm, and creativity of the team of writers who helped me write this newsletter. It's great to see students wanting to help each other and contribute to the program. Here at UT, we are a community. Our strength is not found in the infrastructure of our school, but in our people. It is the work of our faculty members, our alumni, employers, and students that make our program successful. They are our greatest asset, our motor and motivator; what propels us forward into the dynamic and ever changing field of Actuarial Science.

If there's one thing I've learned throughout my years at UT is that all it takes to make a difference is a little initiative and the right people. Whether is reporting for Risky Business, conducting learning sessions, or bringing important speakers to campus, the efforts our students display make a great difference at our school. The work of our professors and the involvement of our alumni are extremely important too. That is why I would like to recognize them, for the value they bring to our community. If our program wants to remain as successful as it is today, it is imperative to strengthen the relationships between all its members. For this reason, I would like to invite you to join the University of Texas at Austin Actuarial Group on LinkedIn. This platform will allow us to connect and communicate with each other better and more effectively.

Finally, I hope you feel proud as you read this newsletter and learn more about our program. Let this be a celebration of our actuarial community and all its members. Hook' em!

Sincerely,
Keith Cruz— Editor

For any questions, concerns, or comments please e-mail me at risky.business.editor@gmail.com

Consulting vs. Insurance

By Ali Kazmi

Choosing a specific track of actuarial science can be an overwhelming task. Plenty of differences exist between the traditional actuarial practices. To complicate things further, actuaries can work in the insurance industry or as consultants. It's no wonder this decision is one of the hardest any actuarial student needs to make. Luckily, there exists a broad litmus test for when choosing between consulting and insurance. In order to make an informed decision, knowing one's personal strengths and weaknesses is imperative.

Helping clients understand and manage risk is one of the main jobs of a consultant actuary. If you believe you are more suited for client relationships, being a consultant would be best. On the other hand, if you prefer analyzing data, crunching numbers, and providing solutions, maybe the insurance industry will be a better fit. Of course, there are many other important details to look at while deciding between the two, but knowing your interests helps.

Actuaries working in insurance can be broadly classified as pricing/ratemaking actuaries or as reserve actuaries. The former focuses on pricing premiums and deductibles for different insurance products. The latter is given the task of predicting the amount of reserve money to be set aside for insurance claims that have not yet been reported by the end of the fiscal year. These reserve amounts can be some of the largest liabilities for any insurance company; therefore, accurately calculating these quantities is of great importance. Insurance companies rotate actuaries amongst their departments periodically, exposing them to different parts of the business.

Many actuaries agree that consulting work entails longer hours. There is also more traveling involved. A consulting actuary can work in different cities every week of the month! The practice is also more client-oriented. In insurance, a typical actuary may work on a similar area of work in a specific product line for a longer period of time. However, since the work is not client-based, deadlines can be relatively more flexible and less stressful. Many actuaries across the spectrum agree that there is no such thing as a typical day as an actuary. You can be researching, analyzing, crunching numbers, meeting clients and/or co-workers all in the same day!

With that being said, choosing a specific pathway can be done after delving into the work itself and experiencing it first-hand. Working as an actuarial intern is highly recommended as this will help discovering and learning about the tracks of actuarial science. It will also help in figuring out one's own preference and strengths.

In the end, it is necessary for actuarial students to fully understand the nature of the different practices of actuarial science as well as the unique challenges each track offers. Researching online, asking upperclassmen, employers, and any other sources is something that any student wishing to become an actuary must do.

The Actuarial Science Club

The ASC is a student led organization dedicated to providing fellow students with opportunities for academic and professional growth.

This has been another successful semester for us and for our members. From company presentations to bowling events, and company sponsored lunches, our club has done a marvelous job at connecting students with each other and with employers. Here is an update of our club's activities.

Community involvement

This semester, members of the actuarial club participated in "One million Bones," an event aimed at increasing awareness and providing relief for genocide victims. Volunteers were required to make clay bones which were going to be displayed on the National Mall in Washington D.C. as part of an awareness campaign. For every bone made \$1 would be donated to help aid genocide victims.

Rudd and Wisdom actuarial lunch

Rudd and Wisdom, Inc. is an actuarial consulting firm located in Austin, TX, and a close friend of our program.

