



Newsletter

Chairman's Message



Daniel J. McCarthy

Dear Friends of the Foundation:

2006 was indeed a breakthrough year for The Actuarial Foundation. With your help, we broadened the reach of our Youth Education

programs working with **Scholastic** in the development of the *Shake, Rattle & Roll* program. We also initiated a new scholarship program in memory of Stuart Robertson with funds donated for that purpose. At the same time, we continued to develop our Advancing Student Achievement program, placing actuaries in classrooms with kids; as well as support our Consumer Education and Research and Actuarial Education programs. When I say "with your help", I am pleased to report that more people contributed more money to The Actuarial Foundation in 2006 than in any prior year. Through your generous support these breakthroughs were possible.

So now, what about 2007?

First, we will continue to build additional turnkey programs in youth education — including a second program with **Scholastic**. These turnkey programs are the most efficient way to target our reach to over 40,000 teachers and 1 million kids nationwide. Admittedly, it is expensive, but with that wide reach it becomes most cost effective when you consider a 37 cent investment per student.

Second, we're looking beyond 2007. Our Board of Trustees recently spent two dedicated days mapping our future — looking at all areas of our mission and sources of support, and asking how we can make the past a springboard for an

even stronger future. Later this year, I'll talk about some of the specifics that have come out of this planning process. I will note, however, that a key line of demarcation is between what we call "musts" and "coulds". The "musts" are the things that we have to do to be faithful to our mission; the "coulds" are value-added things that we could do if we have the appropriate resources.

I want to sincerely thank all of the individuals, corporations and U.S.-based actuarial organizations who generously supported The Actuarial Foundation in 2006. Your continued level of support will enable us to do our "musts". Beyond that, to enable us to do the "coulds" each of us must encourage actuaries and others who have not yet supported the Foundation to do so in 2007 and beyond.

If you are already a supporter, get a colleague to support the Foundation too; that will move us forward. If you are currently in the "not yet a supporter" category, please make 2007 *your* breakthrough year; help The Actuarial Foundation do not only what it *must* do, but what it *could* do. Only by doing both will we be truly prepared for tomorrow's possibilities.

Sincerely,

Daniel J. McCarthy, FSA, MAAA, EA
Chairman

MISSION: To develop, fund and execute education and research programs that serve the public by harnessing the talents of actuaries.



Calendar of Events

May 10-11, 2007

SOA Life Spring Meeting
Phoenix, AZ

June 5-6, 2007

ASPPA Advanced Actuarial
Conference
Boston, MA

June 13-15, 2007

SOA Health Spring Meeting
Seattle, WA

June 17-20, 2007

CAS Spring Meeting
Lake Buena Vista, FL

July 18, 2007

Actuarial Foundation Board of
Trustees Meeting
New York, NY

August 9-11, 2007

Actuarial Research Conference
Moon Township, PA



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Welcome to Our New Trustees

Welcome to our new Board of Trustee volunteers whose three-year terms began January 1, 2007. We are honored to have their expertise and enthusiasm working on the Foundation's behalf.

Retired SVP & Chief Actuary
Chubb Group of Insurance Co., NJ



David G. Hartman,
FCAS, MAAA,
FCIA

The programs of The Actuarial Foundation are things I believe in. To support them with time and money is a great way for actuaries, like me, to give back to the profession a part of what it has given us.

Consulting Actuary
Milliman Inc., WI



Gary R. Josephson,
FCAS, MAAA

The three legs of the Actuarial Foundation — math education, consumer education and basic research — represent areas in which actuaries, individually and as a profession, can make a difference. It is a privilege to be able to help the Foundation in these initiatives.

Fox Family
Distinguished Clinical Professor
University of Illinois, IL



Mark C. Vonnahme

Throughout my business career as well as in my new world of academia, I have consistently been exposed to strengths of the actuarial profession. From my standpoint, it was a natural to become involved in lending my time and voice to the Board of Trustees of The Actuarial Foundation. It has not taken me long to see their work in action in research, education and consumer affairs. I am looking forward to working with a truly impressive group of professionals in the planning and implementation of so many worthwhile programs during my tenure on the Board.

