



PREPARING FOR TOMORROW'S POSSIBILITIES® THROUGH EDUCATION

Chairman's Message



David G. Hartman

Dear Friends of the Foundation,

It seems like only yesterday when my term as Chair of the Foundation began. Reflecting on these past two years, we can be

proud to see the impacts and great works we have done in such a short period of time. Together, we truly made a difference with the public and profession.

In this, my final message as Chair, we have a shining demonstration of the personal impacts of our financial contributions and a challenge to you for the weeks and months ahead.

This newsletter regularly reports on the number of people reached through the program activities our donations support. Seeing those numbers is always exciting, but what tends to get lost in them are the personal impacts made by our donations. In this newsletter, we put some faces on those impacts by celebrating students who won Foundation scholarships this year.

Each of these students was personally touched by the profession's generosity. Many may not have even been able to afford tuition this year had it not been for their scholarship. As you will see, they are all tremendously grateful for their awards and driven to pursue their career paths.

As you read their statements, remember their names and faces, because you just may see

them soon in your office or at an actuarial event. I say this because more than half of our 1996-2008 scholarship recipients have gone on to achieve a designation, which is proof of the long-term impacts of this program. We have plans to build on these successes—and *make more personal impacts with college students*—and will rely on your continued financial support to ensure this happens.

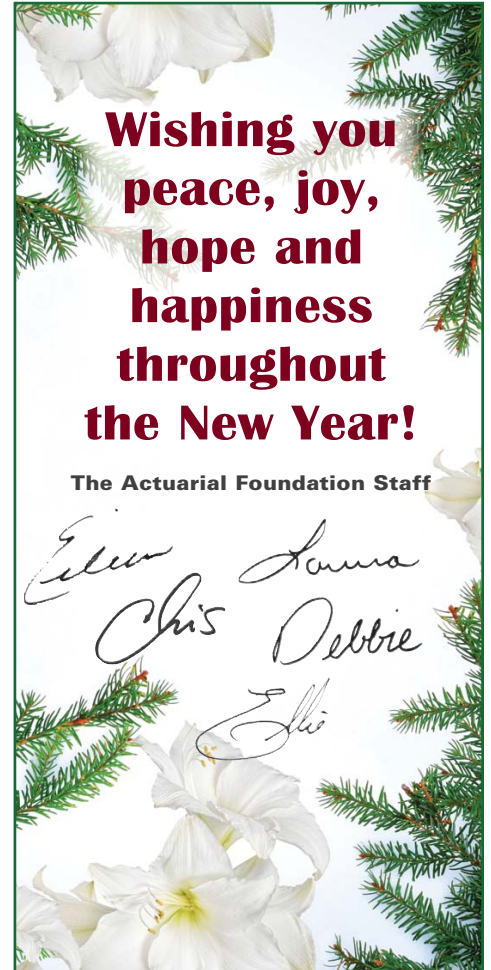
In closing, I would be remiss to not use my final Chairman's Message to spotlight the importance of volunteerism. In addition to being a donor, I volunteer my time to the Foundation—even *in my own community*. I do so because I am proud to give back in this manner and find the experiences to be personally rewarding.

I challenge you to join me and many other actuaries who volunteer through the Foundation. Visit the Foundation website to learn about available opportunities, find one that interests you and offer to volunteer. It's a unique opportunity for you to showcase the talents and generosity of our profession.

On a personal note, I wish to thank the trustees, committee members, volunteers, staff, donors and corporate sponsors for their support and dedication these past two years. You made my chairmanship a truly memorable, meaningful and educational experience.

Sincerely,

David G. Hartman, FCAS, MAAA, FCIA, HonFIA



SPOTLIGHT ON

A Record Year for Scholarships

"You saved the day!"

Turn to page 3

Education is the Key... And Together We are

YOUTH EDUCATION

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

Actuaries Get "Multicultural" With Math Club Students

Thanks to an **Advancing Student Achievement** grant, more than 40 fifth grade students at two River Vale Schools in New Jersey participate in a unique Multicultural Math Club. In the after-school program, these students learn how to think strategically and hone their problem-solving skills by playing games from across the world.

As a benefit to the grant, volunteer actuaries also visit the students weekly to participate in club activities and share their own love for math. According to Meryl Wolf,



Brian O'Hara and Woodside students.

supplemental and gifted education teacher of River Vale Schools, the actuaries help students change the way they feel about math in a positive way.