This semester, Rudd and Wisdom offered students the opportunity to have lunch with actuaries from the company. Khiem Ngo, FSA and Coralie Taylor, ASA attended the event. They were both eager to answer questions about the industry, the profession, and other topics. This is the second year the company sponsored this event, and the club, as well as its members, appreciate their involvement.

FM/2 mock exam sessions

In order to serve the actuarial community and the program, officers of the club decided to begin offering mock exam sessions for the first two preliminary exams. On December 1st, 2012, the ASC offered their first FM/2 mock exam session for candidates taking the exam on December. The officers plan on writing more exams for both P/1 and FM/2 and to offer them at the beginning of every month next semester.

For any questions about the club or to schedule company presentations, please e-mail Emily Kunkel president of the club, at presidentutasc@gmail.com or Keith Cruz, vice-president of the club, at vicepresidentutasc@gmail.com

Employer Panel—Q&A

By James Custer



The Actuarial Science Club is always seeking out new ways to increase interest in the actuarial profession and to add value to the program at UT. Early during the fall semester, the club hosted its annual employer panel—an event that provided students with an opportunity to interact with employers and get all their career questions answered. An array of consulting and insurance firms were present that evening. Actuaries from Aon Hewitt, Deloitte, Liberty Mutual, Florida Blue, USAA, Mercer, and Ernst & Young were all eager to interact with the students and answer any questions they had.

The panel started out when one student asked the first question every person considering a career in the actuarial field has: “How many exams must one need to have to be considered for an internship or for a fulltime position?”

The majority of the answers were consistent across the panel. Everyone agreed that there is no hard cut requirement for the number of exams needed. However, due to the competitive nature of the industry, a typical applicant generally has at least one exam passed. Therefore, the possibility of being offered an internship with no exams passed is rather slim. For a full-time position, two or three exams are optimal.

Another student asked: “What are some of the most important characteristics that truly make applicants stand out from the rest?”

All members agreed that a key skill they look for is communication. Because of the technical nature of the work, an actuary must be able to communicate their results to all kinds of audiences with different mathematical backgrounds. Another important characteristic is balance. For example, an employer may prefer a person who

shows leadership skills through his or her extracurricular activities and has relevant work experience over someone who has five exams without any activities or work experience. One or two exams are still necessary to be considered for any position. Everyone agreed that it is important to demonstrate the ability to balance personal and work life.

Another question asked was: “What are the biggest challenges new employees or interns face?”

After a brief pause, Carl Bailey from BCBS of Florida half-jokingly replied “Eight hour days... It's tiring.” While it is tough getting used to sitting in a chair for eight hours straight, most new employees struggle with asking questions. The truth is employers expect new hires to be asking lots of questions. In fact, they prefer it when they do since it allows them the opportunity to better teach important parts of the business and work.

When a student asked: “what was the most important advice you could give actuarial students?”

Mr. Haller from Liberty Mutual shared his step-father’s advice. “The single most important aspect of your job is to get along with who you work for. I think that who you work for is incredibly important and it can make or break your job. You can work for somebody that you don't get along with and have a horrible time, or you can do the exact same work for someone that you actually do enjoy and have a wonderful time.” He believes that it is important to work with someone you can model your own career after, someone who looks out for you and guides you through your professional development.

Many more questions were asked during the event and all of them were met with detailed answers across the board. Thanks to the employers who participated, the event was a complete success!

LinkedIn Network!

As one of our campus relations initiatives, the actuarial program would like to invite you to join our Actuarial LinkedIn Network. We hope to use this platform as a way to communicate with recruiters, alumni, and students in an efficient manner. If you would like to join the network, or would like to sign up for the Newsletter please e-mail Keith Cruz at risky.business.editor@gmail.com

From the Actuarial Program Director

There have been major changes occurring within the actuarial profession fairly recently. The Canadian Institute of Actuaries has begun to grant examination credit for coursework at certain Canadian universities. The Casualty Actuarial Society and Society of Actuaries will cease to jointly administer preliminary examinations after December 2013. Future examinations may include questions that seek essay-type answers. With these changes, two related questions continue to arise:

- 1) What skills do employers seek from students?
- 2) What is the best way to educate new entrants into the actuarial profession?