Board Update

The Board of Trustees met in Rosemont, IL for their first meeting of 2007 on March 12-13. Highlights of that meeting include:

- A strategic planning session was held the day prior to the Board meeting for the program areas to work on formalizing their program goals for the next 12-36 months. These results will be incorporated into a new business plan for the Foundation.
- Elected to Emeritus Trustee were Bob Anker and Anna Rappaport. Their terms as Trustees ended in 2006 — we are delighted they will continue to provide input and advocacy for the Foundation and its activities.
- Pam Cone, Chief Marketing Officer with Milliman, was welcomed as the new corporate advisory member to the Marketing Committee.

- The audit was recently completed by the firm VirchowKrause. Once the draft audit has been reviewed and approved, the Annual Report will be posted on the Foundation's Web site.
- The program areas provided a brief update on recently completed and current projects. Please see program area highlights in this Newsletter.
- The Actuarial Foundation of Canada provided a brief report on activities

and has requested assistance from the U.S. Foundation as they develop strategies for 2007.

- Eileen Streu was named Executive Director of The Actuarial Foundation effective March 13, 2007. Congratulations Eileen!
- The next meeting of the Board of Trustees is scheduled for July 18 in New York.

BECOME A DONOR TODAY 3 EASY OPTIONS!

- 1 Give online at the Foundation's secure Web site at: <http://www.actuarialfoundation.org/donor/donor.htm> or
- 2 Send in the donor reply card included with this edition of the newsletter; or
- 3 Call us at 847-706-3535.

Together, We are Making an Impact

YOUTH EDUCATION

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

MATH POWER ON THE MOVE – AT BALTIMORE CITY COMMUNITY COLLEGE

Baltimore City Community College has been awarded a grant by The Actuarial Foundation to begin a program for 9th and 10th grade students to enhance their interest and ability in mathematics through an innovative program called *Math Power on the Move*.

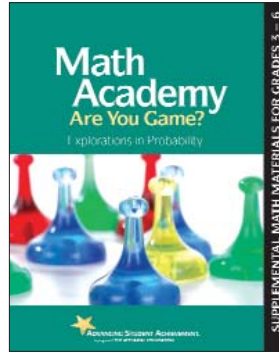
Under the direction of the college's personnel of the Educational Talent Search Program, this pre-college program will identify, recruit, select, motivate and guide 40 students from target high schools in creating a student-centered and student run business.

Mentors are needed to provide professional expertise in the instruction of budgets, marketing and marketing analysis, distribution, product placement and all aspects of business management.

Math Power on the Move takes place on Wednesdays from 3:00 p.m. to 4:00 p.m. Volunteer mentors are needed to meet with students during this time. Any amount of time you are able to give is appreciated, whether it is every Wednesday or one day per month. You are key to the program's success! If you are interested in making a difference in the life of a young person and would like more information about this program, contact The Actuarial Foundation at asa@actfnd.org or call 847-706-3535.

MATH ACADEMY – ARE YOU GAME? Explorations in Probability

Real life applications of mathematics while having fun. Is it possible? Yes!



Youth Education's newest turnkey program was developed and piloted through one of our Advancing Student Achievement mentoring programs. This supplemental math material is designed to help students understand probability through playing games. The activities in this booklet, geared to grade levels 3-6, are hands-on, standards-based lessons which apply mathematical principles in real-world scenarios.

A Math Academy — Are You Game? booklet is available to you! Consider volunteering at a local elementary school and share the games in this booklet with students, or perhaps you have a son or daughter that would like to share this booklet with their own teachers. If you would like to request a copy of the *Are You Game?* booklet, contact us at mathacademy@actfnd.org. The Foundation thanks the following corporate sponsors for funding the development of this booklet. **Ernst & Young, New York Life Foundation, Swiss Re Life & Health America and Towers Perrin** are collectively working

to ensure math education remains strong and enjoys a prosperous future.

RESEARCH AND ACTUARIAL EDUCATION

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

ERM Research Excellence Award

Congratulations to **Mark Beasley, Don Pagach** and **Richard Warr** of North Carolina State University who were awarded The Actuarial Foundation's ERM Research Excellence Award for the best overall paper submitted in response to a Call for Papers, for excellence and to recognize its significant contribution to the growing body of ERM knowledge and research. The winners will be recognized for their paper, *Information Conveyed in Hiring Announcements of Senior Executives Overseeing Enterprise-Wide Risk Management Processes*, with a total monetary award of \$4,000 and a plaque at the ERM Symposium in Chicago on March 30.

