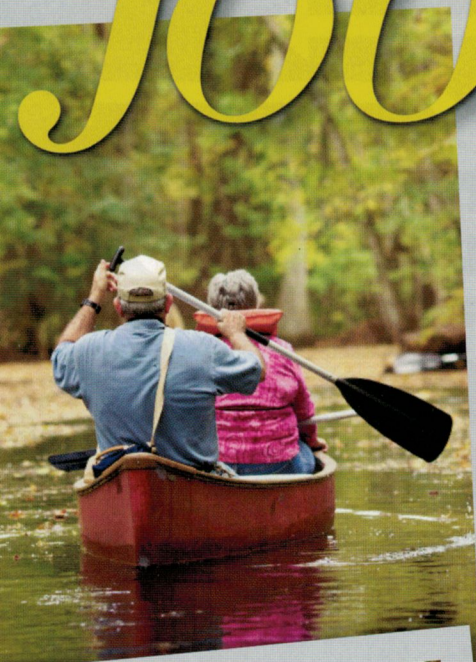
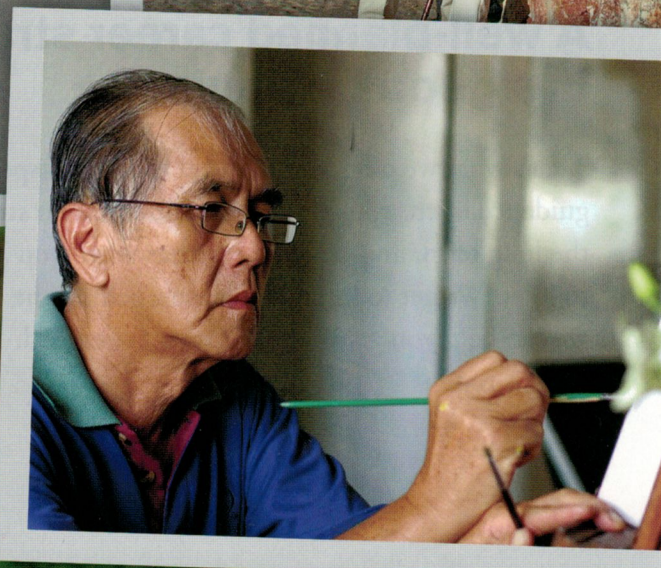
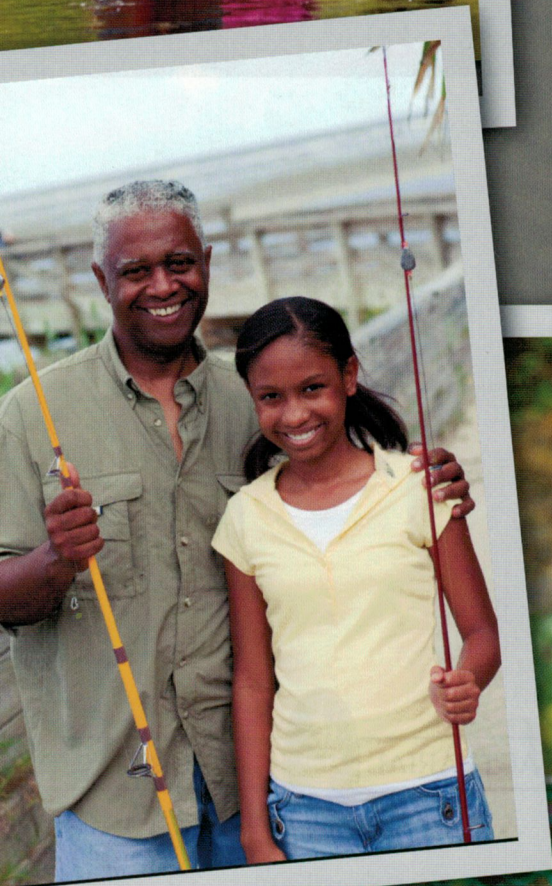


