

RISKY BUSINESS

—News and notes on the Actuarial Studies Program—

Department of Mathematics

Spring 1997

The University of Texas at Austin

From the Director



This year resulted in a rededication for me personally. Although I was honored to be invited for consideration as the director of the only actuarial program for which I'd even think about leaving UT-Austin, that program saved me from having to make a possibly difficult decision by hiring a distinguished actuary from the business community.

I'm again committed to staying at the helm of the UT-Austin program until I retire—hopefully not for at least a dozen more years—and pleased to feel rededicated to helping keep this program strong.

Just considering the possibility of a move caused me to explore and think carefully about actuarial programs in general and UT-Austin's in particular. I learned a lot.

Although an eastern insurance company recently wrote me that our program is "the best kept secret in actuarial education", our generally one-teacher program has produced almost 500 graduates since 1958—only about 15% fewer than the famed and larger-staffed Georgia State program, for example. If we're in fact a "secret", I suspect it's because so many of our students prefer jobs in Texas over those offered elsewhere.

With Texas having three of the nation's 10 largest cities and several hundred actuaries, it's clear that the only actuarial program within 400 miles of Austin can continue to place its graduates—so long as

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Reunion to mark 50th year

Dust off those memories, start your diets, and mark your calendars! A group of UT actuarial alums is organizing a November 1997 reunion in Austin. Preliminary plans call for a reception on Friday evening, 21 November, at the conclusion of the fall meeting of the Actuaries Club of the Southwest, and possibly a Saturday activity as well.

The 1997–98 academic year marks the actuarial program's Golden Anniversary, or maybe its Ruby Anniversary (40), or its Krypton(?) Anniversary (85), or whatever, depending on what you count—see the accompanying story *A brief history of time* for the relevance of 1948, 1958, and 1913. That makes it an especially good year to continue the reunion tradition started about a decade ago when Tim Lee, Cathy Griggs, and Barbara Eversberg organized a summer reunion attended by about 50 alums.

The Organizing Committee, representing a range of practice areas and student eras, currently consists of Brian Avant (Buck Consultants, Dallas), Linda Ezell (USLIFE Insurance, Dallas), Carl Khor (J. C. Penney Insurance, Plano), Tim Lee (Milliman & Robertson, Houston), Valerie Lopez (Towers Perrin, Cincinnati), Toby Tobleman (Rudd & Wisdom, Austin), and Susan Van Horn (USAA Insurance, San Antonio). The Committee will decide on reunion activities, make local arrangements, identify fitting souvenirs, and determine attendance charges. The rumor is false that they get all beverages that are left over.

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Placement Grandma sails into retirement

Lorelle Jacobs, known for the last seven and one-half years to the actuarial community as the "Placement Grandma" who helped actuarial students, interviewers, and employers with job placement, retired in late January 1997.

With 22 years at The University and 20 in the Mathematics Department, Lorelle will be greatly missed. Former actuarial students, interviewers, and companies generously contributed to a retirement present presented at her retirement party. More important to Lorelle were the many cards and wishes sent her by former actuarial students, interviewers, and companies. We also presented her with a plaque, bearing The University seal, and declaring her to be *The Placement Grandma*.

She and her husband Dick, who also retired from The University, will continue to reside in Austin when they are not taking one of the exotic cruises they love.

Sail on, Lorelle!



Scholarship endowed for Gene Wisdom

Beverly Wisdom, widow of former actuarial program director Gene Wisdom, has initiated an endowment whose income will fund the Eugene Wisdom Memorial Scholarship in Actuarial Studies. An annual award of at least \$2,000 per year is intended, once the endowment is sufficient.

In addition to her initial gift to the endowment, for which The University provided 50% matching, Mrs. Wisdom contributed \$2,000 so that the scholarship could be awarded for the 1996–1997 academic year; Ying Dong, Liz Klodginski, and Thuy Nguyen each received partial awards.

Both full-time and part-time, undergraduate and graduate, actuarial students are eligible for the new scholarships, whether or not they are seeking a formal degree.

Contributions to the endowment are welcome; checks should be made out to The University of Texas and mailed to Jim Daniel with a request that they be deposited to the Wisdom endowment.

How to reach us:

Jim Daniel can be reached at
512/471-7168: UT office
512/471-9038: UT FAX
512/343-8788: home office
512/343-8788: home FAX
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Congratulations, new Associate!

