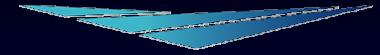


Actuaries in Non-Traditional Roles

Martha Winslow – Towers Perrin/Tillinghast

Kevin Finn – The Hartford

Daniel Goddard – Pfizer



**TOWERS
PERRIN**

TILLINGHAST

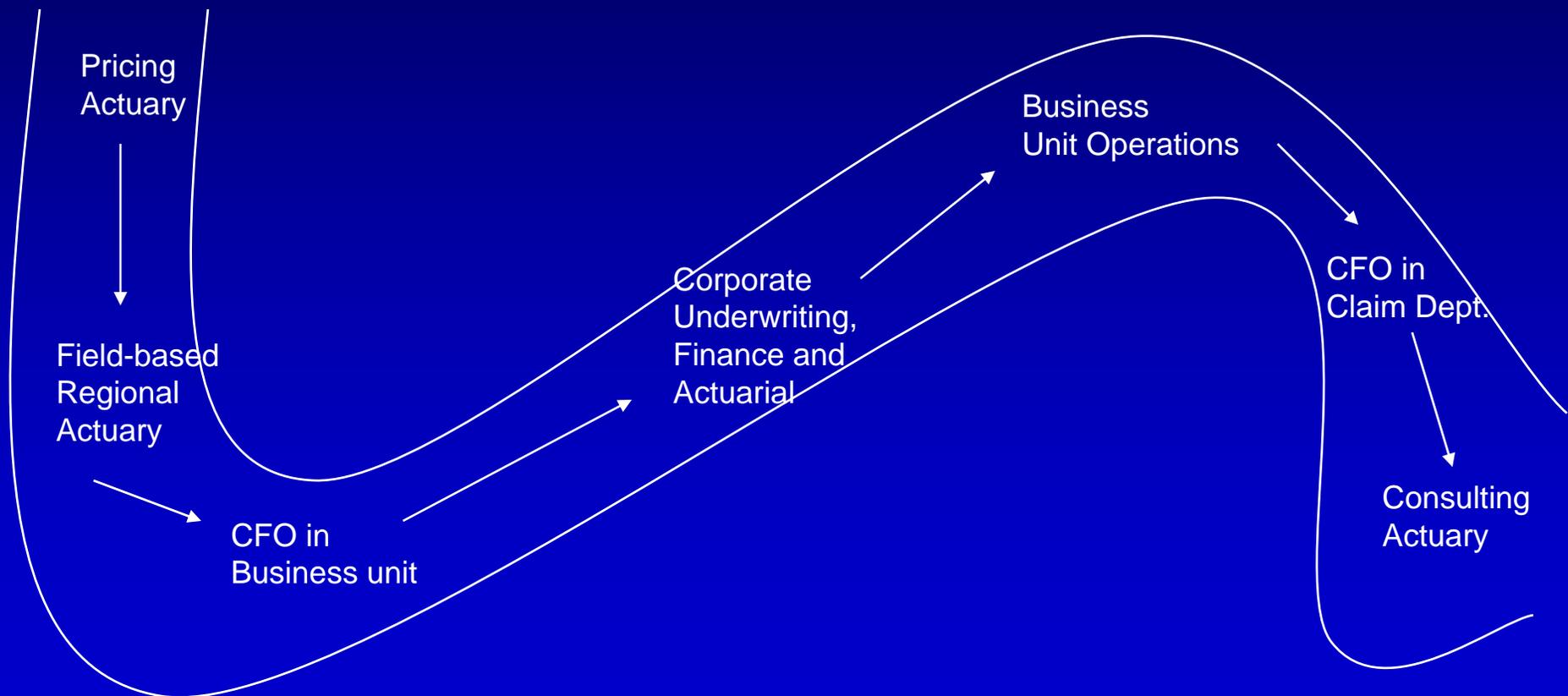
Martha Winslow
Senior Consultant, Towers Perrin/Tillinghast



Inherent personal restlessness drove me to pursue new, interesting opportunities

Elements of my success as non-traditional actuary

- Gradual transition
- Capitalized on “big picture” (communication skills)
- Leveraged my analytical side to other disciplines



The flip side is always feeling a bit off balance

- Being a non-traditional actuary has given me huge personal and professional satisfaction; however, challenges exist
 - My skills are broad, rather than deep
 - Need to be comfortable using subject matter experts in the discipline in which I am working
 - Need to keep up with developments in actuarial analysis, many of which are highly technical in nature

In the insurance world, the disciplines are becoming more, rather than less, integrated. This integrated world is one in which I feel very much at home.