Actuarial *Job Seeker*

Spring 2014



**Actuaries in Retirement:
Snapshots
From the
Future**



CONTENTS

- 
- 2** **Actuaries in Retirement: Snapshots From the Future**
Making the most of your retirement years requires planning and analysis—things at which actuaries excel.
Annmarie Geddes Baribeau
- 
- 14** **A Look at Actuaries in Nontraditional Roles**
Once again, actuary was named the No. 1 best job in America. Some in the profession are leveraging that accolade to move into new and exciting roles.
Claude Penland and Jacob C. Galecki
- 
- 17** **U.S. Actuarial Compensation**
- 20** **Statistical Miscellany: Barriers to Career Progression for Women Executives**

COVER: ISTOCK AND CINDY JOHNS

PRESIDENT
Tom Terry

EXECUTIVE DIRECTOR
Mary Downs

**EDITOR AND ASSISTANT DIRECTOR
FOR PUBLICATIONS**
Linda Mallon

**PUBLICATIONS PRODUCTION
MANAGER**
Cindy Johns

www.contingencies.org

ADVERTISING
Mohanna Sales Representatives

**COMMUNICATIONS REVIEW
COMMITTEE**

John Moore, *Chairperson*
Jenna Fariss
Paul Fleischacker
John Gleba
Ken Hohman
Gareth Kennedy
Barbara Lautzenheiser
Tonya Manning
Bob Meilander
Geoffrey Sandler
Debbie Schwab
Chet Szczepanski



AMERICAN ACADEMY
of ACTUARIES

Contingencies (ISSN 1048-9851) is published bimonthly by the American Academy of Actuaries, 1850 M Street NW, Suite 300, Washington, DC 20036. For subscription information and customer service, contact the *Contingencies* Subscription Department at the address above or (202) 223-8196. Advertising offices: Mohanna Sales Representatives, (972) 596-8777, info@mohanna.com.

