

The Actuary as Chameleon

OVER THE PAST FEW YEARS, THERE'S BEEN A SEA CHANGE in the average actuary's career path. No longer do actuaries want to be tagged as life actuaries or pension actuaries for their entire careers, but as *business* actuaries who have experience in a number of actuarial disciplines.

There are many reasons for actuaries' desire for flexibility. Some have become bored in their current roles and feel like a new challenge. The merging of financial services organizations has meant that a number of different actuarial disciplines are now offered by one employer, making it easier for the actuary to move jobs internally. Or perhaps they've moved out into the countryside for family reasons and the choice is between the local fish-processing plant and whatever actuarial organization happens to be in the area.

The purposes of this article, therefore, are to advise actuaries on how to switch between the various actuarial disciplines; to reassure pension actuaries that there is life after the culling of defined benefit pension plans; and to equip all of the above with some of the tools they'll need in the job-search jungle, including résumé and interview preparation skills.

Transferable Skills

Think skills, not tasks (see Table). In order to transfer smoothly from one actuarial discipline to another, it's important to identify your transferable skills. This means asking "what skills do I have?" not "what job do I do?" Your previous day-to-day tasks are likely to have little relevance to your new duties and responsibilities (and probably will make little or no sense to your potential new employer). However, your underlying skills may be very relevant and, once transferred, can be used in very different ways.

For example, instead of saying you priced life insurance products (life actuary), set premium rates for motor insurance (non-life actuary), or performed triennial valuations (pensions actuary), you should be highlighting the

underlying skill: You used a combination of financial, cash flow, and risk modeling skills to achieve the desired result.

Don't overdo it, though. If you spent your summers work-

ing down at the local Shell station filling gas tanks all day long, you know you were a gas pump attendant, not a "fuel injection technician"!

The Defining Moment for Defined Benefit

The advent of FRS17 was a defining moment for defined benefit plans — the beginning of the end. What was introduced as a mechanism for reporting the true cost of running the employer-sponsored retirement plan has actually influenced employers to withdraw from DB plans and switch to defined contribution instead. Apart from asking whether this was really the intended consequence, pension actuaries are also wondering what they'll do next.

There's no need to worry. Even where employers are putting new employees into DC plans, the DB plan for existing employees may take many years yet to run off. Thus, the DB pension actuary will still be required

when I'm pushing up daisies.

In addition, employers with DC plans will still require significant advice from actuaries. Why? Because DB and DC are really just different sides of the same coin. With the first, you know the end benefit (pension as a percentage of final salary) and you need to calculate the contribution rate; with the second, you know the contribution rate and you need to calculate the projected retirement fund.

The latter may sound simpler, but in reality it'll be of little help to employees to simply give them 800 numbers to call. It's likely that pension actuaries will convert the projected retirement fund into an annual pension equivalent so that employees can readily understand its relationship to their final salary, as well as understand whether their current contribution rate is sufficient.

"In a DC environment," says Michael Moloney, an employee benefits consultant with Mercer, "you need to be able to explain the key factors driving retirement income to members, not just trustees." Pension actuaries will be using the same skills, just in a different environment.

It's Life Insurance, Jim, But Not As We Know It

For another example, let's look at the financial reinsurance or alternative risk transfer (ART) market. This market for



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actuaries has, until recently, burgeoned over the past few years. One example of an ART product is an investment loan to a life or general insurance company, with a reinsurance wrapper.

Do I need to be a life, general insurance, or investment actuary to work in this area? If you look at a cross section of the actuaries practicing in this field, you'll see that they come from very diverse

backgrounds and represent all the major disciplines. They have very different past experience, but all were able to demonstrate the underlying skills (analytical, financial modeling, and client relationship skills) required to switch to ART.

Résumés Sell

A résumé is ultimately a marketing document—a short summary of your working

life and achievements, highlighting those skills, knowledge, and events that will appeal to your new potential employer.

A well-documented résumé should demonstrate:

- A degree of progression; an increasing level of experience or responsibility and/or the gaining of a wider skill set
- A variety of skills used
- At least one main achievement, more if relevant.

There are two main types of résumé in use—the chronological résumé and the skill-set résumé.

The chronological résumé should take the following format:

- A high-level overview of your main role.
- Bullet points giving the main tasks and achievements in decreasing order of importance. Putting the strongest items first not only captures attention but also shows discernment about the weightings you attach to the various aspects of the job and an awareness of the overall picture.
- Each period of employment laid out with the employer's details, period of employment, role and position of the person to whom you reported clearly identified. Use explicit action words, describing exactly what work you did (e.g., analyzed, researched, investigated, implemented, etc.). Avoid vaguer descriptions such as "responsible for," "involved in."
- Include anything you've done or brought to the role that added value or made an improvement or innovation. Explain it clearly.
- Include the results of the work did and how it benefited the company. Where possible these should be quantified (e.g., budgets; increases in profits or efficiencies; staff numbers; staff turnover, etc.). For less-senior roles the results may not be as quantifiable but can nonetheless be given (e.g., automated processes).

In general, put yourself in the employer's shoes. The easier they can glean the relevant information from the résumé, the happier they'll be—clear, uncluttered, easy to read, and with the relevant information succinctly described.

The skill-set résumé works better if you're moving into a new field or trying



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Actuarial Opportunities

At Aetna, we are transforming our company, offering more information, more choice and more freedom to our customers to help them lead healthier lives. To succeed, we need people who have the skills to help us create and maintain efficiencies in all we do. Do you want to be part of a team with a passion for excellence? If so, there may be a place for you at Aetna.