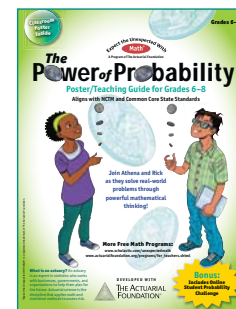
"Their presence allows students to ask questions, share what they are learning and hear how math is used in the real world," said Wolf.

Thanks to lead mentor Kenneth Quintilian of Medical Liability Mutual Insurance Company and Brian O'Hara of Towers Watson for volunteering their time to mentor these students.

The Power of Probability Hits Middle Schools, Challenges Students Online

In October, the Foundation released the sixth installment in the *Expect the Unexpected With Math*[®] series through education publisher Scholastic, Inc. The classroom materials were delivered to 293,000 middle school teachers nationwide, reaching more than 4 million students.

The Power of Probability follows a storyline of a student-run business, with real-world scenarios such as business expansion, investing profits and—in the spirit of the Foundation—creating a philanthropic donation program. As an exciting bonus to this release, students and teachers can participate in online, interactive probability challenges based on the materials. See why this is such a popular program with teachers. View the new materials at www.actuarialfoundation.org/programs/youth_education.shtml.



Be the Star in a Math Classroom!

The Foundation is building a virtual video library of fun, engaging math brain teasers for teachers and we want you to be the star! Learn more about this fun volunteer activity at www.actuarialfoundation.org/programs/youth/math-videos.shtml.

RESEARCH, AWARDS & PRIZES

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

2011 Kent and Halmstad Winners Named

Awards and prizes supported by the Foundation celebrate the profession's finest, such as these most recent winners.



Richard S. Foster,
2011 Wynn
Kent Public
Communications
Award Winner

Richard S. Foster, FSA, MAAA received the 2011 Wynn Kent Public Communications Award for his demonstration of the vital contribution actuaries can provide in shaping public policy. The David Garrick Halmstad Prize was awarded to the authors of two papers published in 2008: *On Systematic Mortality Risk and Risk-minimization with Survivor Swaps* by Mikkel Dahl, Martin Teilmann Melchior and Thomas Møller; and *Hierarchical Insurance Claims Modeling* by Edward W. Frees and Emiliano A. Valdez.

Foundation Announces 2011 Individual Grants Competition Recipients

The Foundation, Actuarial Foundation of Canada, CAS and SOA jointly sponsor the Individual Grants Competition to support the advancement of knowledge in actuarial science. The Foundation congratulates this year's recipients:

Jean-Pierre Chateau and Daniel Dufresne – *Gram-Charlier Distributions*

Pankaj Choudhary, Sam Efromovich, Natalia Humphreys and Jerome Tuttle – *Nonparametric Regression in the Presence of Missing Data: Theory, Methods and Application to the Analysis of a Credit Scoring as a Fair Rating Variable*

Brian Hartman – *Model Selection and Averaging in Regime-Switching Models*

John B. Henry, III and Edward J. Yorty – *A Flexible Predictive Model for Pure Premium Estimation*

Rob Lieberthal – *Validating the PRIDIT Method for Determining Hospital Quality with Outcomes Data*

Sheldon Lin and Panpan Wu – *A Move-Based Hedging Strategy for Put Options with Application to Variable Annuities*

Liang Peng and Jingping Yang – *Interval Estimation for Elliptical Copulas in Risk Management*

Peng Shi and Wei Zhang – *Two-Sided Moral Hazard and Optimal Payment Mechanism in Health Care*

Qihe Tang and Zhongyi Yuan – *Dynamic Risk Management for Insurance in the Presence of Correlated Extreme Risks*

Go to www.actuarialfoundation.org/programs/actuarial_education.shtml to read published research and see all award and prize winners.

Making an Impact

SCHOLARSHIPS

Celebrating a Record Year for Scholarships

The Foundation invests in the future of the profession by supporting and fostering the best and brightest students through four scholarships. This was a banner year for the program, with \$112,000 in scholarships going to 48 college students—the most in any single year!

The Foundation awarded 31 Actuarial Diversity Scholarships, 14 John Culver Woody Scholarships, two Caribbean Actuarial Scholarships and one *Actuary of Tomorrow*—Stuart A. Robertson Memorial Scholarship.

Thank you to every corporate sponsor, individual contributor and scholarship mentor who truly left lasting impressions on these college students! Meet all of this year's scholarship recipients at www.actuarialfoundation.org/programs/actuarial/scholarships.shtml.

"I would not have been able to stay in school this year had it not been for the Foundation scholarship. You saved the day. I hope to be able to give back to the Foundation in the not too distant future and help students as you helped me."