The 42nd Actuarial Research Conference (ARC) is scheduled for August 9-11, 2007 at the Robert Morris University, Moon Township, PA. This conference has traditionally been the central meeting for North American academics and researchers interested in all aspects of actuarial science. Each year the papers presented at the conference, on a wide variety of topics relating to actuarial science, are published electronically and housed on the SOA Web site in the *Actuarial Research Conference (ARCH)*.

David Garrick Halmstad Prize

Congratulations to the 2006 David Garrick Halmstad Prize winners, **Leslaw Gajek** and **Dariusz Zagrodny**, for their paper: *Reinsurance Arrangements Maximizing Insurer's Survival Probability*. This prize is given for actuarial research in memory of David Halmstad, an associate of the Society of Actuaries, in memory of his significant contributions to actuarial science and research. This paper was published in the *Journal of Risk and Insurance*, Vol. 71, 421-435.

Introducing...

Susan Gehm joined the Foundation staff on November 28 as Foundation Coordinator. Susan has a background in education, curriculum development and a wealth of knowledge in project and volunteer coordination. Her experience will be a great addition to the Foundation team.



Susan Gehm

“Our students will never feel the same about themselves or math again!”



Gary Traicoff, FCAS
Lead Volunteer Mentor

BOULEVARD ELEMENTARY SCHOOL

CLEVELAND HEIGHTS, OH

“I have been involved with the mentoring program at Boulevard School through The Actuarial

Foundation for slightly over a year. I have truly enjoyed my experience. This year I work with the gifted students from Mrs. Dunlevy's 5th grade class. We have covered many different topics this year (involving math of course!) ranging from business problems to brain teasers to sports. I expected the children to be bright but am continually amazed at their enthusiasm for learning.

It has been great to see the kids develop and grow throughout the year. Their improvement in the fundamentals of math such as working with fractions, multiplying and dividing, etc. is noticeable. But they have also

grown in critical reasoning skills, hearing a story and thinking through how to solve the problem, and how math applies to everyday life. Seeing the excitement in their eyes when they get a tough problem is rewarding. In fact I told Margie the other day that I probably get more enjoyment out of our weekly mentoring sessions than the kids do.

These are great kids and I feel fortunate to be involved in this program.”

LETTER FROM TEACHER

Dear Actuarial Foundation:

I can't begin to tell you what our two year students and mentors grant has meant to our school! Our students will never feel the same about themselves or math!

We have advanced student achievement and changed parents' and students' attitudes towards math. To have two mentors a week for one hour each at both fourth and fifth grade level has been unbelievable! My students actually hug their mentors when they see them coming (whether the mentors want a hug or not!) This opportunity is unbelievable! Our mentors work so hard and truly make math meaningful, fun, relevant and applicable to life! The students will never forget them. I have included some letters from parents and students to show how they feel.

Thanks so much for the grant.

*Sincerely,
Margie Dunlevy, Teacher*

NOTE FROM STUDENT TO MENTOR

Dear Miss Jolly and Gary,

Since you came to Boulevard to teach me I've been getting better and better in math. You both have taught me a lot so I just want to say thank you very, very much. Oh and Gary, thank you for the binary clocks. I (would) like to thank you both for not giving up on me.

*Your Student,
Yazmene*

NOTE FROM STUDENT TO MENTOR

Dear Mentors,

I'm so glad you come and teach us new things we don't know. You play math games that are so fun and we learn a lot. You help us understand the things we don't.

I'm amazed that you take off your work time to teach us. You are so good to us and that's why we give you stuff to put a smile on your face like you do to us. I'm happy you come.

*Thanks a lot,
Malachi*

NOTE FROM PARENT TO TEACHER

The mentors that have been at Boulevard are wonderful! It is always nice to have extra hands in the classroom. My son needed extra help and received it one on one from the mentors. Also, we really enjoyed the Indians baseball game last spring. It was a great opportunity for the children to see how math is used outside of school and in real life.

Thank you.

