

CAS Presidential Address — November 10, 2014

By Wayne Fisher

100 Years! A Centennial Celebration! A true one in one hundred year event!

By all measures it's been a highly successful 100 years. One can't help but reflect on the 97 charter members of the then Casualty Actuarial and Statistical Society and ask whether they would be pleased and proud of how the CAS has grown and evolved. I'm confident they would be proud...I certainly know I am! And I'm confident you are as well....all 2,000 of you who have come together to celebrate our Centennial and to be with professional colleagues with whom you've worked, and served the CAS with through the years!

I'm exceptionally proud that you gave me the honor of being president this very special year. It is certainly special and I couldn't be more proud of the CAS and our members. We stand for professionalism and share a collective pride in the CAS both as an organization and as individual members.

At such a milestone, it's opportune to look back at what drove our success and think about how we will duplicate or surpass that success in the coming 100 years.

Practically every business or organization has a written set of values—and perhaps the most common denominator in those value statements is “integrity”: the character, shared values and mutual aspirations that we possess individually and collectively as a professional organization.

As an organization of professionals, we serve an interest greater than our own individual interest. We keep our eyes looking forward for the benefit of our current members, our future members, and our employer and regulator stakeholders. We have inherited a wonderful legacy and we are obliged to preserve it and pass it along.

For virtually all of our 100 years, we have had the advantage of filling a growing and increasingly valued niche in the insurance business. Actuaries were certainly sought after and we added unique value to our employers. We have also had the advantage of no real competitors in our arena. That's changed recently, both from within the profession with the SOA and outside the profession with data scientists, statisticians and other similar specialists.

In spite of this competition, our membership growth is strong; 8% this past year and 7% the year before. The pipeline is healthy with a record 3,000 candidates taking our exams this spring. The future pipeline is also strong. I was recently on a panel at the Actuarial Society of New York career fair in which 750 students attended. These current and future candidates are counting on us to open new doors for them to have the same career opportunities we've enjoyed. We're not going to let them down!

An important long term challenge for the CAS is dealing with increasing competition from other disciplines. We must ensure our continued, unique relevance. In part, this is why the internal, non-productive competition is so disturbing. We are looking inward — “at our own shoes” — instead of at how we can collaborate to meet the expectations of our future members and build on the legacy of our former members.

Very recently the CEO of one of the largest insurers said in an interview that he's hired a “chief science officer.” With a staff of 130 statisticians and similar technical experts, this CEO didn't even mention actuaries! That's a wake-up call. We need to ensure our basic education, continuing education and research are top notch so actuaries remain the real “value adders”—the ones in the firm who have sufficient technical skills to build on the other technical resources and bring that blend of insurance knowledge, business acumen and technical skills together to strengthen the company. That's our true challenge and we

need to be flexible and adapt to this changing environment. When I think of the need to meet this challenge, I'm reminded of a business in my hometown, the York Barbell Company. In the fifties, York owned the barbell business. The Olympic weightlifting team trained in their facilities. Medals were won. But York totally missed the fitness machine revolution with their insistence on the status quo —that “real men pump iron.” Then, all of a sudden, Nautilus machines were in every gym and barbells were in the corner, if they were there at all.

Consider MySpace. Less than 10 years ago they blazed the trail and owned social media. Today Facebook and Twitter dominate. Tumblr, Instagram, and LinkedIn and a host of other social networking services have also created their own specialized niches. Meanwhile MySpace, the social media pioneer, has been left behind.

MySpace and York Barbell and countless other enterprises remind us that times change. And today, times are changing more rapidly than ever before. We need to anticipate these changes and welcome the opportunities they will present. We must embrace change and think like entrepreneurs. After all, we are risk professionals. Are we willing to take risk as an organization to innovate and improve or are we content to stick to the tried and true that's worked well for the last 100 years?

To paraphrase Satchel Paige, you won't succeed by looking over your shoulder at the competition and to see how well you've done; you succeed by looking ahead, focusing on your strengths. In our case, it is tempting to look back over our strong history. From our beginnings we have exhibited core values of openness and transparency with our members, have fostered integrity in our relationships with our employers and regulator stakeholders, and have instilled professionalism that creates mutual confidence in each other. We *live* by our Code of Professional Conduct;

In some respects competition has been very good for us. We've had to raise the level of our game, and we've done that. One example of raising our game has been in the improvement of our connection with universities. CAS Student Central has more than 1,100 students from 275 schools. CAS Academic Central is up and running with 200 academics participating. Our University Engagement volunteers write case studies that help teach practical applications of property-casualty subjects. More than 400 University Liaisons meet with students throughout the year to provide guidance only a practitioner can give. All of these new and revamped programs have been put in motion in just a short time thanks to our volunteers and staff. And more are on the way, such as our Innovation Council which will stimulate thought and implement initiatives to provide new opportunities for all our members, as well as the CAS.

We are also developing alliances with other leading actuarial organizations throughout the world to create an information exchange. The CAS and these organizations all possess valuable casualty actuarial research and practitioner materials. Sharing these resources will benefit CAS members as well as the members of these organizations.

Our basic education is the standard employers and regulators expect. Our more than 600 exam committee volunteers provide critical breadth of expertise and experience that only practitioners can provide. Here, too, technological innovations and content changes are well under way to provide new opportunities for casualty actuaries. We will maintain the unparalleled value of our credential.

These collaborative efforts represent the confidence our members have in the CAS, the respect we have earned internationally, the trust and mutual confidence we have in each other, and the shared goal to have the CAS remain independent, focused and strong.

Looking ahead, we have a wealth of opportunities to be leaders and demonstrate our strengths identifying, assessing, quantifying and mitigating risk. Risk is inherent in so many emerging concerns: climate change, global instability, digitalization and “big data” and all its ramifications, social media, the Affordable Care Act, automated vehicles, unmanned commercial aircraft, cyber liability, our aging population and other related financial and social issues. You name it. There are opportunities everywhere for casualty actuaries. We can add value both to our employers and society with our combination of analytical skills and business understanding. I’m confident we are ready for the challenge!

Before closing, I want to recognize and thank my wife, Natalie, for her unwavering support this past year. Natalie has been a steady sounding board and source of ideas, and she’s particularly well suited for this role: She’s also a CAS member! We met some 40 years ago as fellow actuarial trainees at the then Royal Globe Insurance Company.

The Executive Council also was exceptionally responsive and always helpful as were our committee and task force chairs and members. I am positive that not one person turned me down when I made a request this year. Our commitment to the CAS and to mutual support for each other stands strong.

Our CAS staff, led by Cynthia Ziegler, makes everything happen. And this year was one to put that dedication to the test with the ICA 2014, the IAA meeting, and now the Centennial. Our staffs passed every test—just look at the program for this event and think of the volunteer and staff work that went into all the planning. We should never forget how fortunate we are to have our volunteers and staff and the key role they play in everything we do as an organization.

Our core values of trust, integrity and professionalism are firmly embedded in our organization. They are the bedrock that has served us well for our first 100 years and that

will serve us well in the coming years. We have every right to be proud of the CAS and every right to look forward to our collective contributions and continued success for not only the next year, or the next decade, but the next 100 years!

Thank you once again for the honor of being your president this very special year!