

ADDRESS TO NEW MEMBERS—MAY 13, 1996

MICHAEL L. TOOTHMAN

Congratulations to the 134 new Associates and the 18 new Fellows. This is a significant step for you. I'm glad that CAS President Al Beer has remembered the spouses or significant others and the people whom each of you has had for support. Those of us who have been in the actuarial profession for a while can cite many instances where that support has been the critical difference between achieving this milestone and not achieving it. And, sadly, I can also remember a few cases where lack of support has probably been the critical factor in an otherwise capable person's not reaching the milestone that you have reached. So we do want to remember those people today, as it is a significant achievement for them as well.

This is an important milestone for each of you. For the new Fellows, this is the culmination of many years of hard work. For the new Associates, the same statement would hold true, but we hope this is an interim step for you—that this will be just the first celebration and that, in another year or two, we will have the pleasure of welcoming you as new Fellows. For the new Associates, this is an important milestone because it represents your entrance into the Casualty Actuarial Society as a member and your entrance into the actuarial profession. With that comes many opportunities and responsibilities. You have chosen to make the actuarial profession your career, your life's work, or at least the basis and launching pad for your career; we welcome you to this profession. I hope you will find it as rewarding and as good a choice for you as I feel it has been for me, and as I imagine each of the people at the dais have found it to be as well.

For many of you, this is your first CAS meeting. Consider it a celebration of your achievement. We hope that you will enjoy it; that you'll learn something from the sessions; that you will gain some perspective; and that you will make some new friends.

For some of you, this is your introduction to the CAS. Each of you has been through the CAS Course on Professionalism, and some of you have been to exam seminars. However, this is probably the largest gathering of actuaries that you've ever experienced. So, I hope you'll make new friends here. You'll find as you go through your career that making new friends will be the part that you will remember the most, and that will mean the most, 20 years from now.

About a dozen years ago, the CAS began a tradition of asking a past president to offer some words of wisdom to the new Fellows and Associates. In fact, Tom Murrin was the first one who had this opportunity. Tom is here today, so I hope all of you will have a chance to visit with Tom during the meeting. He'll offer additional words of wisdom for you, and he's worth listening to and getting to know. The two presidents who spoke when I became an Associate and then a Fellow were LeRoy Simon and Charlie Hewitt. Now I suppose it wouldn't matter who the two presidents were, because a string of wonderful people have held that office, but I feel particularly privileged to have had Roy Simon and Charlie Hewitt as my two presidents. I still remember Roy's Presidential Address entitled "Know Thyself, Actuary." It should be recommended reading for all of you and can be found in the 1972 *Proceedings*. Roy is also here today, so please take the opportunity to meet Roy sometime during this meeting.

What do we expect of you as new members? First, I would say for the new Associates: Complete your exams. I have heard too many stories about a new Associate who is now going to take a break from the exams, or maybe is going to stop entirely. Don't do it. Please finish the exams. If you take a break, it will be that much more difficult to get back into them. There are only three, or in some cases, two or one exam left, so first complete those exams if you can. We encourage you all to do that. You are close to finishing the entire process, so do it now.

Second, we expect you to conduct yourselves as professionals. There are many ways to do that. Most importantly: Do your

work well. We don't want to overlook that. Every day you are trading with my reputation as an actuary by what you do, just as everyone else in this room is trading with yours. We are all very inter-dependent. It is important to all of us, and to our reputations, that you do your work well. You will hear stories from time to time of an actuary who will say whatever his client wants him to say, or who will provide the answer that his boss wants to hear. That is not your responsibility as a professional. Sometimes you have to deliver tough news. So, do your work well. Do it technically correctly. Do the right thing as you make your judgments, because there is judgment in everything that you do. You have the benefit of many aids in doing that. The Standards of Practice are something you ought to read and study. Get to know them. Have them where you can reach them, and use them when necessary. They probably won't be a daily reference, but they ought not to gather dust on your bookshelf. The Code of Professional Conduct is critical. In terms of doing your work well, *how* you do it is perhaps as important as *what* you do. The code of conduct can be summarized by looking at just the first two precepts. Precept 1 reads: "An actuary shall act honestly and in a manner to uphold the reputation of the actuarial profession and to fulfill the profession's responsibility to the public." Precept 2 is like it: "An actuary shall perform professional services with integrity, skill and care." If you obey those two precepts, almost everything else will fall into place.

Third, give back to the profession. Al has already suggested that we've gained 18 new potential committee members today, and I hope we have 134 more new potential committee members on the way. For many of you that will mean starting with the CAS Examination Committee. Those of you who have finished the exams are perhaps in the best position to know how to make them better; how to write questions that will provide the right kind of discrimination; and how to help us determine who really knows the material well. So for many of you, the CAS Examination Committee will be the place to start your service to the profession. Furthermore, I hope that many of you will write pa-

pers and contribute to the literature of the profession. Perhaps at some point in the future, people taking the exams will see your material on the *CAS Syllabus of Examinations* and that will help them as they gain knowledge for their careers. Also, you can participate in the various sessions at CAS meetings and seminars.

Fourth, continue your education. You may think that your education is over as you finish the exams, but really it's just beginning. For some of you it may mean an additional degree program, such as an MBA; but your real education will continue every day in your work.

Earlier I mentioned Roy Simon's Presidential Address, "Know Thyself, Actuary." One thing I could add to that is "Know Your Business, Actuary." My pet peeve in this profession is the actuary who thinks that everything is in the numbers. An actuary who believes that a ten percent rate indication means that the only course of action, or even the correct course of action, is to increase rates by ten percent probably doesn't understand the underwriting and marketing aspects of this business. You need to understand the financial dynamics of the business and the people dynamics of the business. So continue your education in that fashion.

Twenty or twenty-five years from now, one of you may be here as President of the CAS. One of you may be giving this address. You may have written some papers that will be on the *Syllabus* that other actuaries will use to continue their education. Whatever you will have accomplished in your career at that point probably won't be nearly as important as the people relationships you will have established and the friendships that you will have made. It really is the most rewarding part of the profession. So, I encourage you to take advantage of this meeting to start that process.

On a personal note, I'll say that it was rather sad for me as I read the names of the new Fellows and new Associates and

realized that there's only one among you whom I really know. I hope that by Wednesday I will have corrected that, and that I will have started the process of knowing several more of you. So, welcome to the CAS. Welcome to the actuarial profession, and enjoy the meeting.