Starting with the 1994 issue, *Risky Business* has attempted to identify all new Associates that have come through the UT program since its move to Mathematics. No attempt is made to recognize other important status changes, however: Fellowship, membership in the Academy, marriage, parenthood, Lotto winnings, and the like. This is just a one-person program, remember!

To the best of our knowledge, only one person—thanks to the revised ASA standards—that was a UT actuarial student since fall 1989 has become an Associate since last year's *Risky Business* (omissions are regretted, and corrections will be appreciated):

E. Susan Tankersley, ACAS, USAA Insurance (San Antonio)

Congratulations Susie!

Jordan awards created from annual gift funds

In recognition of his crucial assistance to the actuarial program for nearly 40 years, the scholarships awarded from discretionary gift funds have been named in honor of George R. Jordan, Jr., A.S.A., of Houston.

Among other activities in support of the actuarial program, Jordan was instrumental in bringing Byron Cosby to UT-Austin in 1958 to develop the actuarial program in the Finance Department, in raising the monies during 1981–1983 for the first endowment for the actuarial program, in arranging the transfer of the actuarial program from Finance back to Mathematics in 1989, and in raising the monies during 1994–1996 that nearly quadrupled the actuarial endowment. In his many years in the insurance industry in Texas, Jordan served in such senior positions as Executive Vice President of Southland Life, President and Chairman of the Board of Great Southern Life, and Chairman of the Board of Columbia Universal Life.

The merit-based Jordan Scholarships will be awarded each year in various numbers and various amounts from annual gift funds not needed for operational expenses.

History of time continues ...

dents to attend The University.

Within five years the activity in the program diminished, possibly in part because of the severe internal department conflicts that resulted when the old Pure Mathematics Department and Applied Mathematics Department were merged in 1953 as the Mathematics Department. A total of about 10 students completed the program during the Lane years—an average of about one per year.

In 1958 the actuarial program moved to the Finance Department in the College of Business Administration, where Dr. Byron Cosby, F.S.A., had been recruited to revitalize the program under a formal Actuarial Science degree created that same year. Thanks to the efforts of George Jordan, Jr., and Dan Williams, the Texas actuarial community began supporting the program financially at this time. During this period, Crosby increased the output of students to about four per year on average.

1962 saw Dr. David Beverage succeed Cosby as director of the program, within Finance. The program continued to expand, producing about seven students per year on average.

Eugene Wisdom, F.S.A., took time away from his consulting practice with Rudd & Wisdom in 1968 to join the Finance Department and launch his 11.5-year tenure directing the program. The program thrived during these years, averaging an output of about 13 students each year—and nearly 19 per year in the late 1970's.

Upon Wisdom's relinquishing the director's position in the fall of 1980, Dr. Sam Cox, F.S.A., succeeded him in January of 1981. Wisdom remained involved with the program by aiding George Jordan, Jr., in raising funds to establish a permanent endowment—named in memory of the distinguished Texas actuary Paul V. Montgomery—to support the program and its director. About 12 students per year completed the program during this period.

When Cox left The University in 1986, Dr. Patrick Brockett moved into the directorship. The average output of students per year during the Brockett eras was about 9. Despite Brockett's and the actuarial community's efforts to the contrary, in 1988 the Finance Department and the College of Business Administration decided to eliminate the actuarial program. Eugene Wisdom and Ronald Tobleman approached the Mathematics Department about assuming responsibility for the actuarial program, and the Department agreed to do so.

In 1989 Dr. James Daniel, a long-time member of and former Chair of the Mathematics Department, was named Director of Actuarial Studies and holder of the Paul V. Montgomery Professorship, and the program migrated to Mathematics—where it had started many years earlier and where it remains today. Daniel took actuarial exams beside many of his early students, becoming an A.S.A. in 1991. Since 1989 the program has produced about 23 students per year; by the end of 1997 the total output of the program since 1913 should climb to nearly 600.



Recent alums hold mock interviews

The UT Actuarial Alumni Association (UTAAA) again organized mock interviews to prepare students for those all-important job interviews; about 16 students were able to benefit from mock interviews with one of the nine recent alums volunteering their time. Pictured are interviewers Anmol Mehra, Lillian Cho, Susan Van Horn, Theresa Lee, Sam Prasad, Valerie Lopez, and Michael Fang. The UTAAA organized a Career Info Panel last fall to teach current students about the different lines of business in the actuarial world.

