



SOCIETY OF ACTUARIES

Article from:

Forecasting & Futurism

December 2013 – Issue 8

The Future Ain't What It Used to Be

By Alberto Abalo

On July 6, 2013, my way of thinking about the future changed. On that day I became a father.

As is likely true for most readers of this newsletter, I have always been captivated by questions about The Future and humankind's efforts to predict what comes next. *Blade Runner* and *2001: A Space Odyssey* were two of my favorite movies growing up, both feeding into my fascination with plausible future worlds, each making me ponder deep questions from an early age. What if machines could think? What if people could live forever? What does it mean to be human? The appeal of spending my days lost in thought over what-if scenarios played no small part in my choice of profession and in my participation in the affairs of this special interest section in particular.

Evelyn Luz Abalo was born July 6 at 3:54 a.m. Since that early morning (or was it late night?), my outlook changed suddenly and without the comfort of deliberate evaluation. Thinking about The Future, once the source of amusement, is now charged with a practical uncertainty that is sometimes too much to bear. What happens when the world's oil supply runs out? Where will humans live after the ice caps melt? How much will college tuition cost in 2021? (You don't want to know.) And the truly unthinkable: Who would take care of my daughter if I suddenly died?

I made a decision about the future and bought my first life insurance policy. The transaction taught me more about insurance and the importance of our profession than a decade of working in the industry did. (Forget Wal-Mart: Insurance should be sold at Babies R Us.) In an insurance transaction, real money is traded in return for a promise. Never has the implication of that hit me harder than when the money was coming out of my own checking account, and the promise was to protect the financial well-being of my family. Whether that money is taken responsibly is determined by



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the work of an actuary. What we do is important—not just for the insurance companies we work for, but for families like yours and mine. Preserving the integrity of the insurance systems we help design requires careful and disciplined thought about the future and a constant evaluation of state-of-the-art practices in risk management, forecasting and assumption setting.

A stated purpose of our section is to introduce our members to forecasting and futurism methods that are being successfully used in other fields and might serve as complements or alternatives to traditional actuarial techniques. At its core, our mission is to look for innovative ways to solve problems, and to share our knowledge with the profession at large. The newsletter you are now reading is a big part of that. In my opinion, our section's newsletter boasts some of the most stimulating material that can be found in any SOA publication. The proof is in the pudding: Our previous issue covered predictive modeling, Bayesian networks, hidden Markov models, Delphi studies and behavioral economics. It even contained references to *The Wizard of Oz* and Pink Floyd's "Dark Side of the Moon" (the authors claim it was a coincidence). I can't wait to read what Dave Snell and our thoughtful contributors have put together for the current issue.

As part of its educational mandate, the section maintains a presence at key SOA meetings, sponsoring sessions at the Life & Annuity Symposium, health meeting and annual meeting. Our docket of sessions this year included predictive modeling, real-time Delphi, agent-based models and genetic algorithms. In 2013 we also sponsored well-received webcasts on emerging risks and predictive modeling. The two webcasts were presented in collaboration with the Joint Risk Management and Reinsurance sections, respectively. We have found that our potential as a section, whose focus is on tools and techniques, is fully realized in collaboration with other sections whose purpose is more practical in nature.

Before signing off, I want to welcome the newest members of the Forecasting and Futurism Section Council: Brian Holland, Haofeng Yu, Vicki Zhang and Geof Hileman. I



look forward to working with each of you. I also want to thank the outgoing members of the council: Clark Ramsey, Brian Grossmiller, Jon Deuchler and Donald Krouse. Their service over the past three years (four in Jon's case) has led the section to where it is today. While their presence on the council will be missed, I hope to continue counting on them as friends of the section and will seek them out for always-thoughtful conversation at future SOA meetings.

On behalf of the section council, I welcome your thoughts and suggestions on how to improve the section. Feel free to contact me or any of the council members and let us know how we can make your section more valuable to you and the profession. While those of us in the section find The Future to be intrinsically interesting, I now recognize that for the tools and methods we study to be truly valuable we need to find practical applications for them in our profession. I invite everyone reading this to work with us in making this happen.

Enjoy the newsletter!

Regards,

Alberto Abalo ▼