RECORD OF SOCIETY OF ACTUARIES
1989 VOL. 15 NO. 3A

THE ACTUARY OF THE FUTURE AND THE FUTURE OF THE ACTUARIAL PROFESSION

Moderator: GARY CORBETT
Speakers: JOHN A. FIBIGER
JAMES C. HICKMAN
FREDERICK W. KILBOURNE
BARBARA J. LAUTZENHEISER
ANNA M. RAPPAPORT
ROBERT D. SHAPIRO

- o What will be the actuary's opportunities and roles in the 21st century?
- o Are we as a profession taking the appropriate steps today to prepare actuaries for these roles?

MR. ROBERT D. SHAPIRO: I am Orb, the eternal actuary, source of all knowledge and synthesizer of facts and impressions. How dare you abuse my name in your evaluation of the future!

Call yourself futurists, will you? Say that the future holds only slow and predictable change, do you?

Orbit with the oracle into the year 2000.

You thought actuaries would all have prominent roles!

- o Look . . . only 14% of insurance company CFOs are actuaries.
- o Job opportunities are dwindling.
- o Membership in the Society of Actuaries is down to 12,000 from 16,000 in 1995.
- o Forty percent of actuaries work for the federal government, in the Department of Pension Actuaries, the Department of National Health Insurance and the Federal Life Insurance Board.

New gene splicing techniques make even replacing an actuary a piece of cake. There's no need to create a personality. All we need is some artificial intelligence!

You always expect the future to be like the past. Remember ERISA, managed health care, and financial services deregulation? Actuaries could have been big winners! But you ignored the emerging truths until it was too late. You missed the boat again!

Why this state? You could have avoided it. You should have dealt with 1989 issues as they were; not as you hoped they would be. How could actuaries miss the impact of massive changes in the global economy? How could you ignore the likelihood of major discontinuities?

In 2000 we now see that:

- o Twelve of the top 20 life companies are owned by the Japanese;
- o One hundred forty insurer bankruptcies occurred in the 1990s;
- o The number of insurance companies is down from 4,000 to 1,100;
- o A banking system was totally rebuilt in response to the 1991-93 depression.

You were warned, but you didn't change. You substituted hope for reality, the past for the future. Now you must deal with it.

Look at what's happened, as the Planning Committee talks about the future of the actuary on October 25, 2000.

GENERAL SESSION

MR. GARY CORBETT: I'd like to welcome all of you to the first meeting of this year's Planning Committee. As you know one of the subjects that the President has asked us to address this year is how well the actuarial profession and, in particular, the Society have done in responding to the concerns and to the recommendations contained in the 1988 Report of the Task Force on The Actuary of the Future/The Future of the Actuary. The Report focused on the actuary in the year 2010 and addressed the steps the profession should take to prepare actuaries for the environment of the early 21st century. Eleven of the 22-year forecast periods have now passed. What has changed? Are the Task Force Recommendations still valid? How successful has the Society been in equipping the actuary to cope with this new world?

Since this is our first meeting, I'd like to start by having all members introduce themselves and give us a little background on the organization you are associated with. Later in the meeting we'll discuss specific areas and specialties of actuarial practice.

I'm Gary Poorbet, Chief Actuary of the Federal Department of Insurance. I've been with the FDI since it was established five years ago. You'll remember that the Department was set up following the insolvencies of Nonsense Life and Monster Life during the depression of the early 1990s. The inability of the state guaranty funds to handle the resulting claims led to the repeal of McCarran-Ferguson and the setting up of The Federal Life Insurance Corporation (FLIC) and the FDI, with our mandate to establish and enforce solvency standards for life insurance companies.

The 1988 Actuary of the Future Task Force Report highlighted the Valuation Actuary issue as being of particular relevance. Unfortunately, there was little done to enhance the role of the Valuation Actuary in the early 1990s and, when the mid-1990s depression hit, the state regulators were still working with statutory solvency standards that did not recognize the dynamics of the policies being written nor the rapidly changing economic conditions. And there were no meaningful minimum surplus requirements, analogous to the federal requirements for banks and thrifts.

Our department has been working with the Actuarial Standards Board, the American Academy of Actuaries and the company trade associations to develop standards for solvency and solidity that will place greater reliance on the company's Valuation Actuary and less on the rather rigid and, admittedly, frequently overly severe requirements currently embodied in our federal statutes and regulations. It now appears that the ASB is producing more definitive standards (somewhat analogous to the Canadian Institute's valuation principles and guidelines) and the Academy is evidently going to enforce the Board's standards. Better late than never!

