



Newsletter

Chairman's Message



Robert A. Anker

Dear Friends of the Foundation:

Ten years ago, the concept of a foundation representing the profession was born. We can all be very proud of the strides we've

made. We started with six *Advancing Student Achievement* sites with a handful of volunteers, and today we have funded over 25 sites with over 300 volunteers. Having sponsored or cosponsored several successful consumer education projects, mostly in the area of retirement and social security, we now have an expanded consumer education committee structure that covers property & casualty, health, life/finance and pension. The recently completed full integration of the AERF with the Foundation has enormously enhanced both our capabilities and involvement in public-interest actuarial research and in scholarship activity.

Most recently, all five U.S. actuarial organizations have agreed to support the mission of the Foundation. Their trust and encouragement is a key element to the optimistic outlook for our growth and continued success as *the* philanthropic organization representing the actuarial profession. We look forward to working closely with them as we enter a new growth phase.

While the reasons for our optimism are numerous, it is the support — both with time and resources — of our individual, corporate and volunteer partners that will allow us to achieve enduring success. Much great work has been accomplished but I truly believe we have only just begun. To reach our full potential, we

need your continued and enhanced support.

The Actuarial Foundation has a capable, dedicated and focused Board that is strongly committed to the mission of the Foundation and to responsible oversight of our profession's philanthropic ambitions. It has an equally capable, dedicated and focused staff that shares that commitment.

I obviously believe the Foundation is worthy of my personal support and advocacy. I believe it is worthy of yours as well. Please join us, not only in supporting, but also in advocating for it.

Sincerely,

Robert A. Anker, FCAS, MAAA
Chairman

SUPPORTING U.S. ACTUARIAL ORGANIZATIONS:

American Academy of Actuaries
American Society of Pension Actuaries
Casualty Actuarial Society
Conference of Consulting Actuaries
Society of Actuaries

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



Calendar of Events

May 6-7, 2004
AAA Spring Meeting
Washington, DC

May 16-19, 2004
CAS Spring Meeting
Colorado Springs, CO

May 19-21, 2004
SOA Spring Meeting
(Health and Pension)
Anaheim, CA

June 14-15, 2004
SOA Spring Meeting
(Financial Report, Investment
and Product Development)
San Antonio, TX

June 16-17, 2004
CIA Annual Meeting
Calgary, AB, Canada

July 18-21, 2004
ASPAA Summer Conference
San Francisco, CA

July 19, 2004
Actuarial Foundation
Board of Trustees Meeting
Rosemont, IL

August 5-7, 2004
39th Actuarial Research
Conference
Iowa City, IA

August 8-9, 2004
Insurance Executive
Symposium & Invitational
Lake Geneva, WI

Five New Trustees Come on Board in 2004

Welcome to our new Board of Trustee volunteers whose three-year terms began January 1, 2004. We are honored to have their expertise and enthusiasm working on the Foundation's behalf.



Managing Director, Towers Perrin, NY

"I strongly support the Foundation's mission, particularly that of youth education, which I feel fills a worthwhile and necessary role in

our society. I was very fortunate to have the educational opportunities I did and to be able to use them as a springboard to my professional success. Working through the Foundation will give me an opportunity to give something back to the community and to the profession that has been so good to me."

Patricia L. Guinn, FSA, MCA, MAAA



Consulting Actuary, Milliman USA, NY

The Foundation appeals to me as a way in which to provide financial support for actuaries helping our society in ways that they can do

best — math education, consumer education and strong research. It's a way in which a small profession can do big things."

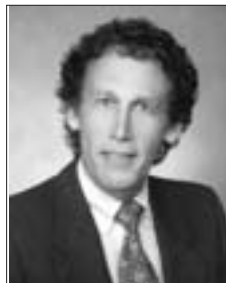
Daniel J. McCarthy, FSA, MAAA, EA



Retired, KY

"As a non-actuary I have often admired the work of actuaries and would like to help the Foundation spotlight the work of actuaries to the public."

Cheryl Overy, PhD



President, The Shapiro Network, Inc., WI

"I'm delighted to continue my long running appreciation of and support for The Actuarial Foundation. It is wonderful to have

the profession provide this avenue for leveraging our actuarial "specialness" in ways that benefit the public."

