

Colm Fagan – Lessons from the Career of a “Senior” Actuary

When Arran Nolan asked me to write this piece, I hesitated initially, on the grounds that my experience, which was forged in a very different environment to that facing today’s generation of actuarial students, would have no relevance for them. The world was a very different place more than 40 years ago, when I and others of my generation started on the road to becoming actuaries. Unlike now, most of us joined the profession directly after finishing the Leaving Cert. There were also far fewer of us – probably less than ten new students a year on average – but there were also fewer opportunities. Only two life assurance companies– Irish Life and New Ireland - and possibly just one pension consultancy, Irish Pensions Trust, the forerunner of Mercer, were serious employers of student actuaries.

On reflection, however, I decided that despite all the differences between then and now, new students can take some valuable lessons from my experience.

Lesson Number 1

Recently, I had the pleasure of attending a party to celebrate the retirement of a good friend who had completed 37 years in the same organisation. As I listened to the recounting of his achievements and of his progress through different areas of the organisation during his illustrious career, I realised what I’d missed through my peripatetic wanderings through various companies, including being self-employed for a while.

On leaving Irish Life shortly after qualification, I cast myself adrift from the security of a stable “mother ship”, where a budding young executive’s ongoing development needs are carefully monitored and managed. In the large organisation you are equipped with the techniques and tools to enable you to negotiate your way through the various stages of office life, from technician initially and then through the ranks of middle and senior management, if that is your desired path, or advancing to more senior roles in the technical areas if that’s your preferred option. Whilst we all must take full responsibility for our careers, it is a great help to have bosses, mentors and HR professionals on hand along the way to help steer us through the difficulties that lie in our paths.

But, for good or ill, some of us are wired differently. We must move “to fresh woods and pastures new” every few years, in search of frontiers and challenges outside of those that are charted for us by whoever happens to be our employer for the time being. If that is how you’re created, then you must find some substitute for the warm embrace of the large organisation.

Hopefully, we can find that comfort and reassurance in the love of people close to us and their confidence in our abilities, but we must have some constancy in our business lives as well as in our private lives. For me, the actuarial profession has discharged that role to great effect, both through the lifelong friends I’ve made among my fellow actuaries and through my involvement with the profession, from presenting papers to the Society, serving on sub-committees and Council, and finally the greatest honour of being asked to serve as President. I strongly advise students and young actuaries to maintain their links with the profession. That is even more important nowadays when the very survival of some of what once seemed to be the most long-lived of institutions appears to be under threat.

Lesson Number 2

It is inevitable that you will make some mistakes in the course of your career. These can be painful but they are not the end of the world. On the contrary, they can be wonderful learning experiences (even though you won't thank people for saying so at the time!) and may even serve as the springboard for great success at a later stage.

Three years after leaving Irish Life, where I was responsible for preparing solvency returns to the Irish and UK regulatory authorities, in order to try my hand at the very different world of pension consultancy, I left my then employer and joined an international consulting firm with the aim of establishing a new Irish subsidiary of that firm. That attempt proved a disaster and I was lucky to escape after six months of mental agony to the relative security of New Ireland, to a position similar to the one I had occupied in Irish Life a few years earlier.

Little did I know it at the time, but that painful experience of trying – and failing - to establish a new business taught me some valuable lessons that I was able to put to good effect ten years later.

I left New Ireland after a couple of years in order to help Bank of Ireland create Ireland's first bank-owned life assurance company. I took on the roles of Finance Director, Appointed Actuary and even Company Secretary for a while (and all at the same time!).

Then, after seven years as an employee of Bank of Ireland Group, I tried once again to set up a new consulting business, but with some important differences from before. This time, I did it on my own, with no outside capital. I wouldn't have to apologise to anyone - at least not to financial backers, whatever about my long-suffering wife - if things didn't work out. I also focused on a consulting area where I had (or at least thought I had) some credibility and track record. All the time I had spent preparing and presenting actuarial papers in Ireland and beyond helped to give me some valuable credibility with prospective clients.

They say that behind every successful man is a surprised woman. My wife wasn't the only person left perplexed by the success of my creation, Life Strategies (now Milliman Ireland). Whilst I can't explain its success either, I do know that it probably wouldn't have prospered if I hadn't experienced failure ten years previously. Therefore, while I hope that all of you will enjoy unmitigated success in your careers, it will be amazing if you don't have some setbacks. If you do go through bad times, please share your feelings with friends, get back on the horse, and remember that better days lie just around the corner.

In conclusion, the two lessons I would like to share with new students are, firstly, to play an active part in the activities of the Society of Actuaries and secondly, if things go wrong, make sure to have friends who will help you along and remember that you're not the first – and you'll definitely not be the last – actuary to have experienced a rough passage in your career. Like others, you too can pull through whatever difficulties you're experiencing and be a better person for it.

A final word on my latest incarnation: after "retiring" as Executive Chairman of Life Strategies three years ago, I became a non-executive director of a number of life insurance companies - Standard Life International (of which I am now chairman), Hartford Life international and SEB Life (Ireland) - and of life and non-life reinsurance subsidiaries of Hannover Re Group. I'm also learning about the distribution business through my directorship of Axa Global Distributors, the distribution company

for Axa's Variable Annuity product. All in all, there is still a great challenge and buzz to life. I wish you all the same enjoyment, but hopefully less of the high-wire risks to your careers.

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