

Address to New Members

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Good morning.

Congratulations to our 253 new Associates, our 76 new Fellows and our two new CERAs. You all have achieved significant milestones.

To the new Associates: we are proud to include you as professional colleagues in the CAS. To the new Fellows: You are now poised to expand your careers even further. And to the new CERAs: You are helping pave the way for actuaries to contribute our expertise in enterprise risk management and for actuaries to be recognized by our firms and clients for it!

Most importantly, congratulations and thanks to all spouses, partners and family members who have supported these individuals on their journeys to membership and Fellowship. We're honored to have all of you in the CAS family!

Think of someone climbing, say, Mt. Rainier. It's hard. It takes lots of training. You don't give up. You rely on a team to provide supplies along the way, and experienced teammates to give you advice on routes and setting ropes, and to be by your side through the journey. You've no doubt had such support on your CAS journey.

Achieving these milestones opens up lots of opportunities. You are at the top of the mountain. You have a seemingly endless, 360-degree view. That's where you are now. With your CAS credential and expertise, you have opportunities in every direction. You will do best in your careers if you pick the path that you find personally challenging, that you will take pride in doing every day, and, of course, one with good career prospects!

I offer three considerations as you reflect on career opportunities.

One: “Disruption” in our industry will continue and will do so at an exponential pace.

Some of these disruptions will take the form of technology firms entering the insurance space. Nearly \$3 billion was invested in such firms last year alone. Disruption will also continue from consolidations, alternative sources of capital, and larger data pools (including both insurance data and external data). Disruption in our traditional arena includes increasing use of analytical tools in all areas of our industry, including pricing, reserving and documenting portfolio diversification benefits. Analytical tools are evolving, and we have to evolve with them so we can continue providing meaningful insights to our businesses and clients. We must be resilient for ourselves as individuals, for the CAS and for our firms.

Second: Risks are evolving.

From severe storms to drought to rising sea levels, we are seeing more and more risk associated with climate change; this risk is occurring gradually. Cyber risk, on the other hand, changes every second. Actuaries are not only challenged with pricing and reserving for policies now entering the market, but they also have to determine how to measure aggregate exposure. Increasingly, actuaries will need to be innovative and adaptable.

Third: The best opportunities may be outside the traditional actuarial focus.

We can't all be the chief actuary, but we can use our training and technical skills to add value in underwriting, claims, risk and data management, human resources and other functional areas. Strive to achieve leadership levels in these areas and use your technical and communication skills to become the decision makers. By doing so, you can expand opportunities for yourself and our future members.

To take full advantage of these prospects, you must continue developing your business, technical and communication skills. I am going to risk mentioning more exams, but I highly advise going for a CPCU, CFA or the CERA. These credentials will give you entrée into these functional areas, allowing you to add value and achieve leadership positions. Be willing to take some risk. Ben Bernanke once

noted: “No one likes to fail, but failure is an essential part of life and of learning. If your uniform isn’t dirty, you haven’t been in the game.”

Our new initiative, the CAS Institute, is perfectly aligned with these career opportunities. Predictive analytics will be the first specialty area, and the syllabus and exams will provide you demonstrated, technically solid, real-world applicable skills to use on the job and create value for you and your firms. I encourage you to pursue this credential when the CAS begins to offer it.

On another note, volunteering is an important aspect of CAS membership, both for the organization and you personally. It’s the life blood of the CAS. We need you for all manner of committees and leadership positions, ranging from the exam and research committees to Regional Affiliates. We need you to research and write papers and read and review them. We need you to share your knowledge through participating on meeting and seminar panels.

Your volunteering helps the organization, but, most importantly, you also benefit. Committee involvement allows you to build your experience in a supportive, safe environment. Since much of the activity is team-based, you can develop leadership and communication skills and, of course, create an important network with peers.

I want to close with reinforcing the overarching importance of professionalism and the legacy of CAS membership.

Professionalism goes beyond our colleagues and employers — it extends broadly to society. Stan Hughey was the CAS President when I received my Fellowship in 1975. In his Presidential Address, Stan made this comment about Social Security, pensions and Medicaid:

“...in our enthusiasm for providing security for all, we must not overlook the need to finance these programs, lest we leave to future generations the framework for disaster. There is an obligation and an opportunity actuaries should not miss to help clarify alternatives and to help others make better informed decisions.”

How's that for being prescient 41 years ago?

Today, as we go about our business developing models, identifying, assessing and quantifying risk, how will our professional advice be perceived 41 years from now? The myriad implications of climate change and our opportunity as actuaries to influence the public debate is one example that is worthy of reflection.

Collectively we control our future. As members of the CAS today, each of us benefits from the legacy left by former CAS members. These members carefully built the CAS reputation for technical excellence, ethics and integrity. Our Code of Professional Conduct is our guide, but following the rules isn't sufficient; each of us has a responsibility to nurture and grow that legacy — we owe it to ourselves, our employers and society.

Thank you and best wishes for the future to each one of you.