

Informational Interview

According to Allan Keith, an actuary is a professional who does calculations involving financial contingent events. What that means is that economic conditions change, and when something happens with the probability, the financial affect of that will be different. For example, if there's a hurricane, then there are different probabilities. First of all, that there might be a hurricane. Secondly, if it will hit the area that you're interested in, what is the financial consequence of that? So the hurricane is the contingent, and the amount of the claim is the financial portion of that. An actuary is trained in a particular way, and that's what defines what an actuary is. In a typical day, Mr. Keith works on clients affairs because he's a consulting actuary. Many actuaries work for insurance companies; other actuaries might work for health insurance plans. All these people will have different kinds of jobs to perform, all being actuarial tasks, nevertheless still harkening back to the idea that the actuary is analyzing the financial consequences of contingent events.

Allan Keith was born in England, spent seven years there and then moved to Wisconsin. He went to a Milwaukee public high school, which gave him a wide exposure to mathematics, all the way up to graduate level. In college, Mr. Keith went to Wisconsin University majoring in Mathematics with an Actuarial emphasis.

Mr. Keith had always wanted to be in a profession that used his math skills; given that math was his favorite subject in high school. However, upon entering college, He was aware of only two professions which directly used a Math degree: teacher and

academic. He didn't find either of these professions appealing, so he decided to pick Engineering, a field that indirectly used his math skills. His performance in Physics quickly convinced him that he was ill suited to the profession. He enjoyed and had done well in the computer courses that he had taken to that point, so he decided to switch to Computer Science.

At about the time Mr. Keith was wondering whether he would interact more with people or a screen, he received the Northwestern Mutual Life (NML) internship. He realized that the Actuary has the rare opportunity to combine mathematical and technical ability with communication skills, which is what he was looking for in the first place.

Mr. Keith decided to become an actuary the day he started as an intern for NML in the summer of 1986. He got the job through Inroads, a non-profit organization that recruits and develops minorities in the corporate arena. He was placed into the Actuarial programming area where he coded various ad-hoc programs, including the development, testing and implementation of a claims processing function. When Mr. Keith's boss asked him if he knew what an actuary did, he said "no", so his boss gave him a pamphlet published by the Society of Actuaries and told him to read them. Mr. Keith knew as soon as he finished reading that the actuarial profession was for him.

Since the university that Mr. Keith went to has an Actuarial Science program, most of the math classes (probability and statistics, algebra, numerical analysis, etc.) he took there were geared specifically for the exams. These classes were essential to him for passing the exams. Yet, Mr. Keith thinks that analytic literature courses are also very important. Math teaches you to problem solve with numbers; analytic literature courses

teach you to problem solve with words. Mr. Keith found that the good grammar and critical thinking skills these courses teach are very helpful in communicating with others. He also believes that a public speaking course or activity (e.g. forensics or debate) develops the ability to be comfortable in front of others.

In November 1986, Mr. Keith took his first exam and became an Associate of the Society Actuaries (ASA) in 1988. After graduating from college in 1988, Mr. Keith worked for CIGNA in Bloomfield, Connecticut. He spent two years in the life insurance pricing area and another two years in the indemnity health pricing area. He then moved to Keystone Health Plan East in Philadelphia in 1992, where he worked in the Health Maintenance Organizations (HMO) pricing area. Mr. Keith wants to go further into the actuary field, so he decided to finish all the actuarial exams. He finally completed the 10 national examinations (subjects including mathematics of life and health insurance, actuarial science, insurance, accounting, finance, and employee benefits) and became a Fellow of the Society of Actuaries (FSA) in 1994.

In 1994, Mr. Keith owns an actuarial consulting firm in Boston, where he personally consults with four kinds of clients. For insurance companies, he perform the function of an in-house actuary, assist in the conceptualization of health care insurance products, work with claims processing so that they pay claims according to the benefits provided, and research and model to put a price tag on the benefits. For large employers who provide health care benefits for their employees, he evaluates the benefit use, identify areas of misuse or abuse by the employees, and assist the employer in evaluation of and negotiation with its insurance carriers. For hospital chains and groups of

physicians, he assists in determining the right fixed price to charge for packages of services to be marketed to HMOs and other insurance entities. For regulators and legislators, he works on legislative language and evaluation of expected costs and the effect of those costs on behavior. As a consultant, Mr. Keith never know at the beginning of a day what he will have done by the end of the day, but he know that it will be interesting and challenging.

To become an actuary, there are regiments educational requirements that actuaries have to go through. First of all, you need to have mathematical skills. Actuaries do primarily financial analysis and this requires you to be comfortable with handling numbers, formulas, and mathematical concepts of various types. Your analytical skills are primary in becoming an actuary and how you are able to convey the results of what you're findings are is equally important. You have to be able to explain to people why a particular course of action or what the risk of a particular course of action are. Since becoming an actuary requires a particular course of training, when you're finish with your training, you can do anything that you want. You're just armed with certain tools. After you have these tools, you can use them in any ways that you see fit.

Mr. Keith believes that taking college courses geared towards the actuarial exams is extremely important for someone first starting out down the path of an actuarial career. If you are starting your career after graduation, then attend after hour's classes or seminars that are geared towards actuarial exams. Also, try to take practice exams in test like conditions. Lastly, when choosing a job, particularly if you have no or few exams, try and find a job that supports your exam taking efforts with time, materials and classes.

Questions:

- 1.) How would you define what an actuary is?
- 2.) When did you first decide to become an actuary?

- 3.) Who or what influenced your decision?
- 4.) What is your educational background?
- 5.) Where did you attend college and what was your major?
- 6.) What classes did you take in college that helped prepare you for the career?
- 7.) What classes outside of math and statistics you find most helpful?
- 8.) What was your first job in the profession?
- 9.) How did you get your job?
- 10.) Is there demand for people in this occupation?
- 11.) Did you start as an intern or in an actuarial training program?
- 12.) What type of work did you perform in your first actuarial job?
- 13.) What was your career path from your first job to your current position?
- 14.) What's your typical day like in your current position?
- 15.) What sort of career paths are there?
- 16.) When did you take your first exam?
- 17.) Where are you currently in the exam process?
- 18.) As a college student, hoe can I best gain exposure or experience in this field?
- 19.) What qualifications do you need to become an actuary?
- 20.) What advice would you give to a person entering this field?