Students should ask employers questions like number 1 early in their college career. With more students interested in the actuarial profession, employers can be more selective. To be competitive, it is imperative to pass exams early and often, maintain a high GPA, and develop your communication acumen and verbal skills (can you say *Poisson*?). Professional writing and problem-solving skills are still important. Students must also be able to work in teams during class or with study groups. Additionally, some employers place high value on technical ability, demonstrating Excel or SAS knowledge is always a positive. Employers are looking for talent; can you demonstrate your talent?

As for question number 2, some “best practices” suggested from discussions with employers, program advisors, and faculty from peer institutions include: have students write a summary of their pre-class reading, have students sell insurance to their parents, have students write two reports (one to chief actuary and one to the sales force), incorporate real world experience and internships into a student’s education. Multiple-choice problems should be written so that standard formulas are not helpful. Test conceptual understanding in addition to computational ability.

At the close of our advisory board discussion after hearing these suggestions, the chairwoman lauded our ideas and added her own observation, “Add three years of work experience!”

I would like to thank Keith Cruz and his staff for their work creating this edition of *Risky Business*. Former editions of the program’s newsletter can be found at www.ma.utexas.edu/dev/actuarial/Risky_Business. Suggestions from alumni on the best way to educate future actuaries and other advice are always welcome. Please send an email to Maxwell@math.utexas.edu.

From Actuaries Teaching Actuaries— page 1

Brian and his team visited each of the three Interest Theory classes to inform students about the tutoring sessions. They also created a Facebook group in order to facilitate communication between them and the students. Whenever a student needs help on a problem or on a specific concept, they can easily post on the group where Brian and other TA’s can answer their questions accordingly.

Although the self-led program has been an overall success, the TA team realizes that difficulties occasionally arise. Because students sometimes study late into the night, it is common for them to ask a question through the Facebook group past midnight. This makes it hard for Brian and his team to respond promptly. Additionally, since Brian and his team are “unofficial” TAs, a lot of times they do not get messages that the professors might want to send them. Also, since there are different sections of the same class, there usually arise differences between the subjects covered. This creates difficulties when coordinating the subjects to be reviewed during the sessions. To counter this, Brian’s team often divides into subgroups to branch out and cover every subject taught in class.

Despite these difficulties, Brian remains hopeful about the sessions. When asked why he chose to participate, he remains humble –He truly enjoys helping people learn and overcome difficult objectives in school. “My favorite part about the whole thing is that students are truly able to understand what we’re teaching them... That’s what teaching is about – it educates them and also helps to push them later on. As a TA we are always learning from each others’ methods.” When asked about the future of the program, Brian’s answer is nothing short of optimistic: “I see the potential of more and more students joining so that we can help them as much as we can. We want to help the actuarial students at UT not only on their interest theory classes but also for the FM/2 exam – we wish nothing but success for them.”

These sessions are conducted by Brian Huang, Michelle Gregory, Matt Kruz, Emily Kunkel, Alissa Levy, Brandon Valles, Cody Carroll, Brandon Marks, and Andrew Engel, all actuarial students at UT.