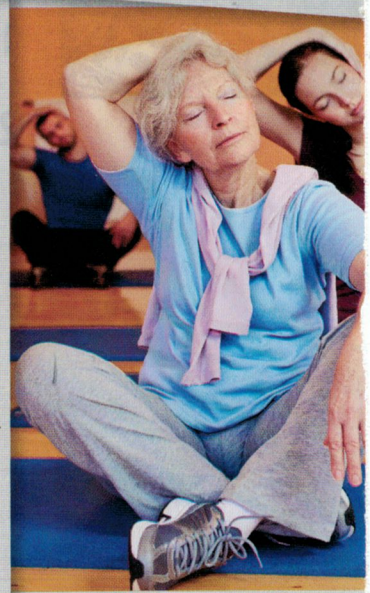
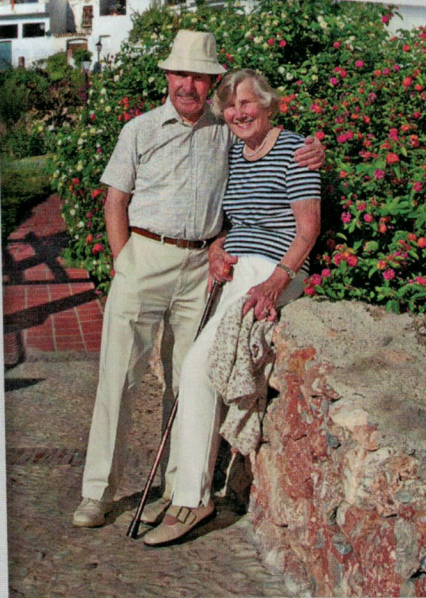
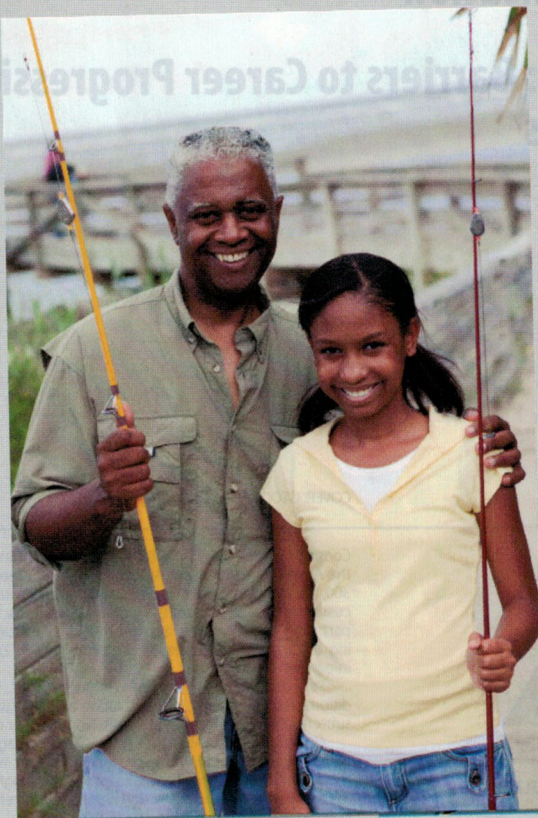
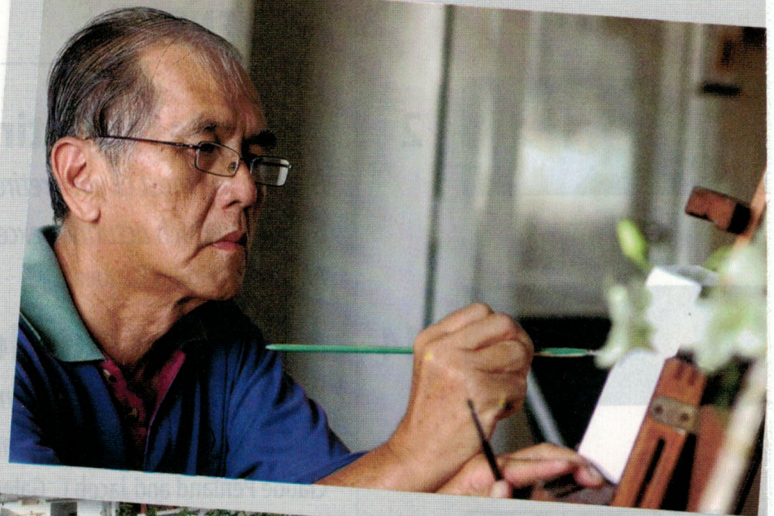
Periodicals postage paid at Washington, D.C., and at additional mailing offices. BPA circulation audited. (Basic annual subscription rate is included in dues. Nonmember rate is \$24.)

Copyright 2014. All rights reserved. This magazine may not be reproduced in whole or in part without written permission of the publisher. Opinions expressed in signed articles are those of the authors and do not necessarily reflect official policy of the American Academy of Actuaries.

Postmaster: Please send change-of-address notices to *Contingencies*, P.O. Box 16976, North Hollywood, CA 91615-6976.

Actuaries in Retirement: Snapshots From the Future

Making the most of your retirement years requires planning and analysis—things at which actuaries excel.



Actuarial Careers, Inc.

There's a scene in the movie "About Schmidt" in which an actuary, played by Jack Nicholson, watches the clock tick down on the last moments of his career. He's sitting in his emptied office, his life's work boxed up behind him, his eye on the clock on his wall. At exactly 5 p.m. he slowly rises from his chair, silently surveys the characterless room, and unceremoniously turns out the lights for the last time.

Retired life has begun.

Some of Schmidt's characteristics are loosely based on those of Burt Jay, a life actuary who, at the time, was preparing to retire from his position as the senior vice president and financial actuary of the Mutual of Omaha Insurance Co. Jay, who was 64 at the time, gave new meaning to the term "actuarial model" by allowing Nicholson's team to follow him, take pictures of his office, and learn where he bought his clothing.