Working at Aetna means being part of a commitment to excellence, where you could play a vital role in helping to reshape our business and contributing to the strength and profitability of our company. We recognize that actuaries are the financial architects of our company and the foundation for achieving financial excellence.

As one of the nation's leading providers of health care and related benefits, Aetna serves approximately 15 million health care members, 12 million dental members and 11.9 million group insurance customers. We provide health care and related benefits to employer and plan sponsor customers in all 50 states, ranging from large multi-site national accounts to middle-market and small-employer groups. There has never been a more dynamic and exciting time to join Aetna than now.

We currently have multiple **actuarial positions** available for candidates ranging from actuarial students to management, including non-traditional opportunities.

To learn more about our employment opportunities, visit us at www.aetna.com/working. You can also apply directly by sending your resume to staffing@aetnacareers.com. **Be sure to include SACT2/ in your e-mail subject line.** It's that easy!

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to avoid repetition. In this instance, it can be good to have a personal profile at the top of the résumé that highlights skills and strengths that might not otherwise come through in the experience described.

Experience could be grouped under skills headings to highlight the most relevant skills to the role sought. For example, use headings such as Technical Skills, Client Facing Skills, and Communication Skills, and then document under each of these headings your relevant past experience that demonstrates these particular skills.

Where there are numerous employers, the work can best be described under type of work rather than under each employer, which avoids needless repetition.

No Pain, No Gain

I advise people to focus on three main goals as part of their interview preparation:

- Prepare a key message
- Identify key questions
- Prepare all answers

When preparing a key message, establish one or two clear statements about yourself and what you have to offer the potential employer.

A good way to begin is to identify five or six strengths you can offer the company and from these distill the essence of what you have to contribute. When you're happy with your key message, repeat it aloud. This will ingrain the message in your mind and make it easier to bring it out at an opportune moment in the interview.

In thinking about the message you want to convey, be brutally honest with yourself. An interviewer will know if you're not telling the truth, so prepare statements you'll be confident giving at the interview.

In identifying key questions, it's vital that you anticipate and prepare for the questions most likely to be asked. Don't avoid preparing for the tough questions. Recognize and address the questions where you feel most vulnerable, and prepare an honest and well thought-out response.

Prepare as many of these as you can. The more you have prepared, the more

Financial modeling skills Risk modeling Cashflow modeling Statistical modeling Stochastic modeling Data modeling	Communication skills Verbal skills Written skills Facilitation skills Presentation skills Negotiation skills	Organizational skills Time management Project management Attention to detail
Analytical skills Problem-solving Financial analysis Strategic analysis Operational analysis	Client relationship skills 2 ears, 1 mouth approach Professionalism Understand their needs Manage their expectations	Managerial skills Delegation Man management Team working Coaching and development
Technical knowledge skills Legislative knowledge Regulatory knowledge European directives Irish taxation law International taxation law	Business development skills Sales Marketing Business retention	Motivational skills Innovation Assertiveness Enthusiasm Self-starter

confident you'll be in handling whatever comes up in the interview itself.

When you prepare your answers, keep the end in mind—a true and favorable picture reflecting your ability, achievements, suitability, and willingness. You'll want to present yourself as a person with development potential and project a positive attitude.

Strengths

This is the area where you have the scope to paint yourself in the best possible light. I suggest having at least five or six strengths prepared, giving the top three or four when the question is first asked and leaving a few to draw on in follow-up. Even if the question isn't specifically asked, create an opportunity to bring them into the conversation; get your key message across.

Be prepared with concrete examples of your strengths. This adds weight and credibility to your responses. Whenever you state a strength or achievement, follow it up with a clear example of how you've demonstrated that strength in the past (or where you would expect to demonstrate it in the future). Where possible, state how it could benefit the company (e.g., budget savings, increases in profits or efficiencies, time savings, improvement in staff turnover, etc.). For less-senior roles the results may not be as quantifiable but can nonetheless be given (e.g., automated processes, improved documentation standards, etc.).

Weaknesses

Again, honesty is important. Don't avoid or gloss over these questions. Make your responses as positive as possible. Weaknesses are more acceptable if they're the opposite

of a strength (e.g., thorough/over-cautious, assertive/aggressive) and you demonstrate what you've done or are doing to overcome or address the weaknesses.

Technical Questions

You should be up to speed on developments in the actuarial and insurance world that are in any way relevant to the role. Knowing more than expected will show energy and motivation.

Prepare Questions for Interviewers

Obviously the questions you ask will be partly determined by the way the interview progresses. It's a good idea, however, to have thought through what you would like to have clarified during the interview and to have questions prepared based on your requirements.

Asking questions not only allows you to obtain information of concern to you but also gives you an opportunity to show your potential and interest by asking intelligent and incisive questions.

So, whether you want to move up the ladder in your current company, change tack completely, or want that job in the local fish-processing plant, the most important thing to remember is to highlight your relevant skills. If you're a life actuary and want to become a general insurance actuary, focus on your data modeling, statistical modeling, and risk modeling skills. If you're a general insurance actuary and want to become an employee benefits actuary, focus on your communication skills, client relationship skills, and business development skills.

If you are an environmental impact modeling actuary and want to specialize in investment—hmm, pray hard!

But the future for actuaries is bright. More and more actuaries are leaving specialties to become generalists. We're opening more doors for ourselves, not only within the different disciplines of our profession but also in wider fields, such as management consulting, the power and energy industry, and recruitment!

As Bill Gates would say, "Where do you want to go today?"