Let's now go around the table for an introduction.

MR. JOHN A. FIBIGER: I am John Cutyerjob. I am just retiring as the Chair of the New Euro Life Bank. As you can see from the way I am dressed, we have now completely phased out of our Boston offices. We discovered that with the economic explosion of Europe after 1992, the worldwide deregulation of financial services in 1997, and the instant communications available, we had very little need to have our people together in any one location. More than half of our new business is now coming from noninsurance products. To stay competitive, we moved our back office to Ireland and then our computer development group to India in the mid-1990s. With communications and teleconferencing so simple and cheap, we found that we could go where labor costs were cheap, keeping us more efficient in units under 1,000 people in any location. We get our key managers together electronically when we need to. We have managers of different operations scattered around the world, although the traditional investment managers insisted on staying in Boston to be near the old money accumulated there. Taking advantage of the freedom that we now have to locate anywhere, I decided to move our main offices where I wanted to be, so I'm back in Nebraska, where this is a normal fall costume.

MS. ANNA M. RAPPAPORT: I'm Anna Ripapart, Executive Director of the brand new National Organization for Retirement Policy. The National Organization was formed 6 months ago by a combination of twelve major multinational corporations, and an aged rights group representing 40 million older Americans. Social Security benefit levels were frozen five years ago and then benefits were decreased last year. There have been major congressional battles over allocation of resources for retirement-related benefits and education and programs for the youth in each of the last 8 years. As a result of the irrational legislation passed, 25% of the Fortune 500 have dropped their retirement plans, and the NORC was formed to promote development of a national retirement policy and preservation of retirement security. The objective of NORC is to rip apart the disjointed policies, and develop and promote a new coherent policy.

Prior to joining NORC, I was with Worldwide Consulting, a major firm specializing in serving multinationals. Retirement benefits, including pensions and medical became a major issue in global competition in 1992 when the FASB retiree medical rules were effective. Many of our clients reduced benefits, and after many years of benefit business growth, the growth areas of our practice shifted to compensation and other human resource areas. The actuaries who were once dominant in Worldwide were gradually losing their prestige and most found limits on their opportunities, so I sought new opportunities elsewhere.

MR. FREDERICK W. KILBOURNE: I am Fred Biggerfree. I am employed by Financial Risk Consultants, a small independent consulting actuarial firm that is wholly owned by its own pension fund. The firm has a single office, located in San Deigo, which some say is now the largest city in the country, but more about that later. FRC specializes in actuarial analysis and communications, especially where independent testimony is needed. We consult to clients with current or prospective financial risk problems or opportunities. Our firm motto is "Don't be up the creek, down the road."

Roughly half our business is for agencies of state or federal government. The other half is split between those trying to minimize or get rid of financial risk and those willing for a price to take it on. Some insurance companies remain in the last group, but most have continued the long-term trend of joining the rank of the risk-averse.

MR. JAMES C. HICKMAN: I am James C. (Jim) Ivyhall, Dean, School of Technology and International Management, Upper Midwest University. That's probably not quite the best name, as 40% of our students are not U.S. or Canadian citizens.

I have been involved in the education of actuaries and general management education for many years. My institution, like John's, has changed a great deal since the 1988 Task Force Report. The internationalization of business has proceeded faster than the internationalization of business education. The high rate of technological innovation and the changing age distribution of the population has caused more of our efforts to shift from traditional collegiate education to continuing education.

MS. BARBARA J. LAUTZENHEISER: I'm Barbara Weshouldhavebeenwiser, President of Make-A-Difference, Inc. MAD was formed six years ago by merging the actuarial, government relations and public relations firms of Just-the-Facts, We-Make-the-Law and Gotta-be-Heard.

We are still struggling with whether our motto should be "to substitute facts for appearances and demonstrations for impressions" or "to substitute appearances for facts and impressions for demonstrations." With sound bites that the press uses now reduced to only two seconds (ever since George Bush inaugurated "Read my lips"), I keep saying our motto should be "Whatever works."

