

Actuarial Input

Why didn't people write? I can't answer for others, but I can for myself. I feel as though we are entering a new age of "McCarthyism." To express any opinion other than 100 percent support for the reactions of the U.S. government to the tragedy of Sept. 11 is to invite severe retribution and judgment. Everyone must agree that this is a real war and that the Bill of Rights and other civil advances achieved in our glorious history need to be voided.

But, frankly, I can't stop being a Pollyanna and an actuary expressing personal opinions, even when the risk is high: Latest count of WTC dead is less than 3,000. No injuries that I have heard of. We lost a landmark. It wasn't the Statue of Liberty. I am amazed we lost so little.

I thank God for the superb work of the WTC engineers that people could actually leave the restaurant after the plane hit and survive. I am thankful for the law of unintended consequences. The earlier attack on the WTC made people get out promptly, saving many lives this time. The supporting terrorists of flight 93 didn't know they were going to be murdered along with the other passengers and crew, so they permitted the victims to use their cell phones, which led to the discovery of what was really going on and the failure of that portion of the crime.

The reality is; the terrorists used their best people and they barely scratched us.

I'm not happy, however, with our reaction. We are a nation of free people who believe that our concepts of property and of rights are universal; that's why we have the easiest routes to citizenship of most any nation and why we apply our rules to all within our grasp, citizen or not, within our borders or not.

Terrorists do not support these concepts. I disagree with the notion that we can stop them only by throwing these freedoms away.

Do I believe we should use terrorism to fight terrorism? No. Do I believe we should encourage people to judge others by their appearances? No. Do I believe that as we walk we should be suspicious



of all those others around us since any one may be a terrorist? Absolutely no.

Yet, that's what's happening. I'm dismayed.

I'm also dismayed that actuaries are not using their skills to communicate with and inform the public, let alone write letters to *Contingencies*.

My pet peeve is that the new airport security measures are pushing people to use cars, which are significantly more dangerous than airplanes. Part of the new McCarthyism is the fact that when someone says airport security was terrible before 9/11, we're obliged to nod our heads and agree.

But was it? To my knowledge, no innocent person had been killed or even harmed in the past nearly 20 years because of a failure of airport security on commercial flights within the United States and Canada. That's tens of thousands of flights and millions of passengers with not one person harmed. Have people brought guns and other weapons on planes? Apparently yes, but no one was harmed. Commercial shipments may not have been cleared properly—recalling the tragedy with the oxygen tanks in Florida—but that's a different problem.

Some say airport security was the equivalent of a 4-ton bridge carrying 10-ton traffic, that it was merely luck that nothing had happened so far. I think that statement is so far in the tails of the distribution as to be total nonsense.

Spending money on air traffic control would make more sense than what we're doing to customers in the airports. Actuaries should substitute facts for appearances, but it looks to me as if we're merely going along with the gang. Our

business is the analysis of death and destruction. We're supposed to be able to separate our feelings for the victims from the realities of the event, even when the victims were our friends and loved ones.

There are new questions being raised that actuaries need to contribute to. Should compensation depend on where the victim became a victim? Should it depend on the nationality (etc.) of the perpetrator? Should "hate" be part of the formula? Is there a difference between the hero firemen doing their jobs—racing into the WTC and losing their lives—or the soldiers protecting our embassies? Should the government compensate all victims when the negligent perpetrator cannot pay? How do we develop present values so that this new risk can be managed and equitably spread?

Actuaries also need to help society work through the numbers on using our scarce resources to deal with an infinite number of needs. Is bombing a bunch of underdeveloped countries filled with fanatics more valuable than making sure that all children in America get an adequate breakfast and a fair education? Actually, what about the value of making sure that the children in the underdeveloped countries filled with fanatics get an adequate breakfast and a fair education? Loving your neighbor is extremely difficult at times!

We seem to be trying to create an impenetrable fortress, but a fortress is often a prison. Personally, I won't live in one. Freedom and the rights of expression are among the most valuable gifts given us by our forebears—I will not abandon them, nor deprive others of them merely because they don't understand them or don't believe themselves. I do believe our principles are universal.

So, Senator McCarthy, do I have a choice of prisons?