University of Texas at Austin Scholarship Winners

Fall 2012 Actuarial Scholarships



Recurring Scholarships

Milliman Standard of Excellence scholarship

Brooke Anderson

New Era Life Insurance scholarship

Laken Edwards

Brandon Valles

Rudd and Wisdom Actuarial Studies scholarship

Mark Diaz

Kaarin Gerber

Katelyn James

Yongxin Jin

Nosheen Khan

Zongkang Liu

Christi Thomas

Yue Xu

Retirement Horizons actuarial scholarship

Deborah Kwarta

Towers Watson actuarial scholarship

Kelsi Olnier

Alexander Soekinto

Tatya Widjaja

Alissa Levy

Troncoso Consulting Group scholarship

Keith Cruz

Siyang (Aaron) Yuan

USAA Property and Casualty scholarship

Sneha Arya

USAA Life Insurance scholarship

Christine Bell

Michelle Gregory

Dong Gil Lee

Long Wu

Endowed Scholarships

Mark and Pamela Callahan Endowed Scholarship in Actuarial Studies

Parker Hurd

James Morris Dial Endowed Scholarship in Actuarial Studies

Emily Kunkel

Bruce Fuller Jr. Endowed Scholarship in Actuarial Studies

Zhaoyu (Michael) Zhang

John S. Rudd Jr. Endowed Scholarship in Actuarial Studies

Cody Carroll

Eugene Wisdom Memorial Endowed Scholarship in Actuarial Studies

Jacob Stevens

General Insurance—Present, Future, and the Actuarial Accreditation Process

By Keith Cruz

It was recently announced that the Society of Actuaries will begin offering a track in General Insurance (GI) at the beginning of 2014. Traditionally, actuaries wishing to work in the GI industry needed to get accredited through the Casualty Actuary Society; however, this will no longer be the case. Given this development, the immediate future of the P&C accreditation process seems elusive at best. Many students and professionals find themselves confused about these changes, but despite of all this confusion, one thing remains certain; the professional landscape for actuaries in the United States will never be the same.

I had the privilege and pleasure to interview the president of the SOA, Bradley Smith, as well as Gary Josephson, president-elect of the CAS about this topic and about their respective organizations. I am thankful for their involvement and for their willingness to be interviewed for our newsletter. On behalf of the program and our readers, thank you.

For any questions, comments, or suggestions please e-mail me at: risky.business.editor@gmail.com—Keith Cruz, Editor

Interview with Bradley M. Smith— FSA, MAAA, and President of the SOA

Q: From what I've gathered, it seems to me that the SOA's rationale for offering a new certification in General Insurance is to be able to compete at the international level with other organizations while housing all tracks of the actuarial practice under one roof. Am I wrong in this assumption?

You are correct in your assessment. Establishing a general insurance track is aligned with the SOA's vision to be the leading global provider of actuarial education. In March 2012, the SOA's Board of Directors approved the creation of the general insurance track after determining that including the track would help fulfill this vision.

Currently, the SOA is the only broad-based actuarial education organization with a significant international presence that does not offer education in the full range of practice areas. For the SOA to meet the needs of our growing member and candidate base outside the U.S. and Canada, it is important to offer this education option.

Q: Why is it important for the SOA to increase their presence internationally?

In a world economy that is increasingly complex, many organizations that actuaries work for or provide consulting services to have some level of international presence. These organizations are facing risk management challenges across multiple disciplines; therefore, the SOA is aligning its education system and credentials to address the full spectrum of risk management issues – general insurance included.

The goal is to provide a single, global source for the full range of actuarial talent and credentials for these employers. (Continued on page 8)

Interview with Gary Josephson— FCAS, MAAA, and President-elect of the CAS

Q: It was recently announced that the SOA will offer a new track in General Insurance. How do you think this development will affect the market for actuaries in the United States?

I don't foresee any significant changes, particularly in the short term, as a result of the SOA's announcement. The market for actuaries will be determined, in large part, by our ability to provide relevant advice and meaningful insight to our employers and clients in addressing business problems and opportunities.

Q: Do you foresee a greater interest in the P&C industry from actuarial candidates?

As I meet with actuarial candidates, I find that they are always very interested in getting an understanding of the Property & Casualty industry and the FCAS credentialing track. I can advise them that opportunities for actuarial candidates pursuing the FCAS credential are very strong. The combination of the diversity of opportunities in P&C insurance and a still vibrant job market will ensure continued interest in the FCAS designation.

Q: How do you think the insurance industry will react to this development?

The insurance industry will expect, as it should, that casualty actuaries will be fully equipped with the knowledge and skill set to respond to tomorrow's challenges. This will require both a comprehensive basic education process and a relevant, flexible and modern continuing professional education curriculum. The CAS offers this today and will continue to do so as part of our mission.

(Continued on page 7)

Q: Do you foresee a greater demand for P&C actuaries? And if so, what is the CAS doing to meet this demand?

The demand for P&C actuaries has been growing, and I don't see anything that would change this. The CAS will meet this demand by working with P&C employers to understand their needs, maintaining a credentialing program that meets their needs, and therefore continue to be the premier organization for educating casualty actuaries.



Gary Josephson, FACS, MAAA, and President-Elect of the CAS, principal and consulting actuary with the Milwaukee office of Milliman.