— Timilehin Abiade,
Lee University



Scholarship mentor **Craig Baldwin** with Actuarial Diversity Scholarship recipients **Kodzo Dekpe (l)** and **Timilehin Abiade (r)**.

"Your generous financial support will motivate me to persevere to complete my graduate degree, which will be a first in my family."

— Jonas B. Brobbey,
New Jersey Institute
of Technology



"I don't have words to express my gratitude to you for all that you have done with this scholarship."

— Camilo E. Gonzalez Guevara,
Georgia State University

"Thank you so much for this opportunity. I am overwhelmed with joy to receive this scholarship and promise to do my best to achieve the highest standards in my work."

— Sasha V.J. Harrison,
The University of
the West Indies

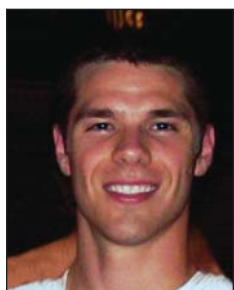
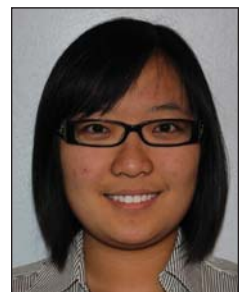


"I sincerely appreciate the support of The Actuarial Foundation, its generous contribution to my education and its confidence in my abilities to contribute to the actuarial profession."

— Julia Menez,
University of
Nebraska-Lincoln

"I appreciate your confidence in me and willingness to contribute to my actuarial education. I will take the award as my motivation to step into the field as well as my challenge to continue to deepen my actuarial knowledge."

— Minyu Cao,
Maryville University of St. Louis



"I am truly astonished I was selected to be awarded this prestigious scholarship."

— Kyle Nobbe,
University of
Central Missouri



Scholarship mentor **Kevin Wolf** with Actuarial Diversity Scholarship recipients **Donielle Burton (l)** and **Ricardo Obasare (r)**.

Make the Foundation the Charity of Choice at Your Next Event

A fundraising event is a fun way for your company to give back on behalf of your profession through activities of The Actuarial Foundation.

A **BIG** thank you to **Ernst & Young** for hosting a Casino Night and Raffle on July 27, as part of their Actuarial Advisory Service's Learning Day. This event raised \$4,820 to support the Foundation's youth education programs; and we were told a great time was had by all!

Contact Eileen Streu (Eileen.Streu@actfnd.org; 847-706-3557) for more information on how you can support the Foundation at your next event.

A Long-Time Friend Provides for *Tomorrow*

Tom Bleakney, FSA, MAAA, IAA (1928-2011) was a long-time friend of The Actuarial Foundation and he provided for it at his death. His estate plan included a very generous bequest to the Foundation for the *Actuary of Tomorrow*—Stuart A. Robertson Memorial Scholarship.

For more than a decade he supported the work of the Foundation, to the benefit of many, as well as to highlight the value of the profession. Tom was not only a well respected actuary, but a loved individual. He left a lasting legacy at Milliman, where he spent 39 years.

Because of his bequest to The Actuarial Foundation, his legacy will also continue by supporting students who will receive an *Actuary of Tomorrow*—Stuart A. Robertson Memorial Scholarship.



Tom Bleakney

Our Sincere Appreciation...

to the members of our programmatic committees who volunteered their time, energy and expertise in 2011.

Consumer Financial Education Committee

Kathy Olcese (Chair), David Bahn, Dave Cummings, Warren Luckner, Anna Rappaport, Harold Skipper, Michelle Smith and Joel Steinberg

Research Committee

Curtis Huntington (Chair), Douglas Borton, Thomas Corcoran, Louise Francis, Sam Gutterman, Roger Hayne, David Holland, Stuart Klugman, Joseph Leube, Gail Ross, Alan Stonewall, Alice Underwood and Greig Woodring

*A special thanks to Linda Howell for her help this year!

Scholarship Committee

Robert Conger (Chair), Curtis Huntington, Michael McLaughlin and William Hogan

Student Achievement Committee

Maureen Hager (Chair), Edward Bales, Cecil Bykerk, Suzanne Chapa, Thomas Edwalds, Jeremy Fogg, Douglas French, Steven Schreiber, Frederick Sievert, Joel Steinberg and Patricia Teufel

Calendar of Events

February 28-29, 2012
The Actuarial Foundation
Board of Trustees Meeting
Rosemont, IL

March 4-7, 2012
Insurance Legends' Golf Classic and
ReFocus Conference
Las Vegas, NV

March 23-26, 2012
Enrolled Actuaries Meeting
Washington, D.C.