Robert D. Shapiro, FSA, FCA, MAAA



Director, Products & Financial Risk Management, North American Co. for Life & Health, IL

"I'm a strong proponent of the Advancing Student Achievement program and

believe this program can accomplish great things. Serving as a Trustee gives me the opportunity to support and expand the ASA program as well as other educational programs sponsored by the Foundation."

Suzanne E. Wille, FSA, MAAA

If you would be interested in serving on any of the youth, consumer or research and actuarial education committees of the Foundation, please contact the Foundation office.

Board Update

The Board of Trustees met in Rosemont, IL for its first meeting of 2004. Meeting highlights are listed below:

- We are pleased to report that all five U.S. actuarial organizations have agreed to partner in support of our mission. We look forward to a long-standing relationship with the AAA, ASPA, CAS, CCA and the SOA.
- Board reports were presented focusing on goals for the upcoming year as well as recently completed projects. Suzanne Wille is the new Chair of the Committee for Student Achievement, Anna Rappaport continues as Chair of the Consumer Education Oversight Committee, and Curtis Huntington is Chair of the AERF Committee of the Foundation. (*See Project Updates in this issue.*)
- The Actuarial Foundation will have a presence at upcoming actuarial meetings. Presentations and exhibit presence are currently scheduled for: Enrolled Actuaries Meeting, Washington, DC in March; Casualty Actuarial Society meeting in Colorado Springs, CO in May; and the Society of Actuaries Annual Meeting in New York, NY in October.
- CTE Associates provided an overview of the Development Feasibility Study components that are underway. A full report will be presented to the Board at its July meeting.
- The Nominating Committee will be meeting in April to discuss possible Trustee candidates for terms beginning in 2005. Please bring names of potential candidates to the attention of Norm Crowder or Eileen Streu.
- The Actuarial Foundation and The Actuarial Foundation of Canada entered into a Memorandum of Understanding. The TAFC is open for business. It was noted that they are not a competing organization, but will mirror the good works of TAF. If you are a Canadian and wish to become involved with the TAFC, please contact Robert Sharkey.
- Next meeting of the Board of Trustees is scheduled for July 19, 2004.

Project Updates

YOUTH EDUCATION

We're inspiring a new generation of math-skilled thinkers.

It's another busy year for the Committee for Student Achievement. Three new schools have been approved to join the growing number of *Advancing Student Achievement* mentoring programs. They are:

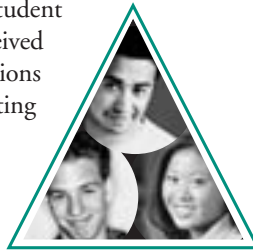
Calvin Coolidge School in Hillside, NJ has created a *Math a la Mode* program targeting 5th and 6th grade students, focusing on areas in measurement, geometry, probability, graphing/statistics and much more. Utilizing the actuaries' expertise, program objectives include implementing diversified math experiences, increase the awareness of career opportunities in mathematics, and help to activate and cultivate students' interest and enjoyment in math. **Call for volunteers!** We are in need of volunteer mentors for this New Jersey school (located just outside of Newark). Please call the Foundation office if you can donate just a few hours a month to these students. Lead actuary: Dianne Derrick, FSA

Monroe Middle School in Omaha, NE has developed a *Monroe Mathmagicians-Making Magic with Numbers* program working with local volunteer actuaries. Planned topics and skill development for their 7th and 8th grade students will involve calculator mastery, application of statistics in daily life, the application of mathematics to solve relevant real-life problems, and career planning. All school math events will be held quarterly to create higher student achievement and generate greater student interest in mathematics. Lead actuary: Andrew S. Ryba, ASA.

Taos Municipal School District in Taos, NM has created the *Discovery Summerbridge Academy*, a summer school program for elementary, middle and high school students. The objective of this actuarial volunteer-led summer program is to provide elementary and middle school at-risk students with remediation support in math, literacy and science in order to maintain learning momentum throughout the year. AP high school students will be

trained as tutors to assist the lower grade students. Lead actuary: William M. Waugh, Jr., MAAA.

The application deadline for the **John E. O'Connor, Jr. Scholarship** is April 1st. Four awards of \$2,500 will be made available to graduating/college bound high school seniors. This scholarship recognizes and encourages the academic achievements for students pursuing a higher education in mathematics. In its first year, the Foundation's Committee for Student Achievement received over 500 applications and we are expecting to receive a large number of requests again this year.



CONSUMER EDUCATION

We're moving boldly to handle the challenges of the future.