Q: How have the CAS goals changed in light of the SOA's decision to offer a track in General Insurance?

The CAS Centennial Goal has been to "be recognized globally as a leading resource in educating casualty actuaries and conducting research in casualty actuarial science. CAS members will advance their expertise in pricing, reserving, and capital modeling, and leverage their skills in risk analysis to become recognized as experts in the evaluation of enterprise risks, particularly for the property and casualty insurance industry". The SOA decision does not significantly change this goal. It does, however, require that we significantly increase our activities related to marketing the FCAS credential. We will be reaching out to all of our stakeholders, with particular emphasis on students and academics, to ensure that they understand the value proposition that the CAS offers, which is strong, as it is built on nearly 100 years of educating and supporting casualty actuaries.

Q: What will the CAS do to ensure that its credentials and accreditation process remains as prestigious and relevant as it is today?

The SOA recently announced that it will not continue to partner with the CAS in the joint

administration of the preliminary exams. In responding to this decision and evaluating our options, the CAS Board of Directors concluded that it was not in the best interest of the actuarial profession to provide competing exams for those subjects for which the SOA (and other organizations') exams meet our learning objectives.

This will allow our focus, for the preliminary actuarial exams, to be on those exams that validate knowledge that is uniquely relevant to casualty actuaries. We will continue to provide the most comprehensive and relevant casualty actuarial education. This will position the CAS credentialing program as the program of choice for attracting top candidates and fulfilling employers' needs.

Q: One of the reasons the SOA is offering a new track in GI is to increase its presence internationally. This leads me to the question, how prestigious is the CAS credential in a global market? Will the CAS pursue a stronger international presence? Or will its actions focus on strengthening its domestic presence?

We have a growing number of members practicing outside of North America. We will ensure that our services will continue to be available to these members. We assist in the development of regional affiliates internationally, with a strong presence in Asia and Europe. Our support of these members is focused on education (including exams on local practice), webinars, and seminars. As we support these members and enhance the value our Fellows provide to their employers, we increase our international presence.

Beyond members, our international strategy with respect to other actuarial organizations is one of cooperation and collaboration. We have strong and growing relationships with general insurance actuaries around the world. We collaborate on research. We participate in other organizations' continuing education programs (and their actuaries participate in ours). We work with organizations in developing their general insurance exams. For organizations with general insurance exams, we work to develop waivers (in both directions) for comparable exams.

Q: What will be the focus of the CAS in its efforts to advance the actuarial practice domestically?

We will continue to take actions that are true to our core purpose, which is to advance and promote the practice and application of casualty actuarial science by continually expanding the body of actuarial knowledge as it applies to property & casualty and similar risks, by expanding the practice into wider areas of application, by establishing and maintaining education and qualification standards, and by sustaining high standards of conduct and competence for casualty actuaries.

(Continued of Page 10)



Bradley Smith, FSA, MAAA, President of the SOA

There are many facets to globalization. One under-appreciated facet is the migration of rural poor to urban middle class in developing economies. This growing middle class will have a huge impact on both our employers and clients the actuarial profession serves. As people move up in socio-economic status they purchase things; automobiles, housing, appliances, furniture and insurance cover their loss. Consequently, the general insurance field has been growing for many years and in many developing economies this field often grows earlier and faster than other business lines. This is one of the reasons it was important for the SOA to offer a general insurance/property casualty educational track.

Q: How long will it take for the SOA to begin offering this new track to actuarial candidates?

The first of the general insurance track-specific exams and e-learning modules is expected to be made available to candidates beginning with the fall 2013 exams. We are already hard at work to develop these exams and modules.

Q: What do you think will be the greatest challenge the SOA will face in offering this track?

We actually have two: First is the sheer manpower needed to develop the content to launch the exams and modules on a tight timetable.

We are fortunate the education system is built and maintained by dedicated volunteer members of the profession; experts with relevant experience in their respective discipline. Obviously these volunteers have professional (paying) day jobs, in addition to commitments to their families, friends, hobbies, and other volunteer roles that demand their attention.

Developing a curriculum and exams is a critical volunteer position at the SOA and we've sought out actuaries with general insurance expertise to help with this work. Our plan to launch in fall 2013 means that the volunteers and the SOA's education staff are working diligently and at a demanding pace to ensure we meet this deadline. The SOA is also in the process of hiring an actuary with general insurance expertise to support this new track.

