

The Highest Form of Professionalism

A RECENT ACADEMY INITIATIVE that I had the pleasure of carrying out in company with Tom Terry was a media tour. Over the course of two days in January, we met with high-profile journalists in New York and Washington to discuss new work from the Academy's Pension and Health Practice councils.

That same week, other Academy volunteers and staff traveled to Capitol Hill to unveil a vital Academy initiative, Retirement for the AGES. The briefing was well attended by congressional staffers, regulators, and reporters and sparked a dynamic question-and-answer segment.

Engaging with so many key stakeholders back to back in one action-packed week underlined for me how valuable, and also fragile, credibility is. These media, policy folks, and regulators took the

time to hear what we had to say. They trusted that our perspective would be what we tell them we strive to be: objective, independent, and reliable.

If there's one key takeaway from this, I think it's that the Academy isn't *just* the voice of the profession. It's that the Academy judiciously preserves the credibility of that voice. It's not by chance that the U.S. actuarial profession as a whole, and the Academy as its voice, is a trusted, reliable source for journalists

and policymakers seeking objective information and insights. Over the past (almost) 50 years, Academy volunteers have built a culture of objectivity and a track record of producing valuable and respected work to address U.S. fiscal and societal challenges.

A Culture of Objectivity

Without objectivity, the Academy could not fulfill its mission to serve the public and the U.S. actuarial profession. Objectivity is core to the Academy's identity and mission, and that's why we guard it vigorously.

What this means in practical terms is that all Academy volunteers (that's 100 percent of our volunteers) must

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sign a conflict of interest (COI) and continuing education (CE) attestation acknowledging:

- That they have read and are obligated to adhere to the COI policy;
- That they have met and are current with the annual CE requirements as set forth in the U.S. Qualification Standards.

It's important that Academy members, along with the policymakers and standard setters with whom they engage, know that COI is more than an Academy policy. It's a manifestation of the Academy's overall culture.

The COI policy, CE requirements, and annual attestations are mechanisms for achieving quality work that serves the interests of the American public and the U.S. actuarial profession. Annual attestation is a means by which every Academy volunteer visibly and tangibly acknowledges that—meeting by meeting and discussion by discussion—his or her work for the Academy is free of conflicts.

Attestation is not a magic wand of objectivity. It's acknowledging practical behavior in the real world.

Every Academy volunteer with a day job has other “interests.” And it's the experience from those day jobs and interests that brings diverse, deep, valuable expertise to the Academy's work. You are a better volunteer when you are an experienced practitioner. You understand complexity and consequences more fully. At the same time, Academy work demands your commitment to objectivity without advocacy for an employer or from a client viewpoint.

Over the years, I have seen firsthand how Academy volunteers who serve on its board of directors, practice councils, committees, work groups, and task forces are expected to and do acknowledge and deal with potential external influences or biases. Our principles and our leadership encourage and require all of us who volunteer here to do this, thereby upholding our objectivity and independence in support of the public's and profession's

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interests. This is a never-ceasing process of constant diligence. It's not just attestation and done. It's our *modus operandi*.

All of these processes of compliance and disclosure reflect the Academy's commitment to setting the professionalism bar high for its volunteers, who serve as ambassadors to the rest of the profession and our public in the way they conduct themselves with integrity.

Credibility and Trust, Our Common Goal

Just as the Academy must carry out its mission with objectivity, an individual actuary must perform his or her work with credibility.

When it comes to actuarial practice, technical expertise is essential. But expertise doesn't necessarily yield credibility. Our professionalism must be applied and made visible in our work if we are to gain the trust and credibility of the public, those who use our services, and those who regulate the sectors in which we practice.

The Academy is the place where the professional interests of the individual actuary and those of the actuarial profession as a whole converge. Credibility and trust flow from proficient application of the Academy's professionalism “ecosystem,” out of which all the following emanate: the Code of Professional Conduct, the U.S. Qualification Standards, and the actuarial standards of practice. It's what elevates actuaries from a collective of risk assessors with strong math skills to a profession—and earns the trust of the public and our principals alike.

With this in mind, I call on all Academy members who don't currently volunteer to look at the extent to which our volunteers go in order to inculcate credibility and trust so that the profession will be strengthened—and to consider joining their ranks by volunteering themselves.

Process, Precepts, and Peers

Please know that the process to uphold the objectivity and independence of our Academy work is rigorous. Beyond the COI policy and CE compliance, volunteers can gain reference points by looking at Precept 7 of the Code of Professional Conduct and a discussion paper produced by the Academy's Council on Professionalism, *Conflicts of Interest When Doing Volunteer Work*. This paper helps Academy members identify actual or potential conflicts of interest they might have as an Academy volunteer, and provides concrete actions to address such conflicts.

Also important are the multiple levels of peer and internal Academy review that ensure balance and effectiveness in its work. Because the Academy's work includes direct interaction with policymakers and regulators making critical legislative and regulatory decisions, nothing is released until it has been scrutinized and approved.

What You Can Do

A strong profession is strengthened by a strong Academy. If we are to build from this strength, each of us can be more active to help. If you're a volunteer, you can continue to reinforce the Academy's culture of objectivity and inform others about the rigor employed to maintain it. If you're member, you can share this commentary and Academy work with your peers to help increase awareness and understanding.

Our credibility depends on it.

CECIL BYKERK is the Academy's immediate past president.