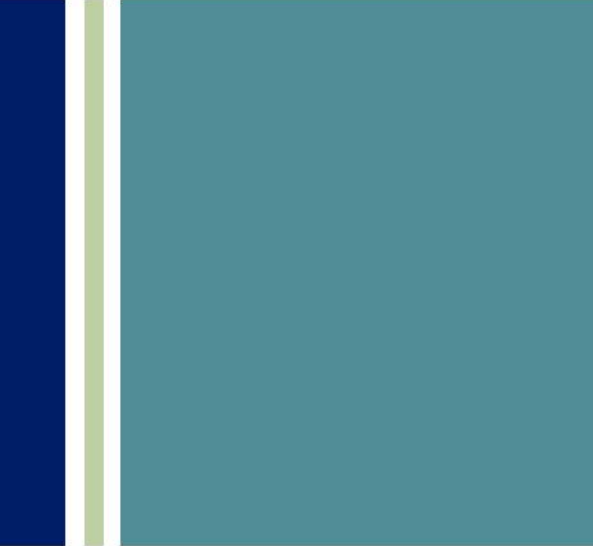


watsonwyatt.com



Actuarial Careers and the Future of the Profession

Middle Atlantic Actuarial Club 2008 Annual Meeting

Bruce Bach, F.S.A., E.A.
Watson Wyatt Worldwide
September 18, 2008

About Watson Wyatt

- Leading human capital consulting firm
- Revenues of \$1.76 billion
- 7,000 associates in 107 offices in the Americas, Europe and Asia Pacific
- Founded in 1878; publicly traded since 2000

Watson Wyatt - Actuaries

- Actuaries employed by Watson Wyatt, North America
 - Credential Actuaries: 600
 - Associates in Exam Program: 350
 - A.S.A. 240
 - F.S.A. 300
 - E.A. 300
- Practices employing actuaries
 - Retirement / Benefits
 - Group and Health Care
 - Investments
 - International
 - Technology & Administration
 - Insurance & Financial Services
 - Executive Compensation

Job Prospects for Consulting Actuaries

- A career without boundaries
 - Current job market is strong for entry-level
 - Even stronger for experienced actuaries
 - Increasing demand:
 - Insurance
 - Big 5 audit
 - Investment banks
 - Brokerage firms
 - Management consulting firms
 - Bureaus and associations
 - Plus nontraditional financial engineering opportunities
- Hiring companies offering competitive packages highlighting career developmental opportunities

Pension Actuaries – What we do...

- Consulting
 - Plan design
 - Mergers & acquisitions
 - General consulting
- Valuation & Financial Analysis
 - Expense
 - ERISA Funding
 - Projections
- Administration & Compliance
 - Calculation of benefits
 - Regulatory consulting

Future for Pension Actuaries

- Role is changing with significant opportunities ahead
 - Significant work with Defined Benefit plans
 - Role of pension actuary is changing
 - From valuation-driven to risk management and workforce planning
 - Retirement actuaries are balanced business consultants
 - Broad understanding of business trends
 - Human resource consulting
 - Workforce planning
 - Risk management
 - Strategic advisors
 - The world is in the middle of a retirement crisis and we are in the best place to have an impact.

International – Consulting Opportunities

- Provide global actuarial services
 - Multi-disciplinary, multi-office team environment
 - Requires a background in retirement benefits
 - Consulting on international employee benefit and human capital issues for multinational clients
 - Work can be done internationally or domestically
 - Global conversions of accounting standards

Health Actuaries – What we do...

Provide calculations and consulting advice for

- Ongoing plan management:
 - Develop cost projections / forecasts
 - Set budget rates and employee premiums for coverage
 - Calculate annual accounting costs and claim liabilities
 - Determine maximum tax deductible employer contributions to plan trusts
- Plan changes and strategy:
 - Compare plan values to those of competitors
 - Estimate costs or savings expected from plan changes
 - Evaluate proposals from plan vendors
- Special events, e.g.
 - Merger and acquisition – valuation of obligations / due diligence to support a sale

Health Care – Consulting Opportunities

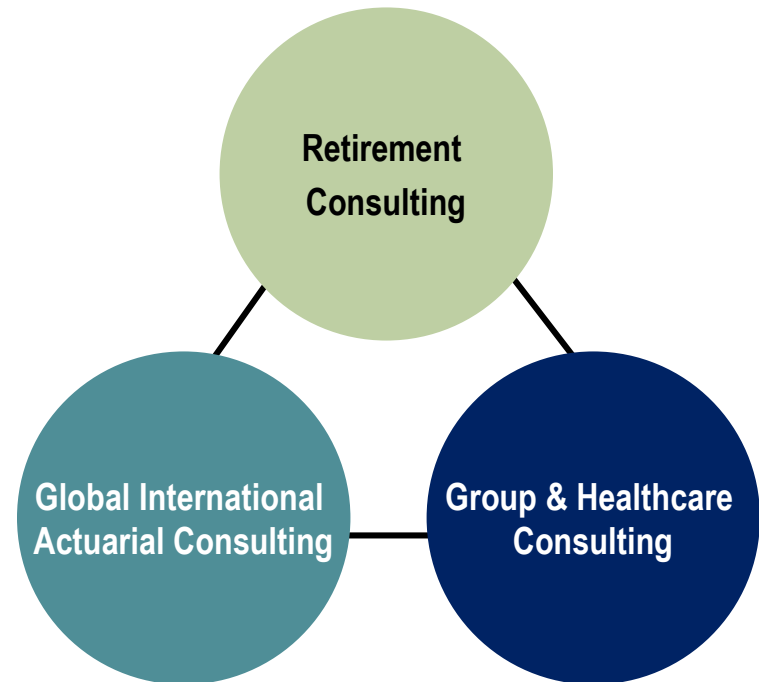
- A wide variety of potential clients/growth areas
 - Self insured employers and trust funds
 - For profit, not-for-profit, and governmental entities
 - Retiree medical VEBA's
 - Taft-Hartley trusts
 - Health plans and insurance companies
 - HMOs and Blue Cross / Blue Shield plans
 - Rate filings and IBNR calculations
 - Product and software development
 - Domestic and international

Health Care – Consulting Opportunities

- Federal, state, and foreign governments
 - Issue briefs (white papers) and Congressional testimony
 - Medicare, Medicaid, and national health insurance
 - Regulatory support
- Specialty vendors
 - Disease management firms
 - Pharmacy benefit managers
 - Long term care retirement communities
- Projects can deal with all types of group and individual welfare benefits

Growth Areas

- **Job rotation opportunities**
 - 18 to 24 month assignments
 - Opportunity to work along side some of the best consultants in the business
 - Become more well-rounded and knowledgeable
- **CERA – Chartered Enterprise Risk Analyst**
 - Additional SOA designation
 - Broaden skills to risk management



Questions?

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