We had the goal to form such a firm ever since we learned in the federal unisex battle in the mid-1980s that it took all three elements, AR, GR and PR (actuarial resources, government relations and public relations) to properly educate the public and regulators so we could regulate within sound insurance and actuarial principles. But it took almost another 10 years to convince enough clients that such a coordinated thrust was needed and worth their money for long-term survival. And then we had to find the right actuaries, attorneys and public relations persons to be effective. Actually now that I think about it we could find plenty of good attorneys and public relations persons. We just couldn't find enough good actuaries. The 1988 Report of the Task Force on the Actuary of the Future/The Future of the Actuary recommended that more actuaries "speak out on public issues as well as the profession and promote public policy impact" but most actuaries thought that that recommendation was addressed to "all the other actuaries."

Unfortunately, we didn't get formed in time to forestall the repeal of McCarran-Ferguson and the setting up of FLIC and the FDI. Present company excepted, Gary, but we sure could have done without another layer of regulation. Fifty states were bad enough to deal with, but at least if we had a problem in one state we could still be OK in the others. You guys have a lot of power, Gary. When you make a pronouncement it literally sweeps the country. We are looking to you to stand up against the pressure of those politicians and special interest groups. I hope you take a stronger stand than most of the actuaries did in the past.

MR. CORBETT: John, as the retired Chairman of a large former life insurance company, what has happened to actuaries in companies such as yours?

MR. FIBIGER: Given my initial professional training, it was with a great deal of regret when we finally concluded that other than hiring full-time actuaries to sign certain statements, there was no point in having other actuaries on the payroll since we could find better people elsewhere at lower payroll costs. The effective development of expert systems for premium rates and asset shares, and the Federal Insurance Department mandating a pure contribution formula to distribute surplus and to apportion investment earnings on indeterminate premium products meant a drop in our use of traditional actuaries. We found that our actuaries just weren't trained nor could they adjust to a variable or international world.

I began to get concerned about 10 years ago when a Delphic panel of actuaries, after the most dramatic 10 years of change that the insurance industry had probably ever seen, could do nothing more imaginative than forecast that the next 10 years would be exactly like the present. Certainly the dramatic drop in interest rates, which came from the Bush/Gorbachev treaty of the early 1990s, and the consequent reduction of $200 billion in the defense budget seemed to throw the profession's ability to respond into total confusion.

My skepticism about using actuaries grew in the mid-1990s. With national economies increasingly becoming part of world economies, with contingency planning replacing looks to the past, and with a multiplicity of financial products replacing traditional insurance products, we found we were increasingly looking toward economists, operations researchers, and statisticians for the key advice on where we were going. We would ask our actuaries about the world, we would get the United States. We would ask for contingencies, we would still get the one way to do it. We would ask them for the future, we would get a look at the past. We still need a few members of the profession of course, since someone has to sign the new Federal Insurance Blank. Since the acronym for that is "FIB" we found a few actuaries who still were willing to certify that in their professional opinion the reserves of the company made good and sufficient provision for the liability. I am not sure on what basis they make those conclusions, because it does not seem to me that they have the tools to analyze all of the things now going on in our company.

MR. HICKMAN: What might our educational institutions have done to help our students prepare better for this world you describe?

MR. FIBIGER: I am not sure you could have done much more, given the unwillingness of the members of the actuarial profession to give you a chance. Consideration of contingencies and a breadth of learning don't come from solitary study of textbooks. They come from the interchange of ideas in a vibrant educational setting. It's certainly true that we continued in the early 1990s to train our actuarial professionals in the old methods with a traditional course of study. No matter how valiantly we tried to keep it up to date, we couldn't deal with the dynamics of a rapidly changing world. The talented people you did train are being used more and more by us. It is just that they chose not to continue on what they perceived as a lengthy course of study that was increasingly irrelevant to the world they were going to be practicing in. So you turned out fine people for us and we are hiring them and using them and promoting them. They just don't call themselves actuaries when they do the new work of what used to be the actuarial profession.

MR. CORBETT: Anna, what's the situation for employee benefits actuaries?

MS. RAPPAPORT: The employee benefit consultant must respond to client needs -- which are driven by a balance of employee and retiree needs and general business issues. Finally, during the 1990s, employers recognized many of the changes in employee needs and several major trends emerged in their employee benefit plans. The major issues recognized were: 1) the importance of lifelong education and the link of skills with employability and financial security; 2) the need for keeping older workers productive longer and the advantages of flexibility in work and retirement arrangements; 3) that retirement benefits are an integrated package including cash and medical benefits; 4) the importance of family issues to employer and employee alike; and 5) the importance of choice to employees.