The UTAAA continues to recruit members and update its member directory. Members should have taken coursework since 1989 when the actuarial program moved to the Mathematics Department under the direction of Jim Daniel.

Departing students can obtain a membership form from him, while recent alums should contact UTAAA founder Valerie Lopez at (513)345-4200 to get on the mailing list. Since Valerie has moved within Towers Perrin to Cincinnati, questions regarding the Fall and Spring activities should be directed to Lillian Cho at Watson Wyatt Worldwide in Dallas.

Amanda Priesmeyer Garwood

Math major graduating in December.
Passed exams 100, 110, 120, 140.
Interests are ice-skating, baseball cards, and gymnastics.

Michael Musselman Houston

Sophomore math major. Passed exam 100. Interests are playing sports, watching baseball, history, politics, and mystery novels.

Assistant Battle departs, Barton arrives

Martin Battle, the Assistant Instructor teaching the problem labs for the actuarial program since September 1994, completed his coursework in Math's master's program in statistics in May 1996 and accepted an entry-level actuarial position with Ernst & Young in Dallas. Jeff Barton has succeeded Martin in teaching the labs.

Like Martin, Jeff had an exceptionally strong teaching record in the Mathematics Department prior to agreeing to assist with the actuarial program. Unlike Martin, Jeff at present has no plans to become an actuary; he is seeking a Ph. D. working with Jeff Vaaler in analytic number theory.

Having learned the material on his own, Jeff is this semester teaching a drill-and-practice lab for the interest-theory Exam 140 as well as one for the calculus and linear algebra Exam 100; in the fall he taught one for the probability and statistics Exam 110 as well as for Exam 100. Unless he has a change of heart about pursuing an actuarial career, we'll not be offering an exam-prep lab on the life contingencies Exam 150 for a while.

Best wishes, Martin!

Thanks for pitching in, Jeff!

Tin Hang Yiu Hong Kong

Junior math & econ major. Passed exam 100. Interests are soccer, ping-pong, and his Web home page.

Chris Groendyke Houston

CS major graduating in December. Passed exams 100, 110, 140. Interests are table tennis and music.

Thuy Nguyen Fort Worth

Junior math major. Passed exam 100. Interests are architecture, basketball, and swimming.

Expenses of *Risky Business* are paid with gift funds from friends of the program.

Stephanie Beach Milwaukee, WI

Postgraduate in German departing in May. Passed exam 100; took 110 in February. Interests are scuba, parrots, and bicycling.

Actuarial Studies Advisory Council

The ASAC meets each fall to provide advice on the operation of the program, hear a detailed report on the use of gift monies, brainstorm on future activities, and assist with fund-raising plans.

The fall 1996 meeting was dominated by preliminary discussion of the major changes coming in the SoA and CAS exam systems and how UT-Austin can adapt to them. This will remain a topic of discussion for some time.

Since the preceding meeting, Rich Gibson of TIG Insurance and Bruce Romig of State Farm Insurance rotated off the ASAC before the fall 1996 meeting; Diane Rohn of Tillinghast/Towers Perrin and Bob Greiving of Southwestern Life recently rotated off as well. Their contributions have been great, and greatly appreciated.

Present ASAC members are: Malcolm Brachman of Northwest Oil, Dallas; Frank Broll of American National Insurance, Galveston (ASAC Chair); Phil Dial of Rudd & Wisdom, Austin; Brian Forman of Columbia Universal Life, Austin; Tom Hope of William Mercer Co., Houston; Valerie Lopez of Towers Perrin, Cincinnati; Francois Morissette of TIG Insurance, Irving; Norman Parrish of Hewitt Associates, The Woodlands; Roger Ray of Watson Wyatt Worldwide, Dallas; Tammy Shelton of Buck Consultants, Dallas; Glenn Tobleman of Lewis & Ellis, Richardson; Mark Trieb of Milliman & Robertson, Dallas; and Debra Werland of USAA Insurance, San Antonio. One additional member is to be appointed by the Southwest Actuarial Forum and one by the Actuaries Club of the Southwest.



Focus on students

Financial aid honor roll

Outstanding students receiving merit-based financial aid from the actuarial program during the 1996–97 academic year included:

AEGON-USA Actuarial Mathematics Scholarships: David Kent (Fall), Amanda Priesmeyer (Fall), Thuy Nguyen (Spring), and Melissa Whitesell (Spring).

