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Perspective on the Diverse Risks Project: Are We Done or Where Do We Go from Here?

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One of the big challenges in a defined contribution (DC) pension system is remembering that none of the risks go away just because the employer chooses to use a DC plan to offer benefits. The DC system however takes risk bearing away from the employer and makes it easy to forget about the wide variety of retirement risks. It shifts more risk to individuals.

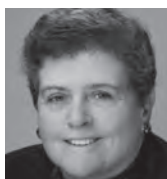
The Committee on Post-Retirement Needs and Risks (CPRNR) has recognized the shift to DC and is very concerned with how risks will be dealt with in the DC environment. The Diverse Risks essay collection explicitly focuses on a variety of risks and brings forward ideas for risk management. The last of the 18 essays have been published in this edition of *Pension Section News (PSN)*. The previous two issues of *PSN* also included essays from this collection. They were presented at the 2016 SOA Annual Meeting & Exhibit and the full collection has been published on SOA.org. Some of them have been mentioned in the press.

This raises the question of whether the project is complete and whether we are done and ready to move on. We can respond to this question in two very different ways. Yes—the essays are published and we got some publicity. Or we can respond no. I choose to respond with an emphatic NO. The essays include a collection of ideas focused on risk in the DC environment, and they present a range of solutions. My argument is that our job has just begun. We have a wealth of ideas and a variety of opportunities. I want to call on all of the members of the Pension Section to use the essays as a platform to improve risk management in the DC system. Here are some suggested next steps:



- Further develop the ideas. Many of the ideas can be taken to further steps.
- Remind everyone that risk is important in a DC environment. Keep the conversation going.
- Pick your favorite essays and share them with others, or seek platforms to discuss these essays.
- Focus on the need for income during retirement and for a plan to make assets last throughout retirement.
- Remember that long-term care needs can easily derail retirement security in a DC world.
- Focus on the importance of thinking about how disability risk will be managed in a DC pension world.
- Don't forget about women's issues in retirement.
- Think about how to help individuals who are confronted with increased risk and complexity in managing in a DC world.

I encourage each of you to choose your personal next steps to help increase focus on risk in a DC environment and to help improve its management. ■



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