Benefits were taxed, and programs which had little purpose other than to save taxes disappeared. However, most benefit plans survived. The actuaries working in employee benefits now play some very different roles. Some have become broad based plan designers and consultants working with the spectrum of benefits in the new package. Complex accounting, funding and tax rules have not disappeared. Many actuaries are preparing the calculations needed to support the accounting and taxation of plan funds. For these individuals, career opportunities have narrowed. The senior consultants who have responsibility for managing client relationships come from a variety of disciplines, and many actuaries are not considered adequate for this role.

MS. LAUTZENHEISER: What determines which role an individual actuary is able to play?

MS. RAPPAPORT: The biggest factor is personal knowledge and skill. Those with a broad knowledge of the demographic and human resource issues combined with communication and people skills are likely to be broad based consultants, and/or the managers of client relationships. Those whose communication skills are limited and those whose technical knowledge is limited to actuarial calculations and funding are likely to be slotted in narrow technical roles.

MR. KILBOURNE: If the profession is to play a broader role, what should we do?

MS. RAPPAPORT: As individuals we should identify the roles we are most comfortable with. We should then seek to broaden ourselves and to develop the knowledge and skills needed for the role we prefer. It is very much a personal choice.

As the Society of Actuaries, we need to look at several major areas. We need to help those members who want to assume broader roles through our meeting programs, our papers, our continuing education, and through career counseling and mentoring. We need to reexamine the way our members are specializing, and see if it makes sense. During the last decade, it became increasingly clear that health and retirement benefits can't really be treated as separate specialties. We need to restructure the examination specialties. We need to try to attract to our profession individuals who can assume broader roles, and who will help the profession grow and prosper. We also need to work on our image. That joke about the actuary looking out the rear window really isn't very funny. We also need to pay attention to national retirement policy. My new organization has found chaos in policy, and not enough research and information to help us make solid supported recommendations. The Society is a research organization and there are many unanswered questions about retirement and the retirement package. There is a lot of work ahead. Maybe we need a special Task Force on benefit-related issues . . . .

MR. CORBETT: Fred, you're working in areas that have not been covered by John or Anna. What's your view?

MR. KILBOURNE: Time apparently has been kinder and gentler to independent consulting actuaries than to those who have continued in the employ of nonactuaries. Most private actuaries are now with the large, independent actuarial firms. But let me tell you how one small California firm operates.

Our professional staff consists entirely of actuaries and paraactuaries. All of us are members of one or more of the three actuarial organizations that survived the 1990s.

We generally take a team approach to our consulting assignments, frequently making use of outside subcontractors -- actuaries or other professionals -- who are expert in a particular area. Similarly we often are subcontractors to outside teams needing our skills.

Along with bigger fees, quality control costs have contributed to the tenfold increase in our charges in recent years.

Each project has a standards manger who may not be the project manager. This standards manager reviews and enforces the myriad dicta of the Actuarial Standards Board that are relevant to the project, among other quality control matters. We're quite proud of our record of having during the not-so-gay 90s successfully defended 92.8% of the actuarial malpractice suits brought against us.

Financial Risk Consultants markets its services primarily by promoting the firm's motto. This is seen as shorthand for dealing with the current financial implications of future contingent events identified as the intellectual core of the profession by the 1988 Task Force on the Actuary of the Future.

Marketing is directed at actuaries and their camp followers by means of actuarial meetings and periodicals. The firm did get a lot of publicity and business following the article in *Contingencies* (and the subsequent 1996 event with which you're all familiar) entitled, "Suppose the 1989 San Francisco earthquake was merely a foreshock to the big one?"

Our recruiting has been directly from the four universities approved by the profession to produce actuarial apprentices. FRC has also provided an opportunity for erstwhile dependent actuaries to become independent.

Turnover has been something of a problem for the firm because of our location in San Diego. We have lost a few people who have joined the hordes massing each evening at the Mexican border hoping to slip out of the grasp of the evermore intrusive U.S. government and eventually to make their way to the free markets of Poland and Albania.

FRC provides only those employee benefits that are mandated by this federal government. Thus, the firm provides daycare for the children of all employees and nightcare for those who must work a second job to pay their taxes.

Company housing is of course provided for those employees who would otherwise be homeless and company clothing for those who would otherwise be naked.

FRC is also proud of the complete line of medical services (that is services, not insurance) provided by those of us who became federally licensed paramedics as served up in the company lunch and operating room.