"Before I was told by the team, I had no idea they were planning a movie featuring an actuary," said Jay, who never actually met Nicholson. The movie itself has little to do with actuaries, said Jay, who enjoyed watching the film soon after his own retirement.

The movie also has little to do with the real experiences of actuaries when they retire. Actuarial retirees, at least

Passing through the threshold from full-time actuarial work to retirement requires some serious adjusting. After all, being an actuary is more than a career choice. It's an identity forged by passing rigorous exams, working beyond full-time hours, and keeping up with continuing education.

the ones interviewed for this article, are doing what they want to do, and on their own terms. From marketing unique guitars to competing in triathlons, blogging, and volunteering for actuarial and charitable organizations, each is pursuing his or her own dream.

Passing through the threshold from full-time actuarial work to retirement requires some serious adjusting. After all, being an actuary is more than a career choice. It's an identity forged by passing rigorous exams, working beyond full-time hours, and keeping up with continuing education.

Former Academy President Richard S. Robertson, who retired from his post as manager of international reinsurance at Lincoln National Life Insurance Co. in 2001, said that most retired actuaries he knows are happy. "It is a matter of knowing what you feel like doing and doing it," said Robertson, who retired at age 59 in 2001.

Knowing what to do and actually doing it, however, often require preparation. And for some actuaries, it can take time to find a satisfying retirement life. Robert Rietz, chairperson of the Actuarial Board for Counseling and Discipline (ABCD) who retired as director and chief pension actuary for Deloitte Consulting LLP sev-

eral years ago, recalled an actuary who was scared to death of retirement. The actuary, who had a really important job and didn't know what to do after retirement, eventually found new fulfillment by volunteering for environmental organizations.

"Do not fear retirement," Rietz said. "You get the chance to rediscover your interests."

Ready or Not

Amid the demands of working and family life, retirement seems so far away in life's journey. Sooner or later, however, the office clock strikes 5 p.m. and you leave for the final time.

Actuaries generally are financially prepared to retire, so other factors can play a greater role. These variables include age, readiness, having a dream to pursue, the last job, and family circumstances.

"Every situation is different," said former Academy President Steve Lehmann, who is transitioning into retirement from being a principal and consulting actuary at Pinnacle Actuarial Resources. "Some people may never want to quit work. Others are looking forward to retirement, and some work at a company that has a mandatory retirement age," he said.

Some actuaries retire sooner than



ISTOCK AND CINDY JOHNS

they desire because their company sponsors a defined benefit plan with significant early retirement subsidies. Such was the case for Ken Steiner, a former resource actuary at Towers Watson, who retired at age 60 after 30 years with the firm.

“I’m certainly not complaining,” Steiner said, “but the availability of unreduced benefits at age 60 was a strong message.”

Steiner found meaning in his work from helping others. “Working gives one a sense of purpose. I was the resource actuary for Towers Watson, and I got a lot of value from helping solve client problems,” the pension actuary said.

He’s now using his skills to educate individuals to plan for retirement much as actuaries reserve for pensions. He noticed about 10 years ago that people were getting lump sums of money instead of pensions. As a result, they needed guidance on spending their accumulated savings without running out of money.

Steiner started a blog that offers an actuarial approach for determining how much money a retiree self-managing some or all of his or her accumulated wealth can spend on an annual basis. His blog, howmuchcaniaffordtospendinretirement.webs.com, features tools for spending down assets in retirement that he uses himself.

Steiner’s work has been featured by media outlets such as CNBC. His blog is a fascinating read because he not only offers solutions but also challenges opinions others give about retirement income. “I think the actuarial process is ideal for the development of a spending plan in retirement,” Steiner explained.

Steiner offers his blog to help people. It’s also, he said, a “nice release for me.”

Harking back to his own experience, Steiner added that many firms are changing retirement age and designing benefits to encourage people to stay so that retirement is “less of a cliff.”