Actuaries in Non-Traditional Roles CANE Fall Meeting

*Kevin Finn, FCAS, MAAA
September 26, 2006*



Current Position – Operations Manager of Risk Management Division

Responsibilities include:

- ❖ Underwriting operations for large accounts
- ❖ Billing department
- ❖ Underwriting systems

Previous Positions

- ❖ Began actuarial career in 1998 after graduating with a Bachelor's degree from Boston College
- ❖ Actuarial positions in reserving, R&D, reinsurance and National Account pricing
- ❖ First underwriting job was running large account underwriting region



Why take all those exams only to leave the profession after 5 years?

- ❖ Actuarial training provided a great base; still use that base every day
- ❖ Desire to be the actual decision-maker
- ❖ Wanted to interact with other business professionals



How did you find a job outside the typical career path and then limit the risk of taking such a job?

- ❖ Determined early on what I wanted to do and used each job to get me closer to that goal
- ❖ Found a boss who was willing to take a chance on me
- ❖ Hired people who complemented my own skill set
- ❖ Learn from mistakes



What would you do differently if you were to take a traditional actuarial job?

- ❖ Make sure that the actuaries got a seat at the table
- ❖ Base project decisions on what is useful for the business and not what is actuarially interesting
- ❖ Learn/appreciate perspectives of different groups within company – finance, legal, underwriting, etc.
- ❖ Make decisions quickly with best information available and then take ownership

PGRD FINANCE

Actuaries in Non-Traditional Roles

Daniel Goddard, FCAS, CPCU, ARe
Pfizer Global Research & Development



What I Do

- PGRD: Pfizer Global Research & Development
 - Human Health R&D Division of Pfizer
 - Other divisions are marketing, manufacturing, animal health
 - We develop new drugs, from an initial idea all the way through to a compound approved for sale as a prescription drug.
 - E.g., Lipitor, Viagra, Sutent, Chantix
- Finance: Financial Planning & Analysis
 - Modeling the drug development process
 - Long-term Planning (2 to 10+ years out)



How is Drug Development Like Insurance?



- Long-term modeling of a highly uncertain process:
 - Drug Development
 - Start with 100 compounds that we're ready to take to human testing
 - 10 or more years later, maybe 5-10% will make it to market
 - Sales can range from millions to billions
 - Insurance
 - Write 100 policies in a long-tail line
 - 10 or more years later, maybe 5-10% will have claims
 - Cost per claim is ????
- Mortality tables \leftrightarrow Attrition of drug projects in development
- But I still haven't found a use for development triangles
- And nobody has even heard of Credibility



How I Got Here (Basics)

- 1973-1977 Actuary taking exams
- 1977-1986 Actuary (pricing, reserving)
- 1986-1989 Underwriting
- 1989-1994 Small co. chief actuary (plus reinsurance)
- 1994-1999 Large co. actuary (pricing, claims)
- 1999-now Pfizer



How I Got Here (*the interesting stuff*)

- *A guy I met in a bar led to:*
 - 1973-1977 Actuary taking exams
 - 1977-1986 Actuary
 - *A lunch-room conversation led to:*
 - 1986-1989 Underwriting
 - *A cold call from a headhunter led to:*
 - 1989-1994 Small co. chief actuary
 - *My wife looking for a PhD program led to:*
 - 1994-1999 Large co. actuary
 - *The father of my daughter's best friend led to:*
 - 1999-now Pfizer

Took a year off to go sailing

Started CPCU

CPCU, ARe

Started AIC

Started M.A. in Biology

San Francisco

Texas (& Japan)

CT



What I Bring to Pfizer/ Actuarial Skills That Travel Well

- Forecasting the whole enterprise
 - That's what pricing is about
 - E.g., overall rate change, then class relativities
 - Actuaries leading ERM
- Nonlinear, non-normal stochastic models
- Ability to absorb a lot of detailed information, put it together in the “big picture”, and apply it to new situations
 - Is this a skill the exams develop, or a talent they select for?
- Disciplined approach to adjusting past data to future conditions
- Pragmatically Quantitative (or is it Quantitatively Pragmatic?)
- Computer skills



Actuaries in Non-Traditional Roles

Questions?