HOT OFF THE PRESS!

The consumer booklet, *Seven Life-Defining Financial Decisions*, a joint project between The Actuarial Foundation and the

Women's Institute for a Secure Retirement (WISER) has been completed. This booklet discusses how decisions you make throughout your lifetime — choosing a career, getting married, having children, buying a home, starting to save and invest — have an enormous impact on your future financial security, including your retirement. The guidebook and background paper can be viewed or downloaded from The Actuarial Foundation's Web site at: <http://www.actuarialfoundation.org/consumer/wiser051503.htm>, or may be purchased for \$6 from the Women's Institute for a Secure Retirement by calling (202) 393-5452 or visit their Web site at: www.wiser.heinz.org.

The Consumer Education sub-committee on Health has approved funding for a

disability chartbook project entitled: *Disability Insurance: The Missing Piece in the Financial Security Puzzle*. The background from which this project was developed was a joint project of the SOA Disability Income Task Force and the AAHP-HIAA. The Foundation will join with America's Health Insurance Plans to produce the consumer chartbook. This chartbook is intended to answer questions such as: What are the chances that I will become disabled at some point during my working years? What could happen to my personal finances if I do become disabled? Potential consumers, as well as policymakers and media professionals, will find the DI Chartbook useful in understanding more about how disability can affect the average American worker and the likelihood of disability and what financial resources may be available to help if you do become disabled. We anticipate its availability within the next few months.

RESEARCH AND ACTUARIAL EDUCATION

We're employing actuarial skills in the public interest.

The AERF Committee of The Actuarial Foundation is proud to announce the eighth annual **John Culver Woody Scholarship**. Up to four \$2,000 (U.S.) scholarships will be awarded to undergraduate students who have senior standing during the 2004-2005 academic year. Applicants are required to have completed at least one actuarial exam, rank in the top quartile of their class and must be nominated by a professor at their school. The deadline for applications is June 25, 2004. More information may be found on the Foundation's Web site at: http://www.actuarialfoundation.org/research_edu/prize_award.htm#woody.

The 39th Actuarial Research Conference (ARC) is scheduled August 5-7, 2004 in Iowa City, IA. This annual conference is an opportunity for academics and practitioners to meet and discuss actuarial problems and their solutions. The conference traditionally has been the central meeting for North American

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Volunteers

ARROWHEAD ELEMENTARY SCHOOL, PHOENIX, AZ



Kenneth A. Levine,
FCAS, MAAA

As an actuary, I am often asked to donate my time to many worthwhile programs. Like my peers, I consider myself a prudently generous person. That is, I value and enjoy volunteering, but I want my time to

be spent in a way that makes a real difference and is enjoyable. In the Actuarial Foundation's Advancing Student Achievement program, I believe I have found a formula for success. With the key elements in place, this program is almost guaranteed to give you a more-than-adequate ROV — Return on Volunteering.

As I see it, there are three key inputs to the ROV equation:

1. The Actuarial Foundation provides financial, administrative and enthusiastic support for the program. Thanks to the help from Eileen Streu at

the Foundation, there is minimal risk that time spent volunteering will be wasted.

2. The teachers at the school are the coordinators and managers of the program. By scheduling the activities and making sure the lessons are of appropriate length and content for each grade-level, there is a high probability that provides an ROV at or near the efficient frontier.

Maximizing ROV

3. The Actuarial volunteers serve as the engine in the ROV formula. Actuaries bring their unique blend of passion for and knowledge of math into the classrooms. This stimulates the minds and hearts of the students, which drives the ROV results even higher.

With inputs that ensure efficient and optimal results with minimal risk, the returns to be expected include:

- Making a difference in the life of a child. Many of the students I come in contact with don't have math 'role models'. In my two years of

volunteering at Arrowhead Elementary School, Phoenix, Arizona, I've seen a change in students' attitudes towards math. Fear and self-doubt have been replaced with excitement and confidence. And, the difference is measurable. Arrowhead's results on standardized test scores for second grade ranked near the top of the district's scores - an unprecedented achievement for this Title I school in an otherwise affluent school district.

- Having fun. The Arrowhead program gets volunteers actively involved in each month's themed Math Academy. Whether it's running with the kids during the "Math of Sports", helping them mix ingredients for the "Math of Cooking", or making holiday shopping lists during the "Math of Budgeting", volunteers have many opportunities to smile, laugh and play with the students.