Our heartfelt thanks to the mentors who provided time to the students of Boulevard Elementary School and to their employers who so generously provided them the time to make a difference in the life of a student. They are:

Gary Traicoff, Melissa Jolly, Gary Arens, and Dan Kamionkowski of The Progressive Corporation; and to Meghan Rhodes of Victoria Insurance.

Insurance Legends' Golf Classic

The first annual Insurance Legends' Golf Classic was held in conjunction with ReFocus 2007, an insurance and reinsurance industry meeting held March 3-7 at the Loews Lake Las Vegas Resort. Governor Frank Keating, President of the ACLI, presented the inaugural "Industry Legends" awards to **Stan Tulin, Art Ryan, Ozzie Scofield, Peter Mullin** and a posthumous award to **Ron Dolan**.

The Insurance Legends' Golf Classic teed-up on Monday afternoon on a challenging course designed by Jack Nicklaus.



Following the day's round, the prize of a \$500 gift certificate for golf equipment, donated by Wilton Re, was presented to **Michael Barnett** for the Longest Drive; and the prize of a Ping Driver, donated by

Towers Perrin, to each of the Winning Threesome went to **Patrick Corey, Joseph Guastella, and Peter Schaefer**.

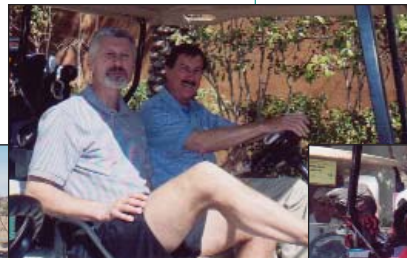
We wish to thank our many sponsors for making this event possible in supporting the Foundation's youth education initiatives. They are: Access Plans USA, Transamerica Re, Ace Tempest Life Re, Aon Re, AXA Equitable, Entre Global, Foley &

Lardner, Generali, GGY AXIS, Guy Carpenter, Hannover Life Re, Lehman Brothers, LOGIQ3, Lovells, Manulife Re, Milliman, Optimum Re, RGA Re, and SunLife of Canada.

We wish to give special recognition to the Insurance Legends' Golf Classic Banner Sponsor:

HEIDRICK & STRUGGLES

Without their generosity this event would not have been possible. On behalf of the recipients our youth education programs support, Thank You!



In Memory Of:

The Actuarial Foundation received gifts in 2006 in memory of the following individuals. Our thoughts are with the family, friends and colleagues of those being remembered.

- Judy F. Anderson, FSA, MAAA, MSPA, EA
- Robert W. Butcher, FSA, MAAA
- Thomas Chinnock
- John DelCiello
- Irwin I. Kent, ASA, FCA, MAAA
- Weltha McLachlan Van Eenam, ASA
- Cecil J. Nesbitt, FSA, MAAA
- Stuart A. Robertson, FSA, FCA, MAAA
- Leslie S. Shapiro

If you are an Enrolled Actuary, there is a good chance you knew Judy Anderson personally. If you are an Enrolled Actuary and you didn't know Judy personally, there is an even better chance that you still knew her. How, you say? For many years, Judy embodied



Judy F. Anderson, FSA, MAAA, MSPA, EA

education for Enrolled Actuaries as the Retirement Staff Fellow of the Society of Actuaries. Judy's devotion to education for pension actuaries was legendary and she left her mark on every facet of the Enrolled Actuary syllabus. When Judy died tragically of complications from breast cancer over Thanksgiving weekend last year, the Society of Actuaries knew of no better way to celebrate her spirit and utter dedication than to contribute \$5,000 to the Actuarial Foundation in her memory towards Enrolled Actuary education. Judy will be sorely missed in the Actuarial Community.

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Daniel J. McCarthy, FSA, MAAA, EA
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Eileen C. Streu, CAE
Executive Director

Laura Hogan
Foundation Administrator

Debbie McCormac
Project Administrator

Susan Gehm
Foundation Coordinator

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. (03/1/06-03/1/07)

VISIONARY LEVEL – \$25,000+

Heidrick & Struggles
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PIONEER LEVEL – \$5,000+

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Ingenix, Inc.
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State Farm Insurance Company
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Select Actuarial Services
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Wilton Re

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