



George

## AHOU TODAY ... AND TOMORROW

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**Executive Summary:** This essay is one underwriter's observations regarding aspects of the Association of Home Office Underwriters (AHOU) which may be deemed worthy of rethinking and, if so, perhaps modifying on some basis, now or in the future. A wide range of topics is discussed, with the sole purpose being to offer up thoughts for consideration by AHOU members. The author hopes what is said here will be received in the spirit intended.

### Background

Earlier this year, I was invited to serve as a member of an advisory committee appointed by the AHOU executive. I had not known, due to my own inattentiveness I reckon, of the existence of this committee, but I was delighted to discover that a group of individuals has been charged with – as best as I understand it – making suggestions for ways in which the AHOU might be enhanced for the benefit of its members.

My first response was to accept this invitation. However, upon further reflection, as well as discussion with others privy to what had transpired since the committee was organized, I decided I might make a more useful contribution by sharing my thoughts in *OTR*. This way, all interested parties will have the opportunity to sift and winnow what I have to say.

### What is the mission of the AHOU?

I went to the AHOU website in search of a statement explaining what its existence is intended to accomplish.

We are told on the home page and again in Article II of the AHOU Constitution that the organization promotes knowledge and education.

Bravo!

The AHOU has earned high marks in this regard by virtue of the FALU program, the ALU seminars, *ON THE RISK* and, of course, the annual meeting's program content.

It is instructive to look at the mission statements of other underwriting professional associations to see if they have embraced any additional perspectives in this context.

The Australian Life Underwriting and Claims Association (ALUCA) is, in my view, one of the finest professional associations in our domain. Like AHOU,

ALUCA opens its "mission statement" by affirming its commitment to "advance the knowledge and professionalism" of its members.

Immediately thereafter, ALUCA goes on to reference representing "the professional interests" of its members.

Likewise, the mission statement of ICIRM (the Caribbean association) speaks to "[enhancing] the profile" of its members.

It is laudable that underwriting associations commit to advancing the knowledge of their members.

On the other hand, it is disconcerting – if only for this underwriter – when we do not recognize as our primary mission the overarching importance of advancing the broad interests of our members as individuals and as a professional community.

When I created the International Underwriting Congress (IUC) and worked with an extraordinarily devoted team of professionals to make it happen, our mission was not merely to add another event to the industry's calendar. The driver for us was that the IUC be more than just an end unto itself; that it become a means to a far more important end: advancing the interests of underwriters, individually and collectively, worldwide.

The IUC was to be step one.

As fate would have it, step two did not materialize and (given the IUC as it is today) never will through the medium of this congress.

When Brian Home created the brilliant – but now extinct – global underwriting website [www.lifeunderwriting.com](http://www.lifeunderwriting.com), his vision was in league with ours at the IUC: to advance the interests of underwriters.

Should AHOU's number one priority be to work relentlessly to advance our interests including – but also very much in addition to – education?

The thinking here is yes, it should.

**Is the AHOU a conference, a convention, or a bit of both?**

Every major association, be it in our domain or any other, needs to put together its “big event” (typically, an annual meeting) in such a way as to encourage members to participate.

Different things attract different people. The spectrum of possible motivators ranges from networking and learning to simply having a grand time – largely or wholly on the company's “nickel” – while being feted by firms covetous of one's business.

AHOU has succeeded admirably at making our annual conference a bit of both.

I have two concerns in this regard:

Most people transiently enjoy a “feel good” speaker and are disposed to giving such an individual high marks on an evaluation form, thus inciting planners of the next annual conference to choose yet another from this genre of (largely “canned”) presenters.

Is it the best use of the association's resources to allocate much if not most of its speaker budget in this manner?

The venue selected for the annual meeting is a major consideration. On the one hand, it can be argued that it should be a place people want to go to – as we have seen from major fluctuations in attendance.

Balancing this, it should be a practical choice in terms of cost and (more so now than ever) perception.

Is Midtown Manhattan – given the egregious costs – a pragmatic choice?

What about Las Vegas?

