

FAREWELL ADDRESS OF CHARLES B. H. WATSON

AS THOSE of you fortunate enough to have your addresses recorded correctly in the Society files, and, more important, fortunate enough actually to receive correctly addressed mail through the postal service, are aware, I will be leaving the post of Executive Director within the very near future. I leave this position with considerable regret, both because of the intrinsic interest of the work involved in the position and, most certainly, because of the very fine people I have met. However, I do think that it is best for the Society to have a change in the Executive Director at the end of some period of  $N$  years ( $N$  of course being determined by the methods of collective risk theory), since there are only so many ideas and insights which one individual can bring to a particular position. I am also extremely pleased that Gary See will be following me, and I know that you all will find him to be an ideal choice.

Thus this speech is rather in the nature of a swan song, and I therefore think that, instead of informing you of the various changes which have been made in office procedures over the past year—the number of new typewriters purchased, the (apocryphal) changeover from hand-crank sets to automatic dial telephones, and all that sort of thing—it will be better and more interesting to reflect upon the role of the Executive Director in the life of the Society viewed from the vantage point, or vantage depth, of four years of immersion in the waters of Society activities. To state it quickly, after considerable thought I have concluded that the most important role of the Executive Director, aside from the responsibility for just keeping the wheels running, is that of working toward the advancement of professionalism in the Society. This I feel to be a most important role, particularly in the light of present-day changing conditions.

The fact is that we conceive of ourselves as constituting a profession, not just a trade organization or a collection of people who have common interests. We maintain, as evidenced in our Constitution and By-Laws and entire committee structure, that we are dedicated to professionalism, which in essence means the application of a particular training and experience to a wide range of problems. A professional is not just a man who knows a lot about something, as you might think of a competent butcher as a meat professional; rather, he is a man trained in a particular outlook and a particular approach to the solution of problems. Our particular badge of professionalism is the talent and skill we bring to the

solution of problems involving the long-range financial implications of risk, and that is what our entire educational system is geared to produce. I think that the proposed revision in the Fellowship examination structure approved yesterday by the Board, to which the Secretary has just referred, will go a long way toward furthering this goal.

But, if we are professionals within this area, we must constantly exert ourselves to maintain our professional status against forces from without—against the efforts, conscious or unconscious, by other professions or trades to pre-empt our area of expertise; here I think particularly of operations research experts in the areas of insurance companies, lawyers in the areas of employee benefit programs, and accountants in both. We must also be on our guard to make certain that when we offer advice we always do so as professionals; certainly it is in this area that the statistical tie of the actuary to one particular industry does contain at least the potential of a problem.

There are many areas in which I feel that the Executive Director can serve to assist the Society and its members in advancing and preserving professionalism. The mere existence of a central office which can offer guidance and advice in an unbiased fashion has already been of help to many of our members. The maintenance and development of the entire educational program, in which the Executive Director is much involved, is another. The need for continuous review of Society practices and procedures, most recently embodied in the work of the Committee on Professional Development, is a task to which the Executive Director can direct much input. And in the work of all the various Society committees, the Executive Director can serve as a source of continuity and a means for *interchanging ideas*.

We stand today at a time when the question of profession is coming more and more to the front. The whole question of applying generally accepted accounting principles and the co-ordinate need for developing generally recognized actuarial procedures is perhaps the most obvious, with the prickly question of independence lurking in the wings. Beyond this, the entire thrust of the accreditation program being conducted by the Academy has been found to lead to ever greater need for an interest in professionalism.

So today I believe that the existence of the position of the Executive Director is even more important than was imagined four years ago, when it all began. It has been an exciting four years, and, for better or worse, there will be exciting years ahead. I hope I have served you well, and I know my successor will.