

CAS Presidential Address
By Robert S. Miccolis
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When I took over the role as CAS President a year ago, I knew that an important part of the role was to write a president's message for six issues of the Actuarial Review.

While writing has never been easy for me, as compared to math, I felt that communicating my inspirations to the CAS community was a vital part of being a leader.

If you have been following my bimonthly president's messages in the *Actuarial Review*, you should have noticed that the particular themes for those messages suggest some exciting developments for the CAS.

Now you know what we have been up to.

These messages now become the theme for my address to you this morning.

Let me recap the highlights from those messages and *connect the dots* that lead to a very bright and exciting future for the Casualty Actuarial Society.

In January the title of my message was “**Celebrating our Past, Focused on our Future.**”

As an actuarial organization in a dynamic world, competition and other challenges are all around us. Do actuaries need to become data scientists and business intelligence experts? If not, will casualty actuarial skills rapidly become obsolete? How does the actuarial profession adapt to the emergence of these experts?

We must focus our efforts to apply our skill sets to take advantage of the innovations and transformations we see all around us.

The CAS now has a CAS Innovation Council aimed at focusing our efforts to generate and incubate the best ideas.

In March, my message was titled, “**Driving Innovation: The CAS Accelerator.**”

The CAS Innovation Council's mission is to manage our future by tapping the ingenuity, creativity and inventiveness of our members and staff to accelerate our insights and ideas and drive an innovation agenda.

My message also drew attention to the value of tapping into professional networks, noting that the actuarial profession has been slow to harness the power of online professional networks — and that should change. We need to grow our professional networks and expand the level of interconnectedness we can collectively achieve.

In May, “**Why Should the CAS Exist?**” was the main topic of my message. The CAS “Why” is based on our shared beliefs:

We share common beliefs in the value of a vibrant community of professionals with the following attributes:

- Highly valued quantitative and analytical skills.
- Skills aimed at managing the uncertain financial consequences from those risks we choose to focus on — especially property-casualty risks.
- An intense drive to bring value to society by facilitating better decisions where there is risk and uncertainty.

Those shared beliefs are what define our community as professionals and why the CAS should exist.

Also, noteworthy are the parallels that are very close to our home in the property-casualty risk field. For over 100 years, professional education for the CPCU has been similarly specialized in property-casualty risks with an array of designations that are highly valued in the insurance industry. The common driver has been the business needs of the industry and the community of professionals that defines itself based on those needs.

In July my remarks addressed **“Collaboration with Competitors — What Do We Stand to Gain? What Might We Lose?”** My conclusion in this message was as follows:

“Competition is the noise. Collaboration is the signal. Be a fox.”

Why a fox, you might ask?

A recent book by Nate Silver, *The Signal and the Noise*, refers to a Greek poet from the 7th century B.C. who wrote, “The Fox knows many things — the hedgehog, one big one.”

Foxes have some key tendencies, such as:

- Finding new approaches.
- Pursuing multiple approaches.
- Acknowledging prediction errors.
- Making predictions in probabilistic terms.
- Relying more on observations.

There is no doubt in my mind that the CAS has taught me how to be a fox.

The multidisciplinary approach to professional education is core to how we teach actuaries to separate the “signal” from the “noise.” Our vision must be clear: “Be a world-class collaborator, especially beyond our traditional actuarial boundaries.”

It is a time to build upon our current *alliances*, form new ones and expand our sphere of influence.

In September **“Charting a New Course”** was the theme of my message.

The challenge we face is how to respond to the talent demands in analytics and data science and still expand the value of the skills that our credentials represent. More importantly, how can we turn this challenge into an opportunity?

In scouting out our new course we should focus on pushing our boundaries, which is one of the quoted five obsessions of successful innovators.

“The best of the best are always focused on reinventing,” which is another obsession of great innovators.

We must embrace the new business demands and enable actuaries to be leaders in the multidisciplinary approach to professional education. We are seeking organizations with mutually beneficial goals who are interested in forming *strategic alliances* to help us navigate our new course and accelerate our progress.

Our new course should include alternative professional career paths for those who are looking for a focus on specialized areas where analytics, data science and other specialized skills can be combined with actuarial skills. The design of such alternative career paths should recognize a specialist’s expertise through their professional education achievements and by demonstrating one’s competency in practice.

The CAS has the infrastructure to offer new credentials, expand our continuing professional education and establish high standards of professionalism beyond our current offerings. We have the skills, the structure and the cultural foundation to enter territories where qualified professional specialists in analytics are needed and where we, as actuaries, are very interested in staking our claims.

At the beginning of November, only two weeks ago, my last message was published — **“Expanding our Envable Culture.”**

The CAS culture is not only highly valued by our members and stakeholders, but it is also highly regarded globally within the actuarial profession and among industry leaders.

CAS leaders are often sought after to strengthen our connections around the world and many desire a formal relationships with us.

Other industry professionals, such as underwriters and risk managers, recognize the strong reputation of the CAS and the skills of our members.

Our CAS culture persists among many of our members for their whole careers.

As CAS professionals we have three key differentiating skills that can be attributed to our successful leadership in our chosen areas of specialized practice:

1. A keen ability to ADAPT our quantitative education to complex problems in insurance and risk management.
2. Being masters at ASSIMILATING knowledge from diverse disciplines to understand and solve risk problems.
3. A propensity to EVOLVE as quick learners who can connect the dots quite effectively across different disciplines

My personal goal as your president has been to lead with a focus on the future, charting a new course for the CAS to reach our next level of excellence by:

- Questioning the status quo.
- Elevating our core skills to being leaders in innovation and communication.
- Seeking out different disciplines and extracting value from collaborating across disciplines.
- Leveraging our culture.
- Expanding our alliances.
- Opening our doors to welcome other professionals to be our colleagues.

With the creation of The CAS Institute and our new strategic alliance with The Institutes, I believe that the CAS will be able to achieve many more successes.

Your support, volunteerism, enthusiasm and influence will make an enormous difference.

Please embrace your future as CAS professionals, as world class collaborators, and as an excellent personification of being a fox.

The American Academy of Actuaries just published a book that includes a history of actuaries in the America. That history mentions that in 1804, the first person to describe his position as an actuary in the United States was previously a mariner. His name was Nathaniel Bowditch from Massachusetts and he wrote the bible for sea navigation in 1802.

You see, being an actuary was his *second* career at the Essex Fire and Marine Insurance Company in Salem, Massachusetts. Wow! The first U.S. actuary was a P&C actuary! So, you can see, our skills today have descended from the skills of navigators!

So, it is fitting that we chart our new course for the CAS before starting a new journey, as any worthy navigator would do.

Now you can finishing packing your gear for our exciting journey into new territory on that proverbial river or sea.

Those who sign up first will get the best seats.

I want to give many thanks to my predecessors and colleagues who have nurtured the CAS culture through many challenges and have ably steered the ship on many rivers and across many seas.

I have already recognized our many volunteers, but I also want to especially thank the CAS Board of Directors, Executive Council and our very professional staff on their excellence in guiding and supporting the CAS, and particularly, their contribution to me and our special task force for their support, probing questions, guidance and enthusiasm for the creation of The CAS Institute.

My special thanks go to my wife, Laurie, who reminds me to get some sleep from time to time, as well as caring for my well-being, and who travels with me on many CAS trips to make sure I get to my meetings.

You see when we first met, I was carrying around an economics text book to study for my next actuarial exam. So she knew what she was getting into.

In closing, I encourage all of you to keep up the excellent work, not only as CAS qualified actuaries, but also as CAS colleagues and as active supporters of our CAS culture.

Thank you.