Yes, we had a huge turnout in Vegas.

But, does this fact alone justify Vegas as a venue?

One of the goals of a conference convened by an organization which values education is to minimize temptations to forgo program segments in favor of “other options.”

Las Vegas could rightly be renamed “Distractions, Inc!”

If we had not had so many successful AHOU's, HOLUAs and IHOU's in cities that are more affordable, less distraction-ridden and far less apt to pop up as RED FLAGS in budget requests ... I would not bring this venue issue up.

**Is the number of AHOU members – in and of itself – a worthy focus of our energies?**

This is a difficult question to answer.

Certainly there are a number of pluses where cajoling insurers into extending membership to most if not all of their underwriters is concerned.

They will all get *OTR directly* and also be able to say they are members of “their” national organization.

And, of course, the coffers of AHOU will swell proportionally.

Let's consider the flip side of this question.

While it is great to be a member of one's national professional association, it is even greater to be able to participate meaningfully in that organization.

Which, of course, most of these new AHOU are not (and may never be) positioned to do, at least until they're promoted to the minimum level for consideration, or, fortuitously, the AHOU is held in their city ...

... and even when it is, don't bet on most of these less-senior members participating more than sporadically, on a “day pass” basis and sans the “perk” aspects.

Would there be more value to such individuals if the company paid for an *OTR* subscription and then directed the remainder of the allocation to their participation in a local, state or regional organization ... whose meetings they have a reasonable expectation of actually attending?

If AHOU is inspired to add to its membership, why not intensify our recruitment efforts toward candidates more apt to be able to attend and thus fully function as members?

- Brokerage agency underwriters – many of whom we have now wisely brought on board
- Chief underwriters outside North America who have the budgetary wherewithal to participate (as, surprisingly perhaps, some do)
- Chief underwriters in DI, LTC, CI and health insurance
- Actuaries with accountabilities related to risk appraisal
- Medical directors
- Claims executives

We do, of course, welcome persons from these occupations as members.

Perhaps we should make greater efforts to persuade them to join and then participate.

### **Should AHOU prioritize for supporting our infrastructure?**

Absolutely ... and this is my number one *rant* about our priorities.

This infrastructure – defined as regional, state and local associations – is vital to the interests of our profession.

This is where the next generation of talent is discovered and honed.

Nevertheless, the AHOU does little to pave the road.

Some of these organizations thrive and excel. Others barely hang on from year to year, decimated by a lack of leadership, a paucity of funds and/or a cold shoulder from area insurers (more than a few of whom are too penurious to support their own underwriters in this regard).

It's great that we have a place on the AHOU website where these associations can post information.

And, it's not like we have never tried (remember the "Continental Underwriting Congress"?) to go further with this.

*It's just that we haven't accomplished much.*

I firmly believe AHOU should be positioned at the top of a well-organized and lovingly tended pyramid.

The success of the local, state and regional associations forming this pyramid should rival *any other consideration* in terms of AHOU priorities.

It is through such a network of associations that we will most effectively and most efficiently carry off vital work on behalf of our profession.

### **Is there a place for democracy in the AHOU?**

We use words like "candidates" and "elected" in our Constitution.

Which is odd considering that we have neither *candidates* nor *elections* in the sense these terms are normally used.

What we have are appointees and affirmations (of hand-picked slates).

Could we have a slate of candidates for "at-large" executive council members, upon which the whole membership would vote to select those whom they believe would best serve their interests?

When I asked for thoughts from our peers, one person aired a longstanding grievance: "disproportionate control by large companies" ...

... historic concern for which left us in a counterproductive "Hatfields and McCoys" situation until things were set right with the HOLUA/IHOU merger.

Through the process of *genuinely* electing members to serve on the executive committee, could we assuage such lingering concerns?

Would offering a slate of candidates – as so many professional associations do nowadays – be an administrative headache?

I doubt it. This could be readily accomplished in today's e-world (even without buying Diebold hardware!).

