

Dog Day

WAS MAKING MY DOGS' DINNER NOT LONG AGO. The usual fare: little bit of wet, little bit of dry. The good stuff because we love our dogs and we treat them well. Right at the end, as I was stirring it all together, I took a sniff.

Not that bad, I thought. Keep it in mind. You may need it when you're old and sick and can't afford both food and a doctor. Provided you live that long.

Gloomy thoughts. Am I always that pessimistic?

Not really. It's just that I'd been to the Academy's Spring Meeting that day and, quite frankly, it scared the hell out of me.

Don't get me wrong. There was absolutely nothing wrong with the meeting itself. It's the second time the Academy has held one in Washington, just after apple-blossom time, and the meeting was first-rate. As good as, if not better than, last year's. A perfect forum for fitting the actuary's science into the context of current and future public policy.

No, it was my choice of sessions that got me down. The first was the one about Medicare. It was pretty well attended. Cori Ucello, the Academy's senior health fellow, laid out the problem crisply and efficiently: Medicare is terminal. Outgo already exceeds income and it's only going to get worse. Fixing it would require an immediate payroll tax increase of 107 percent, an immediate benefit reduction of 48 percent, or some combination of the two.

That's immediate. Not tomorrow. Not 10 years from now.

Like that's going to happen.

What really got me was how calm everybody was. I wanted to stand up and shout, "So what do we do about this? What are we doing about this? Why are we wasting our time with Social Security personal accounts when we've got a real crisis breathing down our necks? Why isn't everybody screaming?"

But I didn't do that. Instead, I went to the next session. This one was about terrorism risk. That's where I learned that no matter how sophisticated the modeling (and it's getting more

sophisticated all the time) there's not much that can be done about it. It'll happen when it happens and when it does, the financial consequences alone could bankrupt the country.

Sweet. Perhaps the most delightful tidbit, drenched in deadpan irony, was that in the event of a dirty-bomb attack, we probably won't know we've actually been hit until 24 hours later, when the test results come back from the lab.

We've got a much better handle on hurricanes and earthquakes. At least they're not out there changing their plans the minute we figure out ways to predict them.

And then there were all those dire predictions about the future of defined benefit plans. We didn't know about United Airlines yet, but nobody would have been surprised.

It wasn't all doom and gloom, of course. That just happened to be a double whammy. Things got better. Secretary of the Treasury John Snow said some encouraging things to and about actuaries. And our cover girl, Paulette Tino, became the first woman to receive the Robert J. Myers Award for Public Service. Her acceptance speech alone was worth the price of admission. (As, I hope, will her story, told by Linda Mallon, on p. 20 of this issue.)

But one lesson I took from my particular experience is that actuaries don't always deal with pleasant subjects; insurance is not called "casualty" for nothing. For actuaries, "life" is really more about mortality; and "health" is about the sick and dying. But, as Chuck Bryan points out in his Commentary on p. 12, actuaries don't predict this stuff, they project it. And in the process, they help make the inevitable, no matter how dire, somewhat easier to deal with.



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Contingencies

Volume 17 / Number 4

PUBLISHED BY THE AMERICAN ACADEMY OF ACTUARIES

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Contingencies (ISSN 1048-9851) is published bimonthly by the American Academy of Actuaries, 1100 Seventeenth Street, NW, Seventh Floor, Washington, DC 20036. For subscription information and customer service, contact the *Contingencies* Subscription Department at the address above or (202) 223-8196. Advertising offices: Mohanna & Associates, Inc., (972) 596-8777, dawnette@mohanna.com. Periodicals postage paid at Washington, DC, and at additional mailing offices. BPA circulation audited. (Basic annual subscription rate is included in dues. Nonmember rate is \$24.)

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