LES LOHMANN
TOKYO, JAPAN

Fan Mail

I have read the articles Tom Bakos ("If Fears Were Applesauce," January/Feb-

ruary 2002) for years, and enjoyed them thoroughly. His humor is often the most interesting reading in any given *Contingencies*. You should consider putting together a little booklet of collected works similar to "The Last Word" of James C. H. Anderson. That would allow packrats to toss out all those ripped, disjointed magazine pages.

Fear of losing my job due to merger or acquisition has become more haunting lately. Given that my wife was also disarmed of her cuticle scissors on a flight to Oregon last fall, your article has made it clear that we, along with our children, must be doomed. I fear that I must show her the article, however.

Thanks. Keep them coming. I fear that someday you will stop writing them.

CHICK PICARD
WILMINGTON, DEL.

Tom Bakos responds: *Having nail clippers taken away at the airplane gate is only a very small part of the problem. I was more concerned with the fact that there are, apparently, many people who feel they can't leave home without them. If you can figure out how to harness the very subtle advertising technique used to convince people of that, you'll be a millionaire and need not worry about losing your job.*

Passing the Crash Test

Please accept my appreciation for publishing the article by Brian O'Neill entitled, "Accidents or Crashes: Highway Safety and William Haddon, Jr." (January/February 2002). O'Neill rightly points out the pacesetter intellectual influence Dr. Haddon had on the future successful programs to reduce deaths and injuries on our highways. What O'Neill is too modest to discuss is his own personal dedication and effectiveness in following Dr. Haddon's lead. O'Neill was a protégé of Dr. Haddon and more than 20 years ago followed him as president of the Insurance Institute for Highway Safety (IIHS) and its sister organization, the Highway Loss Data Institute (HLDI). I served on the HLDI board for many years

and attended numerous IIHS board meetings, so I have personally witnessed the extraordinary progress of these organizations under O'Neill's leadership.

With the unwavering support of auto insurers, O'Neill has led the IIHS to be the pre-eminent international organization for expertise in highway safety. Following the construction of the IIHS Vehicle Research Center outside Charlottesville, Va., the IIHS has been able to directly influence the auto manufacturers' safety engineering. In fact, over the years the IIHS impact has been elevated to the extent that auto manufacturers now design their products to perform well on the IIHS crash tests. These tests are based on state-of-the-art

science and biomechanical engineering. With total focus on methodically precise testing followed up with media savvy, O'Neill and his staff have brought the level of effectiveness in highway safety to a standard that Dr. Haddon could never have imagined. Countless people live today thanks to Dr. Haddon's vision and O'Neill's determined follow-through.

Admittedly, there is still much work to be done. But this track record of ever increasing success and influence, supported wholly by auto insurers' emphasis on loss prevention, is a reason that we all should be proud to be part of this industry.

STEVEN F. GOLDBERG
SAN ANTONIO, TEXAS

Uncharted Waters

To read about "A Market Grows in Moscow" (January/February 2002) with its reference to Russia as a U.S. ally, was both gratifying and reassuring. Authors Mariska and Ostrovskiy are so well qualified to tell about the constructive growth of the Russian economy (1997 vs. 2002). The article repaid careful reading.

I was unable to understand one table, however—"Development of the Russian Insurance Industry" (top right, p. 18). While the authors state that "the insurance community enjoyed substantial growth," the table shows no change at all during all seven phases of the years 1991 to 1993. What happened?

SAMUEL TUCKER
SOUTHAMPTON, PA.

Editor's reply: *Well, we goofed, that's what happened. The correct table appears below and on our website at www.contingencies.org. We regret the error.*

Development of the Russian Insurance industry

| PHASE | YEARS | DESCRIPTION |
|-------|-----------|---------------------------------|
| 1 | 1991-1993 | Industry organization underway |
| 2 | 1994-1995 | Insurance "profession" emerges |
| 3 | 1996-1998 | Market potential recognized |
| 4 | 1999-2000 | Consolidation and acquisitions |
| 5 | 2001-2002 | Consumer programs emphasized |
| 6 | 2003-2004 | Western participation increases |
| 7 | 2005+ | Open market and rapid growth |