A couple of examples may illustrate the work of the independent actuary as the new millennium dawns. One of our clients is a federal agency for which we have an ongoing assignment to evaluate the impact on unemployment rates of legislation being considered by Congress. A computer model was designed for the job. Pending legislation is monitored both by the client and by the American Academy of Actuaries.

Another of our clients is a bank which has retained us to assist them in developing a financial risk control program for its customers. The package will analyze the customer's risk, identify ways to reduce that risk and suggest an appropriate risk retention level. The bank will assume some of the residual risk -- a transaction formerly known as insurance -- and will arrange loans to deal with the rest.

MR. FIBIGER: The examples you've given reflect change in consulting actuarial work over the years, yet still involve insurance and benefits. Has your firm done any work in truly new actuarial areas outside these cornerstones of the profession?

MR. KILBOURNE: Yes, we have a new project for the Board of Directors of a major industrial conglomerate. Concerned that their managers may be sacrificing the future of the company for the sake of short-term profits, the Board has retained us to conduct an actuarial audit. We plan to evaluate the long-term consequences of historical management decisions, to project the impact of changes in the external environment in which the company operates, and to draw conclusions as to what the company should do to secure its future. We suspect the project arose out of the *Contingencies* article entitled "Has Your President Been Feeding You Junk Earnings?" We view this new line of actuarial audits as a growth area for our firm.

MR. CORBETT: Obviously a vital factor in equipping actuaries to cope with the brave new world is our education program. How has that changed? What more do we need to do?

MR. HICKMAN: Actuarial education is not different. It's driven by the same forces that influence all education. Out there are all kinds of things happening in both the intellectual and business environment. Rapid changes in technology, particularly the changes in information technology, have changed how actuaries do their work. Since that report back in 1988, we have seen a slowing of the growth of the labor force. As a matter of fact, it goes up at a negative rate now. I guess that's good news because we are off the path towards the ultimate Malthusian crunch. But it's a lot different than the old days.

And in those years we've also seen a tumbling of those national barriers to business. The ability of a single nation today to carry out a domestic monetary or financial policy to influence a domestic economy is far less than it was before. And that influences how we educate people.

New risks have been generated by this technology and by the aging of the population. Some of the old ones have gone away. Of course, that means both new problems and new opportunities.

I guess what you're asking is, what is the actuarial implication of all this? Today the actuaries are fishing in the same pond as all of the other principle technical and management specialties. And that pond is shrinking. They're fishing for people with good analytic and communication skills.

What have we got to do? Well we have to make the challenge of the profession appealing. Young people have to feel that this is a profession that makes a difference, and they have to have that incomparable excitement of generating and dealing with new ideas -- not just old ones. And clearly we've got to learn to use those old gray-haireds more effectively. Older actuaries have to be retrained to work longer and it's up to us to do the job. And that group of new actuaries is going to be a lot more heterogeneous than they were in the past.

I guess the important point is we've got to maintain flexibility; we've got to have the ability to reeducate our senior members, and the division between basic foundations and professional education must be clarified. Basic education permits entry into the profession and is the very foundation of education later. Probably those foundation stones are mathematics and economics. It's best done early. Back in the 1990s we almost missed a major change in the scientific way of thought. That nonlinear dynamics stuff that was labeled the mathematics of chaos looked kind of flaky then, but in fact it has provided a fundamental new way to look at the universe. A lot of that stuff is not captured very well in short-answer examinations.

We in this decade have to manage our advanced professional education, and it has to be managed by a unified profession. Back in 1988 there wasn't any intellectual reason for splitting this up into little groups, and today there's no commercial reason either. As basic education has to qualify one to enter a field, this program of continuing advanced education qualifies one to enter specialties and is probably going to have to be redone several times during a person's lengthening lifetime. And this will be done in cooperation with our universities.

In summary, learn the basics -- they are the foundation of everything. And keep loose -- there are some surprises out there.

MR. CORBETT: Finally, Barbara, back in 1988 there was considerable concern that actuaries weren't making their views heard with governments and not bringing our talents to bear on societal problems. Have we improved? Should we have done some things differently? Do you see changes in the future?

MS. LAUTZENHEISER: Unfortunately, Gary, as I said earlier, it took 10 years to form MAD (Make-A-Difference, Inc.) and we're the only firm like this in existence. Frankly, I'm very frustrated as well as MAD. There are more issues than we can handle.

The need for actuarial input on government and societal issues grows greater every year. As John and Jim have just pointed out, we're being impacted more and more now by international laws and regulations as well as national ones. There are so many opportunities, and worse yet, necessities for actuarial input, and no actuaries are willing or are trained politically to do so.