### **Does AHOU have sufficient transparency?**

In a perfect world, professional associations strive for transparency, such that members know what the elected (well, more or less) leaders are doing on their behalf.

The AHOU is, in my view, beset by a significant lack of transparency and there is much we could do to rectify this and achieve appropriate transparency.

For example, consider our "Lifetime Achievement Award."

If you can find anything instructive about this award at the AHOU or ALU websites, I take a knee to your investigative skills. To find out how this program works, I had to ask then-president Lynn Patterson for a copy of what turned out to be a March 26, 2008, document.

Was this document shared with the entire membership, perhaps at the time we were solicited to nominate potential award recipients? If so, then I apologize for failing to recognize it at that time.

If it was not shared with everyone at that time, perhaps it should have been.

AHOU – actually, five people – designates as "winner" of this award an individual deemed to have made "significant contributions to the field of risk selection."

While all members are invited to nominate award candidates, we never learn:

- Who the nominees all are.
- If someone else also cited our nominee.
- How the “finalists” are selected.
- Who these “finalists” are.
- How the “winner” is chosen.

One person suggested this process reminds him of the Academy Awards. No doubt he is influenced by the choice of the term “winner” in this context.

Is there a credible reason for no transparency in this process?

Should members be asked to simply trust that their intentions drive the outcome?

Please understand: These questions are raised solely in the context of operational transparency.

The “winners” of the AHOU Lifetime Achievement Award have all been conspicuous for their great worthiness. Thus, the outcome thus far is not an issue ... but the lack of transparency is.

Further to the matter of organizational transparency ... the Underwriting Studies Committee has ceased to exist.

I don't know why.

True, we now have an expeditious alternative process for getting key surveys undertaken which is highly efficient and accomplished at no cost to participating carriers.

Nevertheless, as an AHOU member, I would like to know why it was decided that the Underwriting Studies Committee should cease to exist and whether we can learn anything as an organization from its demise.

### **What is LOMA's role with AHOU?**

It is my understanding that where AHOU is concerned, LOMA functions solely as a contractor, a provider of services ... and is paid for its time.

I say “understanding” because I cannot find anything about the nature and extent of the LOMA-AHOU connection at the AHOU website.

I confess that several decades of organizing associations, study groups, conferences and seminars makes me quite focused on matters of this kind, most notably where guarding and preserving sovereignty is concerned.

### **Should AHOU be solicitous of feedback from its membership?**

One would think so ... like any association that ex-

ists for the benefit of that membership. There are various degrees of solicitousness where feedback is concerned

A popular, if minimalist, approach is to open a viable e-channel for feedback. ALUCA took the pursuit of feedback to a higher level, doing a wonderful all-member survey in 2007 which was aimed at getting feedback and new ideas from its membership.

Would it be timely for such a survey to be undertaken – right now – by the AHOU?

If the executive feels the need to establish an advisory committee, one must assume the answer is yes. Fact is, a survey of this sort could make that committee's job much easier by focusing them on what matters to the members themselves.

If such a survey is undertaken, I hope the AHOU opts to get enough diverse input on the matters to be raised for member consideration. Considering how busy we all are these days, it is probably best if the survey identifies specific topics/issues for respondent opinions and comment ... rather than leaving things entirely open-ended in a manner prone to generating little input.

As a very interested ex-president, I volunteer to assist others in fashioning a survey of member viewpoints which brings value to those charged with directing and managing the association.

### **Closing comments**

On balance, I consider the AHOU a notable organization for three reasons:

- It provides a superb credentialing program for underwriting professionals.
- It publishes a world-class professional periodical.
- It convenes an impressive annual conference, with – for the most part – excellent content.

There is always room for improvement and hopefully I have raised at least one or two issues which resonate with those who care enough about our profession to have taken the time to read this essay.

Perhaps my comments will energize one or more persons to write letters to the editor, or find some other avenue to air their own viewpoints. The importance of this cannot be overstated because in the absence of energized dialogue, nothing much EVER changes.

In these challenging times, the last thing we can afford to do, as individuals or as a profession, is stand pat ... grinding our molars.