

DON'T TRY THIS AT



THE ACADEMY IN THE PUBLIC EYE

TALKING WITH REPORTERS can be loads of fun. We live in a free country, so you can say anything you want to, right? Sure, if you don't care if it's used improperly or to your disadvantage, or even your demise. Just ask White House adviser Scooter Libby. Communication can set you free, but it also can give you heartburn if you aren't careful.

What you say can hurt you and many other people, especially when you speak for an entire profession. Many people believe having a conversation with reporters is just like chatting with a longtime friend because nothing with any importance or sensitivity will be misused, misstated, or made controversial by anything that was said. Right? Think again.

There are famous instances of miscommunications and blunders that have caused everything from whimsical turns of human history to bringing the planet to the brink of Armageddon. How many miscommunications can you recall in recent time? Do other drivers always tell you when they'll be changing lanes? Some information is good to know and should be received on time. Just think about the Japanese warning to the United States, which was delivered hours *after* the attack on Pearl Harbor. Timing is not only important; it's everything.

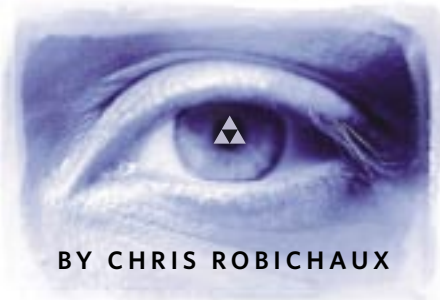
So is brevity. How many distinct communications—out of the babble—can you remember during the course of one day? The power and gravity of a message can get your attention, repetition can help you remember. A great example of succinct communication came from Apollo 13: "Houston, we have a problem."

Only five words, but we all now know what that message meant then and how it's used now to invoke grave importance. They were uttered calmly to get some major attention, and they worked. Clarity and brevity are virtues in any worthwhile communication.

Actuaries have a wealth of knowledge and information to help them do their work. Making it fit for a specific audience is the art of communication. Knowing what to say and when to say it is crucial to a successful message. Actuaries, with their multitude of information, can embrace focused communication as a friend and learn how to develop this valuable skill.

Contribute and Learn

Even an organization of 15,000 members that speaks for a profession, works on important public policy issues, meets regularly with Capitol Hill and federal agency leaders and state regulators, among many other notable accomplishments, can't expect to make news



BY CHRIS ROBICHAUX

all the time. Even so, 2005 began with much more media attention than the year before—208 placements in the first four months, from a respectable 225 placements for all of 2004. Those are only the placements the Academy tracked.

Do more people on the street know who actuaries are and what they do? Is there more being done by actuaries in the public view? Are actuarial organiza-

tions busier than 10 years ago? Or are greater risks being taken by both actuaries and their U.S. organizations?

The answer is an incremental "yes" to all of these questions. Newsworthiness depends on timing, events in a given time frame, activities of other people or organizations, and a proactive and reactive effort to have the right people in the right places to participate in a dialogue with the appropriate news sources. Much progress has been made to set these elements in place.

Risk Analysts in a Risky Business

Just when you thought it was safe to go into the water, the fish all have changed. The sharks are indistinguishable from the blowfish. Remember when you could recite the "Big Three" mainstay anchors for the nightly network television news? Could you do the same today, even with the original three? Is it now the "Big Seven" or "Big Eight?" What is your source for news? The broad reading, viewing, and listening audience has dramatically and swiftly changed along with its sources for news. The speed with which information travels today makes participation by actuaries more risky now than ever before.

The processes of news gathering, production, and distribution move rapidly to keep up with breaking news and competition. But actuaries must take cautious steps to set their own pace as a profession and ensure that the message they offer is strong, direct, and accurate. The actuarial profession, and especially its developing team of trained and talented spokespersons, must set its own watch.

Considering the number of issues in which the actuarial profession is being asked to take an expert role, more actuaries will be needed to build the pool of talent. At the same time, the U.S. actuarial profession will be looking inward in the wake of Sir Derek Morris' report on the actuarial profession in the United Kingdom. The Critical Review of the U.S. Actuarial Profession (CRUSAP) will be raising difficult questions about the credibility, accuracy, and relevance of practices, procedures, and the five organizations of the U.S. actuarial profession. Such soul search-



Paul Braithwaite, president-elect of the Casualty Actuarial Society (CAS), Larry Gorski, member of the American Academy of Actuaries Life Practice Council, and Patricia Teufel, chairperson of the CAS Task Force on Actuarial Credibility, and a member of the Academy Board of Directors, learned techniques for speaking with the news media from Bill Connor of Oratorio, a Washington, D.C.-based media and presentation training firm.

ing is healthy and wise, but it will make the actuarial profession particularly vulnerable to public misperception.

The news media love vulnerability, and hungry reporters can smell blood. That's why the Academy reacted swiftly and forcefully when Standard & Poor's (S&P) issued a paper in November 2003 that was unusually harsh and accusatory to casualty actuaries. "Whether by naïveté or knavery," said the paper's author, "the property/casualty industry's parade of reserving additions has undermined confidence in the estimates given by insurance actuaries."

