



THE ACTUARIAL FOUNDATION

Preparing for tomorrow's possibilities

NEWSLETTER

Volume 3, Issue 2
September 2003

Chairman's Message

Dear Friends of the Foundation:

My previous message to you spoke of change, with education being a key way we can learn to embrace change and be more prepared for future challenges. That theme has certainly not been exhausted.



Mavis A. Walters

Our volunteer mentors change the lives of students involved with the Advancing Student Achievement program so they can better understand that math is a necessary tool today and in their future. Our consumer education projects are dedicated to educating the public to help our citizens prepare for a more secure financial future. Our actuarial research and education initiatives constantly remind those of us who are actuaries that we must not stop educating ourselves to meet the challenges of our ever-changing world. As professionals we can ready society for the changes that are inevitable.

Growth of an organization will also produce change. I'm very pleased to announce the completion of our merger with the Actuarial Education and Research Fund (AERF), effective August 15, 2003. We welcome the growth this merger will bring in enhancing the research and actuarial education scholarship activities. The Foundation's Board of Trustees has already been expanded to include a broader representation of actuaries from a variety of specializations, as well as a growth in the number of non-actuaries providing management operations expertise for program development.

The Foundation's growth and support, beginning in 2004, is expected to include the American Academy of Actuaries, the American Society of Pension Actuaries, the Casualty Actuarial Society, and the Conference of Consulting Actuaries, as well as the Society of Actuaries. Their support and encouragement is a long awaited key element to our growth and continued success as the one and only philanthropic organization representing the actuarial profession. On behalf of the entire Board of Trustees, I thank each organization for their trust, future support and belief in our mission.

Most importantly, the Foundation has been able to fulfill our mission because of the support, encouragement and trust we have received from you, our donors. The positive changes we have been able to provide to many individuals through our programs were made possible with your generous contributions. Our corporate partners have been so important to the development and growth of our programs and initiatives. These partners are listed in each issue of the newsletter. Please take a moment to recognize who they are, and when you have an opportunity, thank them for joining us in our mission to make positive changes in peoples lives.

We are in a new growth phase. I am looking forward to our continuing to make a difference in the lives of students, in the continued education of consumers and the further enhancement of our own actuarial skills. This work of the Foundation is only made possible by the continued generosity of our donors. I look forward to sharing the Foundation's benchmarks of success with you in the next issue.

Mavis A. Walters, FCAS, MAAA
Chairman

Calendar of Events

October 26-29 2003

SOA Annual Meeting
Orlando, FL

October 26-29, 2003

ASPA Annual Conference
Washington, DC

October 27, 2003

AAA Annual Meeting
Orlando, FL

October 29-31, 2003

CIA General Meeting
Orlando, FL

November 2-5, 2003

CCA Annual Meeting
Tucson, AZ

November 9-12, 2003

CAS Annual Meeting
New Orleans, LA

November 28, 2003

Deadline for:
Individual Grants Competition

December 6-9, 2003

NAIC Winter National Meeting
Anaheim, CA

December 8, 2003

Actuarial Foundation
Board of Trustee Meeting
Rosemont, IL

MISSION: To utilize the unique skills and abilities of actuaries to increase public understanding, address societal problems and advance actuarial knowledge.

Board Update

The mid-year meeting of the Trustees in 2003 for The Actuarial Foundation Board met August 12 in Rosemont, Illinois.

Listed below are some of the highlights:

- The Resolution and Agreement and Plan of Merger were approved for adoption and will be filed by the attorney.
- A slate of candidates for terms beginning in 2004 will be presented and approved before the December meeting.
- Robert Anker, FCAS, MAAA was nominated and elected to serve as Foundation Chair beginning January 2004.
- Committee reports were presented, which focused on recent accomplishments as well as goals for the upcoming year. See Project Updates in this issue.
- Marketing Committee presented new marketing materials and Web site design for the Advancing Student Achievement program.
- Next meeting of the Trustees is scheduled for December 8th.



The Foundation welcomes new participants to serve on various committees. If you have an interest, please forward your contact information and the reasons for your desire to serve on a particular committee to the Foundation office.

The Current Foundation Committee Chairs are:

Committee for Student Achievement

Ed Bales

Consumer Education

Anna Rappaport

Development Committee

Brad Smith

Investment Committee

Norm Crowder

Marketing & Communications

Joan O'Sullivan

AERF Committee (Research)

Curtis Huntington

Foundation Announces Inaugural O'Connor Scholarship Winners

The Actuarial Foundation is pleased to announce that four outstanding high school graduates have been awarded the John E. O'Connor, Jr. Scholarship in its inaugural year. The winners were selected from among nearly 500 applications from high school seniors in the U.S. and Canada. Each of these students are greatly deserving of the JEO Scholarship Award of \$2,500. Here is a little insight into the recipients' enthusiasm:



**EVE DRUCKER,
FAIR LAWN, NJ**
attending Harvard University,
majoring in Mathematics

"I absolutely love mathematics and plan not only to major in it in college, but to promote it as well. I am a member of the Association for Women in Mathematics, which recently began to allow and encourage students to form chapters at their schools. At Harvard next year, I intend to start a chapter and plan exciting math events for college students in the Boston area."