The second challenge is obtain regulatory approval that will allow FSAs on this track to be considered qualified to practice. In response to your question about industry recognition, we have already made contact with the relevant bodies to start the process of having them approve what we do.

Q: How is the SOA preparing for these challenges? What is the SOA doing to advance the actuarial practice domestically and internationally?

Like any business, the SOA is guided by a strategic plan. This plan serves as the SOA's roadmap for its strategic and operational initiatives. Here is a link to the [current plan and its corresponding strategy map](#). You may have recently seen the SOA's launch of an [exposure draft of its strategic plan for 2013 – 2016](#).

Organizationally, the SOA's Board of Directors sets the strategic direction for the organization with input from key strategic teams, section councils and committees. In accordance with its mission, the SOA is committed to three key areas of focus:

- *Education – providing basic education in the fundamental practices of actuarial science, advanced education, professional development education for practicing actuaries;*
- *Research – conducting research to develop historical experience studies and techniques for future projects, analyzing actuarial aspects of public policy issues and providing the foundation for further expansion of the profession; and*
- *The Profession – promoting high standards of professional competence and conduct within the actuarial profession.*

(Continued on page 9)

Q: What is the SOA doing in order to ensure that the new credential in GI is recognized internationally?

The SOA is taking the steps necessary to ensure this new track is recognized by employers and candidates. For the near term, the SOA will primarily focus its marketing outreach efforts for the general insurance track on employers and candidates in Asia. We will accomplish this work through a variety of activities – advertising, social media, public relations and visits with employers, university students and local actuarial clubs

Q: Do you foresee interest domestically?

Certainly, the SOA anticipates there will be substantial interest in North America and welcomes consideration by all candidates. The SOA's broadening of our educational offerings will allow candidates more time to make a specialty track decision and provides an opportunity to learn about all practice areas. SOA candidates have a unique opportunity when making this decision because the Fundamentals of Actuarial Practice course introduces all practice area (and it has always included general insurance). Ultimately this will help candidates be more well-rounded and valuable to potential employers. We have received initial positive feedback from employers about this addition to our curriculum.

Q: How do you think the CAS will react to this announcement?

As President of the SOA, I was in contact with the CAS about this topic prior to the SOA Board discussion at its March meeting. While we acknowledge there will be increased competition between the SOA and other actuarial organizations, both domestic and global, the SOA and the CAS have a well-established history of collaborating on a number of joint activities. We look forward to continuing our work together.

Q: How will the SOA track compare to the one offered by the CAS?

There is a common body of general insurance knowledge that must be covered (and the SOA will). However, our track will be structured to look like our other fellowship tracks rather than copy the CAS's structure. Globally, our closest – with whom we have good working relationships as well—are the UK's Institute of Actuaries and the Actuaries Institute Australia. These organizations all boast the full complement of actuarial education offerings. While we are still the largest global actuarial association at over 23,000 members, these two organizations most closely mirror our vision for the SOA.

Q: What is the SOA doing to make sure their new accreditation process is as prestigious as the CAS?

Protecting and enhancing the value of members' credentials is of utmost importance to the SOA. For many of our members, SOA credentials represent their most valuable economic and professional asset. It is certainly mine. We are a highly respected professional organization and our credentials have wide global recognition. However, like any business we face competition internal to the actuarial profession and from external sources such as other career paths. The SOA must continue to innovate and always be looking ahead for growth opportunities.

The SOA's Board of Directors, along with over 3,200 volunteers and SOA staff are working collectively to advance actuarial practice and recognition of the SOA and its credentials. This is executed in a number of different ways through the work of the SOA's Sections, Research, Professional Development and Marketing Communications departments.

The SOA has a marketing and communications program in place to actively raise awareness of its credentials, its members' expertise and its practical, broad appeal consumer oriented research. The target audiences for this program include members, candidates, employers/clients, policy makers, regulators and the general public.

Q: What is the SOA doing to reach out to college campuses?