No profession, particularly actuaries, likes being called ignorant or criminal. A quick public response was warranted. The Academy stepped up to the podium.

A Learning Experience

There have been numerous discussions, both private and public, about whether the Academy response to the S&P criticisms was correct or even necessary. Some in the "mea culpa" sector suggested the profession should have admitted that reserving wasn't as accurate as it could be. By extension (in the court of public opinion), the essay correctly painted all casualty actuaries with a broad and ugly brush.

But allowing detractors to get the upper hand with a negative, offensive posture—no matter how pertinent—is bad public affairs strategy. Soul-searching, improving the models, and studying better ways for projecting and estimating a reasonable reserve are all on message, as long as the negative assertion is also challenged. Ongoing work by a number of actuarial organizations regarding reserve issues was the ammunition used to defuse controversy, discredit the accusation and misinformation, and set a platform for a positive and long-range public communications agenda.

The Academy had to act quickly. Not only had A.M. Best electronic and print publications pounced on the S&P assault; the story also immediately reached the Reuters news service and

was well on the verge of spreading with a wild life of its own. Timing was of the essence.

This was a lesson to many in the profession and among its leadership that sometimes it can be good not to be in the news. I know, it's shocking. But sometimes even the most distasteful controversies can't be ignored. They have to be met head-on, and quickly. The S&P challenge is but one example, a foreshadowing of more to come.

Pushing Specialized Expertise

The actuarial profession's value to the news media is its credibility. So whenever the profession can be helpful to the news media, even if it means the spokesperson isn't quoted, the Academy jumps at the chance. In addition to the mainstream and high-profile placements, serving as a reliable background source is like saving for a rainy day. A receptive ear, now and in the future, helps get out the message about the importance of actuarial work and reinforces its role in public policy issues. The training and subsequent work have brought the profession in touch with many news sources and reporters who are seeking newsworthy sources. That's the definition of media relations—being prepared to help with content.



Reviewing a taped interview given earlier in the day by Pat Teufel, the actuaries review useful skills and areas for improvement as spokespersons for the actuarial profession about a wide range of public policy and professionalism subjects.

Who better to speak for the actuarial profession than well-prepared actuaries? The Academy continues to train actuaries for speaking to various audiences of the insurance-related trade and mainstream news media. As a result, public policy-makers, the business community, and the general public are recognizing the profession and its valuable contributions. But the profession wants even more recognition by business and public policy-makers. The Academy spokesperson training program has brought this within reach.

Since the first class was trained in December 2002, there have been 10 more classes, each training actuaries from various practice areas. To date, 34 actuaries have been trained, including five each from property/casualty and pension; eight health specialists; five actuaries from risk management and financial reporting; three life actuaries; three actuaries from the Academy leadership; three



Paul Braithwaite experiences the challenge of giving a satellite interview, done by a reporter who is in another place during the taping or live broadcast.

from the Casualty Actuarial Society; and two from the Society of Actuaries. The actuarial profession now has a cache of actuarial talent from which to call for both reaction to media inquiries and for proactive forays into the news. The training is the profession's investment in itself to improve both its current image and its future in the business world.

Being a spokesperson isn't as easy as it seems. There can be conflicts between the public interest and the goals of the actuary's employer. Actuaries who have taken the class find it an adventure in reprogramming the way they think. But they're not tossed to the news media immediately after training. Academy public affairs staff are liaisons for booking interviews and providing background information. Not only has the training benefited the profession and its team of media-savvy actuaries; it also serves reporters by providing knowledgeable, objective, and news-capable sources.

Timing Is Newsworthiness

One of the first lessons spokespersons learn is that nothing is guaranteed. News releases don't guarantee interest from either the trade or the mainstream press. Speaking with a reporter, whether on the telephone or on camera, doesn't guarantee inclusion in a report.

Even the best-trained spokespersons positioned to run with a pitch can't force the timing of events or calibrate the actions of other parties. There's often a lot of waiting involved, and preparation doesn't always translate to opportunities. The attempt to manipulate these elements is a risky and unwieldy practice that we call public affairs. But resting on one's laurels is not a recommended strategy.

Reaction to inquiries and active dissemination of information make up the two halves of a comprehensive public affairs program. The actuarial profession continues to provide both content and credibility, a wise investment in its own future. The Academy continues to work toward a well-trained, vocal, and recognizable team of actuaries who can speak about the important work of their profession. The time is right for actuaries to successfully meet the challenges of communicating the value of the profession through the public media.

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Ernst & Young's
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2005 Insurance Industry Risk Leadership Study

The Risk Leadership Study offers insight into the current state and future plans of insurers regarding Enterprise Risk Management (ERM).

Building on its 2003 Risk Measurement and Capital Management Survey, the 2005 Study covers the attitudes and actions of leading Life/Health and Property/Casualty insurers with respect to the three pillars of ERM:

Risk Governance • Risk Measurement • Risk Management

Ernst & Young will publish a report on the survey findings including insight from a recent roundtable gathering of Senior Insurance Executives where thoughts on the preliminary findings were shared.

To obtain a copy of Ernst & Young's 2005 Insurance Industry Risk Leadership Report, available in late January, please visit:

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