**EVGENIA RAIKH,
SALT LAKE CITY, UT**
attending Princeton University,
majoring in Mathematics

"Wanting more, I signed up for an accelerated (multivariable) Calculus III class at the University of Utah. The course took four hours each weekday of the summer. I loved every moment of it and completed the course with the highest A in the class. I wish to pursue mathematical research professionally, and I hope my research will someday benefit the world."



**RAYMOND SHUM,
CHICAGO, IL**
attending The University of Illinois at Urbana-Champaign,
majoring in Actuarial Science

"One interesting fact that I found out about actuaries was that they were promoted by merit, which was determined by the exams taken. Interested in taking a look at these examinations, I took a look at the first exam and saw its level of difficulty...I realized many of the problems were beyond my ability which swayed my opinion of becoming an actuary...I passed the [first] exam with a score of 9. I am also studying currently not only for the second exam, but also SAS."



**BAO TRUONG,
QUINCY, MA**
attending Massachusetts Institute of Technology
majoring in Mathematics

"My family came to America almost four years ago... Seeing my parent's sacrifices and hope for us to get a good college education, my siblings and I have always studied really hard. The fact that the economics of Vietnam is [are] really unstable from time to time, which make [means] many college graduates can't find jobs. My parents didn't want that to happen to us. They wanted us to use our college education to get an enjoyable job that would enlighten our future."

**CONGRATULATIONS
TO ALL THE WINNERS!**

Project Updates

YOUTH EDUCATION

The Committee for Student Achievement has been busy these last several months, with the approval of proposals to fund four new ASA schools with math-mentoring programs beginning this fall.

Prairie View Middle School in Sun Prairie, WI will work with volunteers from the General Casualty Companies on topics of budgeting, probability through games, investment, restaurant math, statistics and more. **De La Salle Middle School** in St. Louis, MO has developed a *Math ALIVE: (Actuaries Lend Inspiration to Value Education)* program working with volunteers from the St. Louis Actuaries Club and other local actuarial mentors. Their program consists of hour-long problem solving workshops that challenge students to apply math skills to creative investigations. Additional programs will meet special student needs with remedial tutoring and a school math club. **Anne B. Kelso Elementary School** in Houston, TX has created a *Soaring Eagles* program devoted to math games which concentrate on problem solving, multi-step problems, algebra, geometry and rounding. The students of Kelso will be working with volunteer actuaries representing several local companies. **Martha Gaskins Middle School** in Birmingham, AL created the MGPEP (The Martha Gaskins Pre-Engineering Program) for students with a genuine interest in engineering and math related careers. Much of this funding will be for students to participate in State and National competitions with assistance from the actuarial mentors representing various local companies.

More volunteer mentors are needed for ASA programs in the following communities: Phoenix, AZ; Houston, TX; Birmingham, AL; St. Louis, MO and female actuaries for a girls' program in Schaumburg, IL.
Please contact the Foundation office for information on how to volunteer!

TGD Communications has been hired, through a grant from the AXA Foundation, to develop state-of-the-art marketing materials and a new user friendly Web site for the Advancing

Student Achievement program. The Committee for Student Achievement hopes to unveil the new look in the next few weeks.

CONSUMER EDUCATION

A joint project with the Women's Institute for a Secure Retirement (WISER) developed a background paper, soon to be available in booklet form, called *"Life-Defining Decisions"*. This booklet provides information to help Americans understand how choices they make throughout life will affect their ability to retire when they wish. Special thanks to Anna Rappaport, Dick Schreitmueller and the Actuarial Foundation's Project Task Force members: Carol Bogosian, Linda Smith Brothers, Monica Dragut, Jonathan Forman, Karen Holden, Mathew Greenwald, Peter Plumley, Patricia Scahill, Elaine Stevenson, Lelia Stroud and Nancy Winings.

The WISER Booklet, due out in October, will be available through the Web site for a minimal charge. To view the background paper, visit: <http://www.actuarialfoundation.org/active/coned/wiser051503.pdf>

RESEARCH

AERF UPDATE

Effective August 15, 2003, the Actuarial Education and Research Fund has merged into the Actuarial Foundation. The programs, initiatives, scholarships and awards of the AERF will continue to thrive under the AERF Committee of the Foundation. Curtis Huntington, FSA, MAAA, FCA is the Chair of the AERF Committee.

Congratulations to the following individuals who have received special awards from the AERF:

THE JOHN CULVER WODDY SCHOLARSHIP is an annual award of \$2,000 to four college seniors who have successfully completed at least one actuarial exam, rank in the top quartile of their class and are nominated by a professor at their school.

Congratulations to the 2003/2004 scholarship winners!

Gary Chuen Kwun Chan, University of Hong Kong

Tristan Christ, University of St. Thomas

Jill McCurdy, Central Washington University

Lori Peacock, Duke University

DAVID GARRICK HALMSTAD PRIZE

The David Garrick Halmstad Prize is given annually for actuarial research in memory of David Halmstad, an Associate of the Society, for his significant contributions to actuarial science and research. Funds for the prize were contributed in Mr. Halmstad's memory by his friends and colleagues. This year's Prize is for papers published in 2001.

