



SOCIETY OF ACTUARIES

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"THE GAME OF THE NAME"—AN EDITORIAL BY THE PRESIDENT

Come join me for a round of the Game of the Name. It's a real fun game. But it's also a deadly serious one, in which the stakes are of high consequence to the future of a threatened "profession."

The Name? Well, it's "actuary". Here's the way we play. It consists of four questions. You get 25 points for each right answer. No partial credit: 25 or nothing. Winners must get all 100 points. I'll explain shortly how we determine the correct answers. Here are the questions:

1. What is an "actuary"?
2. Is it a profession? or maybe two? or more?
3. Who has a right to call himself an actuary?
4. How do we bring together what, on the one hand, "actuaries" deem to be an "actuary" and, on the other hand, what government and the public deem to be an "actuary"?

Familiar questions, indeed. But there is hardly a consensus as to the right answers, is there? In fact (and this is important) the right answers may be *changing*. Today's right answers may not be tomorrow's right answers. I'm seeking tomorrow's right answers.

Which brings me to how we determine the scores, in the Game of the Name. Each player writes down his answers, then signs and dates his entry. He then places it in a sealed envelope. All envelopes are to be opened simultaneously at 12 noon, October 1, 1990 (CENTRAL daylight time, of course). All answers will be judged on the basis of whether they are correct AT THAT TIME. The answers will be clear-cut and obvious, as of 12 noon (CDT) on October 1, 1990.

To get everybody started, let me have my go at it. Answers for 1990, mind you.

QUESTION 1. An "actuary" is a professional expert who deals scientifically with the financial implications and consequences, both present and future, of contingent events or "risks".

(credits to Mr. Fred Kilbourne, FCAS, with slight revision).

(How widely do the players diverge on this one? Are we *anywhere* near consensus as to what *this* answer is, either today or in 1990?)

QUESTION 2. "Actuaries" constitute ONE profession, but with sub-divisions; especially those accredited at the federal level as distinguished from those accredited at the state level. There is much regulatory variation, inconsistency and contradiction; but not enough to destroy the basic identity and unity of the profession.

QUESTION 3. This one's easy (by 1990). Anyone may call himself an "actuary" who is accredited at the Federal level for pension practice ("enrolled" actuaries), health insurance practice ("registered" actuaries) or Federal tax practice ("qualified" actuaries). Responsibility for regulation of the profession is fragmented among fourteen Federal agencies. Further, anyone may call himself an actuary who is accredited at the state level for life or casualty insurance practice, or for

"general" practice. Qualification standards vary widely among the states, from very strict professional standards in New York, California and Wisconsin to none at all in the District of Columbia, and Mississippi.

In most Federal and state contexts, however, the actuarial profession has a strong voice in determining and maintaining professional standards, in cooperation with the governmental authorities involved.

QUESTION 4. Throughout perhaps 80% of the profession, harmony and good agreement exists. Both the profession and the governmental authorities it deals with are reasonably satisfied with standards of conduct and practice, and both feel that satisfactory balance is maintained within the various advisory and certification boards. Nevertheless, considerable inconsistency prevails, and movement of actuaries into different jurisdictions and areas of practice creates many problems with respect to accreditation. The profession feels that a large fraction of its time and energy is drained off by the bureaucratic and regulatory variation.

Now put down *your* answers, 1990, mind you. Now seal your envelope.

The Game is a serious one. Question 1 is crucial, because ultimately the survival of the profession depends on legal accreditation. Lacking this, the profession will weaken, lose its identity, become absorbed or displaced. That which is to be accredited must first be defined; identified. We really *must* find agreement as to what an actuary is.

As to Question 2, there remain important respects in which we must decide whether we really intend to be a profession or to mature fully into a profession. And whether it will be ONE profession. I pray that we will indeed manage to become and remain one. There just aren't *enough* of us, that we can afford the luxury of breaking up into separated pieces. We do not yet number 10,000, in all North America. All together, we are a microscopic political entity. Let us not be foolish. We need professional unity.

The importance of the answers to Questions 3 and 4, in 1990, is thoroughly obvious. And the way we answer Questions 1 and 2, and build on those answers, will obviously have an effect on what the answers to Questions 3 and 4 will be. Here is where it gets really interesting! What a challenge this is! We don't have to just sit and wait for the time we open those sealed envelopes. We can positively *influence* what the correct answers are going to be. We can DO something about it; not merely wait for the outcome.

Is the Game only important to actuaries themselves; in terms of their self-interested futures? If so, we will most likely lose the game. But if we play it in a way that is also important to the public; that the public *sees* is important to ITS interests, then we will likely win. Are we a profession that is *essential* to the public? If so, we must be sure the public *perceives* that fact. Then we and the public will both be winners.

I think we can *influence* what the right answers will be in 1990. Perhaps even put into the sealed envelope the answers that we believe OUGHT to be the right ones for 1990, and then bring them to pass. I hope you believe that too.

Paul Barnhart