

# Address to New Members

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Good morning! And to those listening on the webcast from the West Coast, a very early good morning! It is my privilege and pleasure to present what I call this commencement address.

Congratulations to the class of May 2017! To the 297 new Associates of the CAS — you are now members of the Casualty Actuarial Society, the preeminent educational body for property/casualty actuaries worldwide. To the 56 new Fellows — you have completed all of the exam requirements and can now concentrate on other continuing education opportunities. And to the three new CERAs — you have mastered enterprise risk management topics, a field very closely related to casualty actuarial science.

And congratulations also to your accompanying persons here and to your support group that could not be here with you — without their help, your journey would have been much longer and more difficult.

Next, let me thank our president, Nancy Braithwaite, for inviting me to give this address to new members. The tradition of inviting a past CAS president to address the new members began in the late 1980s and has continued over 30 years. It is especially nice for me to have been invited by Nancy as we have been colleagues at two employers in the past and friends for a very long time. The new members will come to find that these CAS meetings are not just educational opportunities but also a chance to reunite with friends, colleagues, teachers, students, mentors, mentees and even competitors — and present a value that is priceless.

It certainly wasn't easy for you new members to get here. In fact, you probably thought the exams were hard — maybe even too hard. I applaud you for not taking an easier path to obtain actuarial initials. And on the exams being hard, I am reminded of a Tom Hanks' quote from an old baseball movie, *A League of Their Own*.

Of course baseball (and in this case the actuarial exam process) is hard; that's what makes it good! You will be well-respected by many for achieving this significant milestone.

So now what will you do?

Many of you will work for an insurance company. A former insurer CEO once said to me that an insurance company operationally only does two things — it takes money for risk (underwriting) and it pays claims. He may have oversimplified a bit leaving out investing, but his point was that everything else is considered staff. And he may have been right for many functions, but I was able to convince him over time that actuaries were integrally involved in the underwriting and claims operations business. He came to think of it as a three-legged stool – Underwriting, Claims and Actuarial. So as you rise to various levels — maybe even C-suite levels — worry less about title and reporting relationship; but *do* recognize how important it is for actuarial to have a seat at the decision making table.

As casualty actuaries, you will have responsibilities in the following areas:

Pricing – risk selection and price elasticity.

Reserving – please sign your own SAO and do not be coerced into signing someone else's.

Reinsurance analysis – from buyer or seller point of view.

Financial planning and reporting – explain and rationalize calendar and accident year results.

Modeling – of all types (catastrophe, economic capital, predictive analytics). Modeling can lead you into the ERM or data science fields; these fields should be viewed as an opportunity for actuaries, not a threat.

Your skills and drive can lead you to become chief actuary, chief financial officer, chief risk officer, chief data officer or maybe chief executive officer. Your future is bright!

Let me turn to the advice section of this address. I will keep it short, sweet and maybe easy to remember. I have four ideas for you to consider.

1. **Volunteer.** Of course, I encourage you to volunteer to help the CAS – you will definitely find it a lot more fun to give the exams than to take them! But also volunteer at your workplace for special assignments and task forces. You will learn more and faster and will be recognized and rewarded for it.
2. **Embrace change.** You will have far more opportunities to work internationally than your predecessors did. Learning new languages and cultures will be exciting and valuable to you. You can also work within the insurance industry in other than pure actuarial positions. Underwriting, claims, IT and risk management are but a few examples of areas in need of actuarial expertise. Or you can go outside the industry. The sports world is ripe for opportunity and I have attended some of the CAS sessions on fantasy sports betting!
3. **Work hard, especially on communication skills.** The old adage “When you want to get something done, give it to a busy person” is indeed true. Your work ethic will be noticed and will allow you to get better assignments. And be sure to focus on communications skills because getting your message across is just as important as developing the message.
4. **Remember three little letters.** (I usually get this wrong, but I am going to get it right this time.) The three little letters are – L-O-L. Laugh out loud! Have a sense of humor, show a sense of humor, whether you are an extrovert or an introvert. Don’t take yourself too seriously. But show how much you are enjoying your work.

So consider these four suggestions as you go forward as an actuary for the next several decades – volunteer, embrace change, work hard and laugh out loud.

That was guidance; I will close with philosophy. And who better to quote than one of the greatest philosophers of all time – Yogi Berra! These are two of his

statements that are most appropriate for actuaries, whether Yogi knew that or not.

1. You can observe a lot by watching.
2. The future ain't what it used to be.

So think about them.

Thanks again to Nancy for inviting me and to Nancy and Paul for being my friends. I look forward to our next TV sports gathering and enjoying Nancy's famous chili!

And congratulations one more time to the new members! Enjoy this meeting and revel in your success. Attend sessions, meet people (including a terrific CAS office staff), make friends and, please, LOL!