M. Schweizer for the paper, *"From actuarial to Financial valuation principles," Insurance, Mathematics and Economics* 28, 31-47.

INDIVIDUAL GRANTS COMPETITION

The Foundation's AERF Committee in affiliation with the Society of Actuaries' Committee on Knowledge Extension Research (CKER), sponsors the competition to support the advancement of knowledge in actuarial science. The deadline for submission for the 2004 Grants Competition is November 28th. Detailed information can be found at <http://www.aerf.org/grants04.html> or forward your questions via e-mail to sbaker@soa.org.

Congratulations to the following 2003 Individual Grants Competition Awardees!

Philippe Artzner, University of Louis Pasteur, France, *"Multi-period Risk Measurement in Insurance"*

Robert L. Brown, University of Waterloo, *"Distance Education for Actuarial Students"*

Louis Doray, University of Montreal & **Andrew Luong**, Laval University, *"Inference Methods for Positive Stable Laws, with Applications in Insurance and Finance"*

AERF Updates
continued on bottom of next page

Volunteers

TICONDEROGA MIDDLE SCHOOL, TICONDEROGA, NY

During the 18th century, Fort Ticonderoga was considered the “key to the continent” because of its strategic location. For The Actuarial Foundation, it is still a strategic location because it represents a departure from our previous grants. Ticonderoga Middle School is the first non-urban school to receive an Advancing Student Achievement grant.

“Following the tragedy on September 11, 2001, President Bush asked the nation to make a commitment to volunteer service” stated Brian Sann, FSA, retired actuary leading the grant for Ticonderoga Middle School. *“I wanted to help children and the Actuarial Foundation’s grant was a great way to use my professional experience to reach out and help the youth of our community.”*



Brian Sann, FSA

Brian Sann with the assistance of several local volunteer mentors, meet once a week and engage the students in activities such as math games and problem solving. Outside of the classroom, the students go on field trips to local universities and businesses where they see real world applications of math. Guest lecturers on topics such as tessellations, inventions made by accident, surveying, and the mathematics of throwing a basketball, show the students how much math is a part of their everyday life.

The goal of the program is to provide enrichment for advanced mathematics students through learning experiences both in and outside of the classroom.

“Mr. Sann has enabled the students to experience different aspects of math and science outside the classroom. The students have visited colleges and have had professors in their classroom which gets them excited about math and its prospects later on in life,” states Karen Pratt, Math Teacher. *“The fact that students love Tuesday afternoons and the fact that there are students who are not part of the program, but would like to be, show the success of this program. This type of program was desperately needed because so much is done for the lower end of the spectrum and so little is done for the upper end of the spectrum here at Ticonderoga.”*

It is clear that at Ticonderoga, one of the keys to success is having mentors who can bring the outside world into the classroom. *“My son is having the time of his life in the math club,”* states one parent. *“The kids were so well behaved and so involved in the observatory that we’d love to have them back,”* states Dr. Frank Winkler, Middlebury College.

“I’d like to thank the following individuals who have volunteered their time to help make this program such a success!” - Brian Sann

Kasey Paige, Karen Pratt, Bruce Tubbs, Robin Andersen, and Jim Marshall of Ticonderoga Middle School; Marshall Bishop of Adirondack Community College; Professor Dan Hurwitz of Skidmore College; Prof. Bob Prigo, Carol Bushey, Brian Hamm, Ashley McBride, Prof. Frank Winkler and Amber Young of Middlebury College; Jane Kuhl, Jim Kanaly, Bill Quinn, Larry Phillips, Judy Davis and Timi Joy Huestis of the International Paper Company; and volunteers from the community include John Barber, Richard Barnwell, Stan Burdick, Dave and Joanne Defranco, John Harrigan, John Grady and Beverly Sann.



**Professor Dan Hurwitz,
Skidmore College**



**Dave Defranco,
community volunteer**

AERF Activity Update

(continued from previous page)

Sholom Feldblum, Liberty Mutual, *“Workers’ Compensation Ratemaking: A Textbook for the Practicing Actuary”*

William Leslie, ING, *“Transferring the Financial Risks of Retirement”*

Jin Ma, Purdue University, *“Some Actuarial/Finance problems Under General Reserve Models”*

Krzysztof Ostaszewski and **Catherine Konsky**, Illinois State University, *“Is There a Communication Skills Shortfall Among Actuaries?”*

Emiliano Valdez and **Andrew Chernih**, University of New South Wales, *“Empirical Estimation of Dependence in a Portfolio of Insurance”*

Preparing for Tomorrow's Possibilities

The Actuarial Foundation wishes to thank their 2002-2003 Corporate Partners for their most generous support.

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ING Re

Jefferson Pilot Corporation

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Thrivent Financial for Lutherans

"If you are successful, it becomes possible for you to leave an inheritance for others.

But if you desire to create a legacy, then you need to leave something in others.

When you think unselfishly and invest in others you gain the opportunity to create a legacy that will outlive you."

- John C. Maxwell -

THE ACTUARIAL FOUNDATION

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