

# The Ancients and the Actuaries

## It's All Greek to Me

**A**T THE RISK OF OVERSIMPLIFYING THE CONTRIBUTIONS OF ANCIENT GREEK CIVILIZATION to modern philosophy, mathematics, the arts, and government, I suggest the following: There are particular lessons to be learned from the ancients that have relevance to the actuarial profession and to its role in public policy.

The opportunity to analogize across disciplines is especially pertinent because the very first Academy was formed in Athens by Plato in 387 B.C. as a place to discuss, teach, raise consciousness, and influence the politics of the day. Furthermore, it's through such discourse on ethics and the public good that Greek thought laid the foundation for the development of the Western values that form the fabric of our social, civic, and commercial lives in the modern era.

In our contemporary world, full of global uncertainties, there seems to be a predilection more toward absolutes than consciousness raising. Instant breaking news emanates from numerous platforms and technologies; the planet is at once a more intimate community and a more insecure one, due in part to daily barrages of all the news that's fit to depress you.

Through it all, we skeptically question the relevance of so much information to our daily lives: our personal security, financial security, and the well-being of our loved ones. And, just as Greek cynics sought the "one truth," so do we all seek answers to our daily challenges.

Such truths are especially sought from the actuarial profession, which naturally tends to identify with the Greeks more from the perspective of applying mathematical symbols to weigh sensitivities. It's out of this practice of fully probing for certainties and accuracies that the profession is sought by public policy-makers, who, with the zeal of Diogenes searching for an honest man, look to shine the light on the indisputable answers to the challenges that face us all. Or not.

Certain truths such as critical action needed to resolve



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Social Security and Medicare solvency shortfalls, federal or state reforms to address the asbestos and medical malpractice litigation crises, the need for expanded coverage opportunities for the health care uninsured, implementing a permanent federal terrorism risk insurance backstop, and others, can be ignored if they don't neatly fit into the objectives of the stakeholders who must weigh constituent political realities against immediate and long-term needs. And the sensitivities that surround each of these issues are driven by their relevance to large numbers of Americans, which should not be discounted.

The appropriate forum for such sensitivity testing is in the legislature, but as we've seen thus far in the 109th Congress, there seems to be little consensus surrounding proposals to resolve these major challenges. While the need to act is widely acknowledged, the political will to overcome philosophical and practical differences has been elusive.

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Of course, realities can change by changing leadership or by setting a new tone through a concerted public opinion campaign (because leadership without followership is an incomplete political equation). One of the greatest gifts from the ancient Greeks, small “d” democratic (*demos* = people, *crates* = rule, or govern) government, vests the real power in its citizenry. In our representative form of government, the former is achieved by elections, the latter by expending considerable resources either through grass-roots mobilization or mass media/public relations campaigns.

Acting as a change agent in either of these respects may not produce optimal results. The Academy’s credibility would be forever altered were it to engage in political contests to sway outcomes. And waging an effective, nationwide campaign to influence public opinion is no small feat, as any advertising executive will attest. It doesn’t require an actuarial opinion to conclude that a grass-roots campaign by 18,000 foot soldiers in a nation of just under 300 million people won’t have a high probability of success. The odds are further complicated by the false prophet of conviction. It would be a Herculean feat for actuaries to produce unanimity of opinion and purpose behind each and every public policy campaign in every practice area given the versatile nature of the profession.

But unanimity isn’t everything. Whether as a Greek chorus in a tragedy commenting while events unfold or as Cassandra foreseeing calamities behind every trend, actuaries risk losing their voice in the discourse of public policy if they aren’t heard or heeded because they don’t speak the language of their audience.

Recognizing that the competing needs and motivations of political leaders don’t always match

those of thought leaders is important to the Academy’s approach to delivering a message, especially if the news is particularly bad and requires considerable expenditure of political capital. The mythic proportions of the Social Security and Medicare solvency debates are generally well understood in the marbled temples of Washington, D.C. But the day of reckoning to address change has been put off to an uncertain future date when the immediacy of insolvency looms large enough to overcome the perceived political pain acting (presumably in a bipartisan fashion). No amount of compelling evidence to the contrary—that to delay not only postpones the inevitable but makes the problems more acute and the options fewer—will spur action on these issues before the mid-term congressional elections.

And truth be told, those intractable problems—such as medical malpractice reform, asbestos reform, health insurance coverage for the uninsured, and reversing declines in defined benefit plans—involve perennial skirmishes on Capitol Hill between entrenched interests that make cost-benefit assessments and find little reason to compromise.

These epic battles, like the great battles of the Greek city-states, involve very intricate alliances and partnerships among far-flung groups who may have no greater stake in the outcome than the premise of thwarting a common adversary. Others run up against the stark reality of fiscal shortfalls and equitable resource allocation (budget deficits and unfunded mandates). Still others wax and wane according to the fickle cycles of public opinion polls. And all the while, there exist other, unforeseen or too-long-ignored events, such as the AIDs pandemic or avian flu,

that have the potential to tip the scales of humanity in ways perhaps no one can fully comprehend.

No public policy debate can ensue without political discourse. The nature of human interaction dictates it. However, the character of that debate needs to be honestly engaged and the integrity of the profession preserved through its standards and the Code of Conduct. Otherwise, we risk a dissembled jumble of sophistry that advances no cause except to diminish future potential influence.

The measure of each foray into the public domain is indelibly imprinted on the consciousness of the community and forever shapes impressions and biases based on the execution and performance of that public effort.

The Academy’s credibility in the public policy arena has been painstakingly built out of non-partisan, unbiased analysis, in addition to an open-door policy for all parties in the public sector to seek advice and counsel. And while such analysis often becomes the raw material for advocates who engage in lobbying efforts, for the Academy to wage that campaign itself would fundamentally alter its identity within the public policy and political arenas and place its relationships with particular players in those sectors above its public policy mission.

Whether current events give you cause to mount your own soapbox, tutor world conquerors, or sip your own brand of hemlock, there is a collective forum for effecting productive change through the work of the Academy in all of its functions: as consciousness raiser, educator, ethical standard-bearer, and even political rabble-rouser. Within reason, of course. ●