What might be of the most primary interest to you and UT Austin's Actuarial Club is an initiative to the SOA's desire to strengthen relationship with its candidates. Succinctly, the goal is to provide an array of services that provide candidates a complete understanding of the profession and its work, access to tools that will enhance their studies, and the opportunity to participate in the broad SOA community.

Q: Is there anything you would like to say to some of our readers?

I want to thank you and the UT Austin actuarial club for your enthusiasm and interest. While you are in school, I encourage students to strive for a well-balanced college experience. Study hard, do well in your coursework, take as many varied classes as your schedule will allow – public speaking, business writing, business law, economics, accounting, finance and make time to enjoy your college experience. Complete your VEE requirement, pass an exam or two (or more) and secure an internship to gain business experience. These years will go by fast, so enjoy the time as much as possible. (Continued on Page 10.)

(Continued from page 7)

Q: It was recently announced that the SOA and CAS will stop sponsoring exams jointly starting on January 2014. How will this affect candidates pursuing accreditation through the CAS? What should actuarial candidates wanting to work in the P&C insurance know about this change?

With the CAS Board decision not to develop an alternative to the currently jointly sponsored preliminary exams, candidates for the first several exams will not have to choose between a SOA path and a CAS path. I would advise candidates who are interested in a P&C path in the same way I do now – visit our website (www.casact.org) for some initial information and resources about the casualty profession. Try for an intern position with a casualty company. Contact a casualty actuary to see if he/she would be willing to talk with you about the career.

Q: Is the CAS planning on offering credit for candidates who go through the SOA route and decide to switch to the CAS?

The CAS Board has announced that it will recognize some preliminary exams offered by the Society of Actuaries; however, the Board has not discussed the possibility of recognition beyond that.

Q: How will the CAS continue to prepare actuaries to meet the demands and needs of the Insurance industry?

Our basic education process will continue to produce actuaries with the appropriate analytical and business skills to meet employer needs. Our continuing education programs will allow our members to keep their skills and knowledge relevant. We will continue to stress the importance of business and communication skills as well as technical excellence. And we will continue to develop cutting edge, practical research. We need to do all of these things in collaboration with other professionals, including other actuaries, academics or others who can help us in a meaningful way.

Q: What do you think are some of the most important issues facing the P&C industry today?

Changing regulations, Catastrophe management, Unforeseen (or immeasurable) risks.

Q: What are some of the new strategic goals the CAS?

We have increased the emphasis on outreach to a wide variety of constituents. We need to reinforce the value of the CAS credential. We will increase our visibility among other Actuarial/Risk Management organizations worldwide.

We have a wonderful story to tell as we approach our Centennial year. We need to tell it.

Q: What is the CAS doing to reach out to Actuarial programs at Universities?

University/Academic relations are very high on the list of our goals in many of our operational areas. We will engage the academic community in education, continuing education and research. I believe that the SOA's actions have created a great deal of confusion at the doorway to our profession (universities). The CAS needs to make sure that students and their professors understand that the CAS is the preferred path to becoming a casualty actuary.

Q: Is there anything you would like to say to my fellow classmates who wish to be an actuary regarding the CAS mission?

Our mission has allowed us to succeed and thrive since 1914. We have an established credential that is valued in the marketplace and recognized by regulators. The CAS membership is a very strong and engaged community, with an unwavering commitment to professionalism, integrity and continued professional development. If that sounds good – let's talk.

Q: Any advice or closing thoughts?

I am proud to be an FCAS. When I began my career many years ago, I had two job offers; one was for a casualty actuarial position, the other for a life position. I believe I made the right choice. The Casualty Actuarial Society offers the most robust and comprehensive educational system for casualty actuaries in the world. Our credential is a proven commodity, respected globally by employers and regulators. Opportunities for casualty actuaries abound, so it is not surprising that others would attempt to compete in our area of expertise. We believe that the CAS's exclusive focus on casualty topics offers our candidates and members unique benefits.

Interview with Bradley M. Smith— FSA, MAAA, and President of the SOA

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One last mention -- know that the SOA staff is always available to be a resource to you and your fellow students. We realize the examination process is rigorous. Like any profession – doctors, attorneys, and educators – the very essence of professionalism means combining specialized knowledge with integrity and work that impacts the public interest. The SOA wants to see students succeed as you are the future of the profession.