Actuaries who can choose when

Preparing for retirement, ideally, means asking the same questions a person would ask before pursuing a career. This means pondering existential issues such as Why am I here? What’s important to me? Where does my family fit in? And where do my other interests fit in?

to retire need to determine when they are ready. Rietz knew when it was time. “I didn’t have any more milestones I wanted to accomplish at work,” he said.

Robertson said he could feel that he was ready for retirement. “It becomes more difficult to make the next trip, or you just don’t have the resources to give something the attention it deserves,” he said.

His family situation was also a factor. His father, Stuart A. Robertson, who partnered with Wendell Milliman to start Milliman and Robertson (now Milliman), passed away. Robertson

retired and moved to help his mother. After she died, he moved closer to his children and grandchildren.

Like Steiner, Robertson is a blogger. His blog, *Journal of a Retired Actuary* (robertson42.blogspot.com), covers matters both political and personal.

“I enjoy writing, and this is something I think I have a little skill at,” said Robertson, explaining that he still cares a lot about public policy.

Pursuing Dreams

Tom Schryer had a dream he wanted to chase after being senior actuary for Findley Davies, an employee benefits firm in Cleveland. In retirement, he’s busy marketing a unique guitar he invented.

“I really poured myself into being an actuary, but you have things you can’t repress about yourself,” Schryer said.

The guitar, called the ChordBender (www.chordbender.com), features a whammy bar that mimics the slide guitar to transpose chords. “The most complicated mathematical work I ever did was on this guitar,” Schryer said. “I wrote the valuation for the company, and that was tough, but solving the equations for this was tougher. The curvature of the cams was designed by computer and took me 100 hours to program it, and the computer ran for 45 minutes.”

It takes time to adjust from being a full-time actuary to being a retired one, Schryer said. But gradually, you begin to embrace other activities. “You will find new ways to use your actuarial mind,” he added.

Schryer said truly retiring from actuarial work “is almost like you have to throw your profession off of yourself like a coat.” And that’s difficult, he



said, because “to be an actuary is to be an energetic soul, and you have been pouring yourself into your career.”

Cande Olsen retired at age 57 from the New York Life Insurance Co. to compete in triathlons and pursue more activities than she could working full time as an actuary.

There’s a “tendency for analytical people to get involved in these types of sports [triathlons],” said the former senior vice president of regulatory modernization, “because the training and racing involve strategizing things like average pace and when to slow down.” Olsen said that she works out twice a day—in the mornings and evenings.

Her long list of marathon races includes last spring’s Boston Marathon, where terrorists exploded bombs near the finish line. She was within five minutes of the point of detonation when police diverted her and other runners away.

To prepare for retirement, Olson said, people need to consider what they want to do, keep themselves active, and be contributing members of society. “In my opinion, that helps you feel best about yourself,” she said.

Before John Kollar retired, he made

sure to develop a bucket list of post-career activities. The former senior vice president of personal lines for Insurance Services Office, now part of Verisk Analytics, saw a friend go “stir crazy” during the first few weeks of retirement. He wanted to make sure that didn’t happen to him.

“It is critical to make sure there are enough things to do,” said Kollar, who liked his job so much he chose to retire after age 65. “If you don’t know what to do, you are probably not ready to retire.”

To develop his bucket list, Kollar started rethinking what was important to him. Preparing for retirement, ideally, means asking the same questions a person would ask before pursuing a career, he said. This means pondering existential issues such as Why am I here? What’s important to me? Where does my family fit in? And where do my other interests fit in?

“You have to figure out what is important to you to develop and pursue your own philosophy and beliefs,” Kollar said.

The answer for him was spending more time with his family, volunteering more at his church, and writing.

His bucket list also includes learning Spanish. “That is more challenging than it sounds,” Kollar said. “As a math major, I always say that English is my second language and numbers are my first.”

Taking It Slower

Kollar turned down post-retirement work because his former position was more strategy-based than hands-on actuarial work. Many actuaries, however, retire from full-time work but continue working part time as a transition to full retirement.