April 18-20, 2012
ERM Symposium
Washington, D.C.

April 23-25, 2012
SOA Life Insurance Conference
Orlando, FL

May 20-23, 2012
CAS Spring Meeting
Phoenix, AZ

SUPPORTING U.S. ACTUARIAL ORGANIZATIONS


AMERICAN ACADEMY of ACTUARIES


ASPPA™
WORKING FOR AMERICA'S RETIREMENT


CASUALTY ACTUARIAL SOCIETY


Conference of
Consulting Actuaries



SOCIETY OF ACTUARIES

Tee It Up in Support of Youth Education!

Mark your calendar for the 2012 Insurance Legends' Golf Classic, which will take place Sunday, March 4, at the Bali Hai Golf Course, Las Vegas, NV, prior to the 2012 ReFocus Conference. This event is a fun

opportunity to network with colleagues while playing at one of America's top resort courses, as rated by *Golf Digest* and *Golf Week*.

All proceeds from this event will support the Foundation's Youth Education programs. For more information about the 2012 Insurance Legends' Golf Classic, go to www.actuarialfoundation.org/events/index.shtml.

Insurance Legends' Golf Classic

to benefit

The Actuarial Foundation

Event Sponsors



Golf Hole Sponsors

Berkshire Hathaway Group, Life Reinsurance Division
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Hannover Life Re
Optimum Re Insurance Company
Pacific Life Insurance Company
R.A.D. Search & Associates
The Reinsurance Section of the SOA
RGA Reinsurance Company
Towers Watson

Sponsorship Opportunities Still Available!

For more information, contact Eileen Streu (Eileen.Streu@actfnd.org; 847-706-3557).

Tell a Colleague to Magically Double Their Donation

Do you know a colleague who should become a Foundation donor? If so, tell him or her that now is their chance to see double... their donation's impact! For a limited time, all first-time donors will have their gift of \$50 or more matched—dollar for dollar—through the Foundation's Matching Gift Challenge.

Tell a colleague to donate today at www.actuarialfoundation.org/donate/index.shtml!

Five Organizations Strike a Match for the Foundation

The Conference of Consulting Actuaries, Actuarial Society of Greater New York, Midwestern Actuarial Forum, Actuaries' Club of Hartford and Springfield and Nebraska Actuaries Club have all established matching gift campaigns for their members. If you are a member of one of these groups, you could see double the impact of your contribution. Members of these organizations who are also first-time donors to the Foundation could see triple the impact!

Thank you to these organizations for supporting the good works of the Foundation.

Maximize your donation's impact! Go to www.actuarialfoundation.org/donate/index.shtml and click on the donation button for your membership group.



Preparing for Tomorrow's Possibilities® Through Education

Corporate partnerships have helped fund many of the Foundation's youth, consumer, scholarship and research initiatives. Thanks to all of the organizations below whose support of our mission over the last year has made so much of our work possible. Corporate Sponsors from 07/01/10-11/01/11.

ARCHITECT LEVEL \$50,000 +

New York Life Foundation
Thrivent Financial for Lutherans

VISIONARY LEVEL \$25,000+

Ernst & Young LLP ★

INNOVATOR LEVEL \$10,000+

Actuarial Careers, Inc. ★
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Towers Watson ★
Trustmark Companies ★
Verisk

PIONEER LEVEL \$5,000+

Actuarial Society of Greater NY ★
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Guy Carpenter
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Optimum Re Insurance Company
Pacific Life Foundation
The Reinsurance Section of the SOA
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TRI-AD ★
Wakely Consulting Group, Inc. ★

BUILDER LEVEL \$500+

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The Actuarial Foundation

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5 YEAR GOLD STAR RECOGNITION

The companies listed with a gold star have made annual corporate contributions to The Actuarial Foundation in each of the last five years. We thank you for your ongoing support!



475 N. Martingale Road #600

Schaumburg, IL 60173-2226

Phone: 847-706-3535

Fax: 847-706-3599

E-mail: Eileen.Streu@ActFnd.org

Chris.Jorgensen@ActFnd.org

Laura.Hogan@ActFnd.org

Debbie.McCormac@ActFnd.org

Eleanor.Vogel@ActFnd.org

Web: www.ActuarialFoundation.org

STAFF

Eileen C. Streu, CAE

Executive Director

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