



SOCIETY OF ACTUARIES

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Editorial

Actuaries must become more active

by Robin B. Leckie

If you do not know where you are going, you will probably wind up somewhere else.

— Laurence J. Peter

If you do not plan your route, any path will get you there.

— Lewis Carroll.

We have just celebrated the Centennial of our profession. Did it meet our expectations? Did it indicate a direction we should be taking? Or are we just thriving on momentum? I would like to discuss the first two questions separately and then link them together.

An anniversary is usually a time for nostalgia, celebration and reflection. Many older actuaries dwelt on the former — "the good old days." All of us celebrated either at the Centennial in Washington, D.C., quietly and comfortably in a career rated job number one — a career and profession generally admired, with reasonably full and well-remunerated employment.

Reflection on our achievements made us very comfortable. Reflection, perhaps, also gave us some pause for thought. We had not yet solved our organizational issues although many felt we were headed in the right direction with the report of the Task Force on Strengthening the Actuarial Profession. We were concerned that the actuarial career might be changing, and that we, the individual practicing actuaries and those emerging through the system, might not be ready, or worse still, there might not be sufficient relevant jobs out there. However, the problem was being addressed by the report on *The Actuary of the Future and the Future of the Actuary*.

In summary, we had much to celebrate, and we did so in the quiet dignified way generally considered appropriate for actuaries. The question then is: Do we have a clear direction for the future? To answer this question let us break it down to a few components:

ACTUARIAL TOOLS: Actuarial research is alive and well, and the profession has a grasp of the gaps to

fill. You are referred to the Jim Hickman article "Janus the actuary, looking backward and forward," in this issue of *The Actuary*, and to the Jim Tilley Centennial paper.

RELEVANCE: The most significant feeling I drew from our year-long centenary was a renewed belief in the relevance of our profession.

OPPORTUNITY: There would appear to be a strong momentum within our profession. Perhaps this follows from the continued growth of benefits plans and the willingness for individuals to plan their financial futures. Perhaps it is the increasing concern of the public for an assurance that financial promises be met, and the role actuaries play in providing that assurance. Or it may be our technical strengths, which come to the fore in complex times.

Of course, the environment in which we function is not static, and the assurance of our individual fortunes is not guaranteed. But the opportunity is there.

SOCIETY: We serve society through the design and operation of social programs — primarily private (individual and employer) but also public programs. We work best when objectives are clearly pronounced, and the rules and regulations are well understood. The problem we now confront is the complexity of the framework within which our plans and our tools can function. Consider:

- 1) The globalization of world markets.
- 2) Deregulation.
- 3) The imbalance between growth, income and outgo (and the consequent deficits and inflation).
- 4) The global environmental crisis, i.e., the deterioration in our ecosystem and depletion of our natural resources. (Actuaries are not on the sidelines. See the report on leading edge environmental actuarial activities by Margaret Tiller in this issue.)

Actuaries, as practicing professionals, should not be the leaders in formulating the objectives and priorities for social programs, or employer and individual benefits programs. As experts, we are primarily

advisers, not decision makers. However, we can and should be more involved. And some of us should be directly involved through the political process (see the interview with Paul McCrossan in this issue), or as chief executive of the companies or consulting firms that deliver these programs. And those of us who have retired need not sit idly by. There is much we too can do for our profession, and for society itself.

Early-release copies of TSA papers

The following papers have been accepted for publication in Volume 42 of the *Transactions*. Members who would like to obtain an early-release copy of the TSA paper, before it is published in a preprint, may do so by sending \$5 for each paper to the Books & Publications Department at the Society office.

"Mortality Experience of Fellows of the Actuarial Society of America and the American Institute of Actuaries," John H. Cook and Ernest J. Moorhead
 "The Impact of Mortality on Panjer's Model of AIDS Survival," Colin M. Ramsay
 "Statutory Reserves for Non-Level Premium Policies," A. Stephen Beach

Board meetings open to members

Interested SOA members are welcome to sit in on Board of Governors meetings. Meetings in 1990 are scheduled for January 23 in Chicago, June 13 in San Francisco, and October 13 and 14 in Orlando.

Also, members are reminded that minutes of Board meetings are available upon request. For more information on the meetings and the minutes, call the Society office.