Lehmann is in the process of transitioning. “I was not sure how much part-time work I wanted, but I knew I wanted to cut back some,” he said. During his first year of transitioning, Lehmann reduced his workload from 100 percent to 90 percent. Now in his second year, he’s working about half time.

Since he’s in transition, Lehmann chooses the projects he wants to take on. “I have a number of clients I have had a long time, and I enjoy working with them,” Lehmann said.

For a couple of years after leaving Mutual of Omaha, Jay worked as a

contractor representing the insurer at meetings of the National Association of Insurance Commissioners. Now 76, Jay still works part time as an expert witness.

Olsen also continues her career on a part-time basis. As vice president of the New Jersey office of Actuarial Resources of Georgia, her more flexible workload gives her a more balanced life, she said.

"I don't see a reason to stop being involved," Olson said. In fact, she has no plans to fully retire. "I can't imagine anyone ever wanting to retire in the sense of living a life of leisure," she said.

Steiner has a "very part-time consulting contract" with the Academy to help the Actuarial Standards Board pension committee draft standards of practice. Robertson also did some consulting work, including being adviser to a large Asian life insurance company, soon after he retired from full-time work.

Anne Kelly, former chief actuary for the New York Insurance Department, worked there for nearly 40 years before starting her part-time transition to full retirement. After nine months, she was ready to leave.

She said she had thought about retirement for years. "I tried to visualize what it would be like," Kelly said. "Everyone says the first year you do a lot of things, and then you decide what you want to devote your time on."

Giving Back

Whether or not they continue working part time, the actuaries interviewed for this article have not stopped volunteering for actuarial and other organizations.

"Retirement is fun," Steiner said.

"You start thinking about what are you going to do 20 years from now and how is your life going to be then and how can you make it good, not a burden on your kids but rewarding as you approach the end-of-life years."

"But I think a lot of people need to do something in this life that affects people in a positive way."

Olsen, who has volunteered extensively and remains active on 12 Academy committees, said she's "very committed" to the actuarial profession because it has a lot of integrity. "Everything we can do to show that and preserve that is really important," she said.

Rietz also gives back to the actuarial profession. "The profession has been extremely good to me, and I cannot say enough about it," Rietz said. Participating as a volunteer also helps him maintain relationships, he said.

Referring to his chairmanship of the ABCD, Rietz said, "You sit in judgment on other people. I don't like that. It isn't an enjoyable activity or satisfying." But, he added, "this is a very necessary and critical function, and somebody has to do it."

Jay said he enjoys volunteering for the Academy. "It keeps my mind active, and I enjoy the relationship with all the people I have worked with, some of whom I have worked with 30 or 40 years."

While Lehmann continues to volunteer for actuarial organizations,

including the International Actuarial Association, he, like others, volunteers for other worthy causes as well. In addition to serving on the board for his local Habitat for Humanity's fundraising store, Lehmann is a board member for Westminster Village, a continuing care retirement facility. There he offers his actuarial skills to help the organization remain financially healthy.

Working with senior citizens has helped him think about how he wants to spend his retirement years. "You start thinking about what are you going to do 20 years from now and how is your life going to be then and how can you make it good, not a burden on your kids but rewarding as you approach the end-of-life years," Lehmann said.

This isn't easy to think about, he said. People would rather think they'll be strong forever. But it just isn't so, and realizing that can be a perspective changer. "I enjoy golf and would like to play more of it, but there is more to life than that," Lehmann said. "I have found I don't want to spend five days a week playing golf."

Jay is correct in his assessment that "About Schmidt" isn't really about actuaries. The movie doesn't reflect the retirement experiences of all, or even most, actuaries. It certainly doesn't reflect the experience of the actuaries interviewed for this article. If their example is an indicator for future retiring actuaries, there's much to look forward to.

ANNMARIE GEDDES BARIBEAU has been writing about insurance and actuarial topics for more than 20 years.