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Ride along enclosed.



Fresh Hell

DO YOU EVER HAVE ONE OF THOSE DAYS where the best part begins and ends with your first cup of coffee?

Dorothy Parker, a writer whom I admire extravagantly, was reportedly fond of saying, “What fresh hell is this?” every time the phone rang. I can relate. I think we’ve all had times when we felt as if we were just lurching from plan A to plan B to plan C to plan Z.

I experienced one of those moments a few weeks ago. With two of my college-age children home for winter break, I’d grown used to the inconveniently empty refrigerator, the cars left with only fumes in the tank, and the coming and going at all hours of what was (for them) the day and (for me) the night.

What I wasn’t prepared for was the string of inconvenience that overtook my husband and me on the night before our daughter was scheduled to fly back to the West Coast. In a cascading succession of events, we moved from trying to jump-start the dead battery in a friend’s car down the street to discovering that my car was unmovable because of an utterly flat front tire. When AAA (not the actuaries) showed up around 11 p.m. to change the front tire, we learned that we had at some point misplaced the jack to the car (though, thankfully, not the spare tire). In changing the tire, the technician broke one of the lug nuts, rendering the car unusable for its planned crack-of-dawn run to the airport. We could still use my husband’s car, but (wait for it) it was nearly out of gas.

This is why my husband was forced to make a tense 5 a.m. circuit of local, possibly open gas stations. The first two didn’t pan out, but at the third service station, someone took pity on him (after he’d banged on the door in desperation) and opened the pumps early. Our

daughter made the plane.

I suspect even actuaries, who are masters at anticipating and managing risk, have moments like this. You can prepare all you want, but then life (as it were) happens.

In an elegant essay in this issue, Tom Bakos explores this philosophical problem from an actuarial point of view. You may find his arguments consoling (that the number of negative outcomes isn’t infinite, for instance, or that humans have an innate ability to roughly manage risk), but you might also agree with him that work still needs to be done in the area of quantifying and disclosing uncertainty.

Andrew Simonelli, the Academy’s assistant director of communications for public affairs and resident expert on National Collegiate Athletic Association (NCAA) basketball, explores another kind of uncertainty in his intriguing article about March Madness and bracketology (the science of correctly predicting which college teams will make it to the top of the NCAA Men’s Division I Basketball Championship Tournament). Andrew found some professors at Georgia Tech who have developed an impressive strategy for managing the selection of a winning bracket. While Andrew is happy to disclose the successful formula, he’d like me to remind you that gambling on March Madness is illegal, even if the stakes are modest.

As it happens, gambling on Powerball isn’t illegal (in fact, most states encourage it). But as Kyle Mrotek and Tom Van Houtte explain in their Workshop article, also in this issue, it’s really not a good idea. You’d do better investing that money in a membership in AAA. ●