William W. Hand Memorial Actuarial Scholarship (American Society of Pension Actuaries): Xiaoying Ni (Fall), and Amanda Priesmeyer (Spring).

George R. Jordan, Jr., Actuarial Scholarships: Sharmin Ali (Spring), Pallavi Chitturi, Rhonda Farris (Fall), Shariq Minhas, Thuy Nguyen (Spring), Peter Scaff (Spring), and Tin Yiu (Spring).

Milliman & Robertson Standard of Excellence Actuarial Scholarship: George Sanger.

C. Mitchell Co. Actuarial Scholarship: Jami Lee Purple (Fall), and Shariq Minhas (Spring).

Rudd and Wisdom Actuarial Studies Scholarship: Joe Lopez.

Southwest Actuarial Forum Scholarship: David Kent (Fall), and Amanda Priesmeyer (Fall).

USAA Actuarial Scholarship: Chris

Jeff Sparling Houston

Graduating senior math major. Passed exams 100, 135, 140. Interests are soccer, running, and leading the actuarial student club. Hired by Towers Perrin (Philadelphia).

Director continues ...

those graduates have the right skills and credentials. The revolutionized SoA and CAS exam systems scheduled for 2000 certainly challenge us to increase the program's business orientation without reducing its strong mathematical base. I embrace the goal of making actuaries *the* professionals in the modeling and management of risk, and UT-Austin graduates near the front of that new wave.

Jim Daniel, Director

Groendyke.

Watson Wyatt Actuarial Scholarship: Jeff Sparling.

Eugene Wisdom Memorial Scholarship in Actuarial Studies: Ying Dong (half award), Liz Klodginski (half award, Spring), and Thuy Nguyen (half award, Fall).

Actuarial Studies Excellence Awards (Fireman's Fund and USF&G merit-based loan program to assist the Texas Department of Insurance): Sharmin Ali (Spring), Ying Dong, Rhonda Farris (Fall), Vadim Katz (Fall), Shariq Minhas, Thuy Nguyen, Peter Scaff (Spring), and Jeff Sparling.

Texas Department of Insurance Summer Internship (Fireman's Fund and USF&G program to assist the Texas Department of Insurance): Alok Dhital, Chris Groendyke, and David Kent.

Texas Department of Insurance Long-semester Internship (Fireman's Fund and USF&G program to assist the Texas Department of Insurance): Fall—George Sanger, and Jeff Sparling; Spring—Ying Dong, Thuy Nguyen, and Amanda Priesmeyer.

Linda Boydston New Braunfels

Sophomore math major. Taking exam 140 in May. Likes horseback riding.

Reunion continues ...

Information on the reunion will be sent to all former students (and teachers!) in the program. Send your ideas, suggestions, and offers of help to anyone on the Organizing Committee.

There is no UT football game November 22, so there should be room in the hotels and on your travel schedules. Pencil in *UT Reunion* for 21–22 November 1997.

George Sanger Seabrook

Graduating senior math major. Passed exams 100, 110, 135, 140. Interests are piano, cacti, and computer art. Hired by Hewitt Associates (The Woodlands).



Jim & Ann Daniel join Xiaoying Ni (Towers Perrin, Houston) at The City Grill to celebrate her having passed the SoA 150 Exam immediately upon completing the two semesters of classwork.

Club activities

In only my second year as a member of the actuary club, I was once again impressed by the dedication shown to us by so many people. Although last year's graduating class took many members with it, I was pleased at the number of students that attended meetings and became involved in the club.

Once again, the success of the club would not be possible without the dedication of many people. I would like to thank all the speakers who came to club meetings and spoke with us about their companies and various aspects of actuarial science. The companies represented this year included Coopers and Lybrand, Hewitt, Towers Perrin, Watson Wyatt Worldwide, Mercer, Deloitte & Touche, Rudd & Wisdom, and National Western. I would also like to thank Chris Groendyke, our representative in the Natural Science Council; Mary Regan, our treasurer; George Sanger, who worked on the club's web page (take a look at <http://www.utexas.edu/depts/acs/stuannounce/club/club.html>); and Dr. Daniel for his continued support. Everyone involved in the club learned a lot about the opportunities in actuarial science and gained many lasting relationships.

Jeff Sparling, President

Stella So Sugarland

Business Honors Freshman. Took exam 100 in February. Interests are tennis, basketball, ping-pong, and surfing the Internet.