So, if you want to maximize your ROV — Return on Volunteering — I strongly encourage you to become involved with The Actuarial Foundation's *Advancing Student Achievement* program. You'll be all the richer for it.

THANKS TO THE FOLLOWING MENTORS AND TO THEIR EMPLOYERS WHO HAVE OR ARE CURRENTLY WORKING WITH THE STUDENTS OF ARROWHEAD ELEMENTARY SCHOOL:

Scottsdale Insurance Company — Ken Levine as Lead Actuary, Leann Birdsall, Brent Carr, Alicia Collins, David Dieterich, Kevin Donovan, Julie Ekdorn, Julia Evanello, Paul Mayfield, Lori Reitz, and Heather Ward; **AdvancePCS** — Amy Companik, Pam Gill, Brian Januzik, Susan Salcido, Robert Schmidt, Christy Veit, and Margaret Wood Wear; **Arizona State University** — Matt Hassett; **Blue Cross/Blue Shield of AZ** — Tony Astorga, Zach Aters, Karen Bunch, Mike Burruss, Sherri Burruss, Gene Day, Brian Derrick, Jolene Duran, Sandra Gibson, Stephen Goyer, Margie Gustafson, Nancy Hübler, Steven Kaiser, Leigh Kost, Scott Mack, Kurt Maltby, Renee Morales, Chizanya Mpinja, Jarrod Neeley, Ed Samaniego, Brian Sarlo, Daniela Simpson, Rachel Sperrazza, Jenny Stevens, Becky Thompson, Rachel Winkler, Candace Winters, Mike Woodward, and Jeff Young;

GPW & Associates —

James Gordon and James Hall;

Oxford Life — Bella Fernandez,

Victoria Stewart, David Stultz, and

Carlton VanLuven; **Prudential Arizona**

Properties — Sarah Levine.



BECOME A DONOR TODAY!

For further information please see <http://www.actuarialfoundation.org/donor/donor.htm>
or contact the office at 847.706.3535

Project Updates *(continued)*

continued...

academics and researchers interested in all aspects of actuarial science. Participants who wish to make a presentation must submit an electronic copy of their title and abstract to Elias Shiu at: elias-shiu@uiowa.edu by June 1, 2004. For more information regarding the conference, please visit the conference site at: <http://www.uiowa.edu/~confinst/production/actuarial/index.htm>.

The **Actuarial Research Exchange**, launched at the beginning of 2003, is an online-based service designed to link academic researchers and practicing actuaries for joint research projects. Organizations are invited to post their research needs on the Actuarial Research Exchange Web site, where faculty researchers can review the opportunities and respond to those that match their interests. There is no cost to the organization to post a research opportunity, as this can be done on-line. In addition, faculty members who are interested in conducting research are listed to allow companies to contact faculty members directly about research projects. This is a joint project of the Casualty Actuarial Society (CAS), the Canadian Institute of Actuaries (CIA), and the Society of Actuaries (SOA). This Web site can be found from The

Actuarial Foundation's home page at www.actuarialfoundation.org or www.aerf.org/exchange/.

Completed research project! **Individual Grant Competition** 2003 award recipient, Dr. Robert L. Brown, ACAS, FCIA, FSA, University of Waterloo, has completed his research project on *Distance Education for Actuarial Students*. Professor Brown has created two non-credit distance learning education courses for use by CAS/SOA actuarial students. In the first course, *Interest Theory and Finance*, Professor Brown explores aspects of the Kellison textbook, *The Theory of Interest*, as it applies to the CAS/SOA Course 2. The second course, *Introduction to Ratemaking and Loss Preserving for P&C Insurance*, provides modules on automobile and homeowners insurance, workers' compensation, liability insurance, changing risk classifications and many others. A complete description of both courses can be found at http://www.dce.uwaterloo.ca/cc/p_c_insurance_course.html. These Individual Grant Competition research projects may be either theoretical or empirical in nature. A key criterion is that the project should have the potential to contribute significantly to the advancement of knowledge in actuarial science.

THE ACTUARIAL FOUNDATION

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Preparing for Tomorrow's Possibilities

Corporate partnerships have helped to fund many of the Foundation's programs in youth education, consumer education and research and actuarial education. These organizations have truly stepped forth in supporting our mission, programs and initiatives in 2003 & 2004. THANK YOU!

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Towers Perrin

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THANK YOU!

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