Activist groups like Anna's are proliferating faster than I can name them. Unfortunately, virtually none of these activist groups have competent actuarial expertise on them like Anna's does. Few of their decisions are based on good economic concepts let alone on good actuarial principles. We not only don't have actuarial input *on* such groups, we don't have actuarial input *to* such groups. Then when we don't have an input we don't have an impact and we have to find ways to live within the constraints and restraints they pose. If we spent as much time accomplishing good legislation and regulation as we do accommodating poor legislation and regulation, we would not only have sounder insurance programs, we would have a securer society as well.

If we had been more proactive on recommendations on such issues as cost containment we would have come up with real solutions for the health care problem. We were like the engineer whose boss just mentioned to him that there was a leak in one of their oil tanks. He wanted to know how long it would take to fill the thousand-gallon tank at the rate of 100 gallons per hour, when it had a hole in the bottom leaking at 6 gallons per minute. The engineer immediately pulled out his calculator and began to determine the answer. The engineer's wife looked at her husband quizzically, cocked her head and asked, "Why are you filling a tank with a hole in it?"

Actuaries said that health care cost containment was a political, not an actuarial, problem, so they did nothing and the politicians continued to argue about funding. No one attacked cost containment. No one stressed the need for cost containing features. No one "plugged" the cost hole.

Politicians attempted to provide the funding by mandating that employers pay for it. Now nearly all the small employers have just moved to contract laborers to eliminate that cost and we have even more uninsured. I can't say I blame them, with health care costs increasing 50% per year. Health care costs have become more costly than wages or the cost of their goods sold. In addition, with a fourth of the Fortune 500 companies dropping their retirement plans, we have increasing pressure for mandated retirement plans as well. Anna, as a member of her group, is the only actuary speaking out on that.

Look at long-term care, too. We know about demographics, life expectancies, health care costs and interest volatility. Did we get our life, health and pension actuaries together to recommend real solutions? No, we just let economists and politicians and special interest groups make proposals we knew were not sound because the problem was not "purely actuarial."

We did not even fight for those things that were purely actuarial. As John pointed out, while we were calculating our asset shares and apportioning investment earnings, the Federal Insurance Department mandated the process for us. Why weren't we fighting for our necessity for independent actuarial judgment? Who knows what more problems those mandates will bring? Who's addressing these?

We need to broaden our roles. We need to stand up for our actuarial principles. We need to make an impact. We need to be the "lead dogs" so we are making dust rather than eating dust. Besides -- the lead dogs are the only ones who get a different view.

There are so many things we could and should have an impact on. Hopefully Jim's new educational program will make actuaries more proactive in the future. But what do we do about now? Where were those actuaries we needed in 1989?

So many opportunities! So many challenges!

MR. SHAPIRO (AS ORB): Enough! Enough! Orb commands you to reenter the 1989 atmosphere!

- If only you realized the world would pass you by.
- If only you had seen changes in regulation, taxation and the economy.
- If only *you* would have created the *future of the actuary.*

But you just formed more committees.

MR. SHAPIRO: The picture that's been painted is frightening. We must take off our protective blinders and face the real issues. According to your feedback, the AOF-FOA report of 1988 did well in characterizing an appropriate vision for the profession for the year 2000. Although major changes are inevitable, they can provide big opportunities for all of us if we act now to prepare ourselves. To do otherwise could condemn us to a professional life of less recognition and decreasing responsibilities.

THE ACTUARY OF THE FUTURE AND THE FUTURE OF THE ACTUARIAL PROFESSION

Perhaps we really should change our motto! Facing increasingly unstructured problems in an unpredictable world, facts and "right answers" are often hard to come by. Sometimes impressions are the only things we have; many "facts" we derive from an irrelevant past will not be facts in the future. A more appropriate motto might be "to develop reasonable impressions and conclusions from patterns of historical information and future expectations, using our full range of available mathematical and intuitive capabilities."

We need everyone to think about these issues and contribute their ideas. Our goal should be *to act.* We need to move from our rhetoric and introspective analysis to making changes and creating the future we want. To the extent the structure of the Society of Actuaries impedes needed changes, let's change the structure. We need to focus all our efforts -- education, continuing education and research -- on achieving the vision now established for the actuary. And we must start now.

Without all of you contributing your ideas and your support, we won't make it. Worse, we will never have another chance. Thanks, in advance, for your help.