

## Actuarial Mindworks

I'VE WRITTEN ABOUT MY DOG BEFORE, about his total and unremitting fascination with and focus on food. If Swazie isn't sleeping, he's eating. Heading into his 98th dog year, he pretty much only wakes up to eat.

In his youth he spent part of his day observing the world from our front window, alerting us to anything he found interesting out on the street. But as he's gotten older, holding his head up and keeping his eyes open require too much effort. Overall, his existence has been rather stress free. He has no other interests due, in part, to an operation he had early in life.

Recently, on one of his occasional, required walks outside, he was nosing around the herb garden and came upon a cute little nest of field mice. At least I thought they were cute; he thought they were lunch. I was observing this encounter from inside, and things evolved fairly quickly. Swazie had demonstrated that he's not a vegetarian before I could get outside to provide any protection at all to those doomed little critters. Then Swazie brought his 125 pounds inside and went back to sleep.

This rather disturbing incident got me thinking about our two different views of the world—mine and my dog's. It would never have occurred to me to eat a mouse. As my thoughts on this progressed, I got to thinking about our relationship—mine and my dog's. I think of Swazie as my faithful, furry companion. I often get down on my knees to scratch behind his ears and rub the fur on the top of his head against the grain as he lies on the cool floor. He doesn't wake up, but I think he likes it because he kind of purrs when I do it. My stress levels certainly go down as my scratching and rubbing merge me momentarily into his stress-free life and I commune with his living example of total relaxation. Sometimes I even begin to think about food.

But now that experience with the mice has got me wondering what Swazie thinks about me. Does my size have anything to do with it? For example, if I were smaller would he try to eat me, too? Probably.

It's amazing how one little event can change a whole relationship. It's disturbed me far more than it has him. Given that his two top priorities are food and sleep, Swazie has no room for a problem like this in his thoughts and I'm sure it gets none of his attention. As I said, Swazie seems to continue sleeping

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as I scratch him. I can't help but wonder how much smaller I would have to be to wake him up.

### Time on My Hands

Obviously, I have time on my hands. There are moments, sometimes long moments, when I'm not using all my brain power to its fullest potential. We all have them—those moments when you're waiting for the water to get hot before you step into the shower, downloading a big file with a dial-up modem, anticipating supper on a Friday evening, scratching behind your dog's ear (or your own), waiting for the phone to ring or the light to turn green, and those moments just before you fall asleep, to name a few. Heck, a waiting room, TV commercial, or corporate training session can create long moments of brain inactivity ideal for daydreaming.

I believe we can harness that unused brain potential. I think someone should organize an actuarial mind-sharing enterprise as a public service and direct the untapped, logical problem-solving talent of the actuarial profession to a good and fruitful purpose.

There is precedence for this and a model to follow in the electronic arena. Personal computers are being

harnessed through the Internet to use their otherwise idle time to make a computational contribution to significant scientific analysis. SETI@home (SETIathome.ssl.berkeley.edu) is a good example of this. You can download a screensaver that will allow your PC to help evaluate radio data from space in the Search for Extraterrestrial Intelligence. With the screensaver, when your PC isn't working on your stuff, it's doing SETI stuff. In other words, it's not wasting time, it's making a real contribution to science and the betterment of mankind.

My idea is just like that except it's biological. I would harness actuarial minds to work on important scientific and social problems when they might otherwise be idle. We've often heard it said that the simplest solution is most likely to be the correct solution because that's the way nature works. But the simplest solution isn't always the most obvious, so it takes a lot of time, effort, and thought to find. That's where we logical thinkers with surplus thinking time can make a big contribution.

By way of example, in my idle time between these two paragraphs, I've solved a problem. It's occurred to me, in contemplation of the above, that it's usually incorrect to believe a complicated solution. This might even be the contrapositive of the "simple is correct" force of nature observation discussed above and, therefore, logically true.

For example, conspiracy theories are readily and easily proposed and they're always complicated. They get more and more complicated as they're adjusted to every attempt made to refute them. Although conspiracy theories are, typically, believed to be correct by large numbers of people, they're usually wrong and made wronger with every complicating iteration.

Similar reasoning tells us that it's probably not reasonable to believe we'll ever be able to find an accounting system better than cash. Come on! What are we to believe: GAAP, Stat, Tax, Purchase, or et

cetera? If you have cash in your pocket, you're solvent. If you don't, you're not. Every run-on-the-bank scenario has proven that (e.g., Mutual Benefit, General American).

Of course, you could say these accounting methods are just different ways to figure out how much cash a company ought to have in its corporate pocket. But just think how much a company has to pay an actuary to figure that out. I think a way could be found to make it simpler. It's kind of like your own personal situation. How much cash you need depends on the kind of trip you're taking. For example, if my wife is going to the store to buy a loaf of bread, she needs about \$2.00. If she's going to a Society of Actuaries meeting to eat bread, she needs \$75, recently reduced from \$150.

#### **Mindworks, Inc.**

So, what kind of problems would we solve? Well, for sure they couldn't be time-critical problems. True or not, I wouldn't want to suggest that we actuaries have so much idle time on our hands that we could apply it to solve critical world problems in time. No, the really important problems we'd still solve for pay so, rest assured, we would put no one out of work. The kind of problems we'd solve through mind sharing would be interesting problems outside our normal routines and could be used to expand our range and demonstrate the public service role of the actuarial profession.

For example, what does it mean to be a nonconformist? I saw a report recently about a group of ladies, the Red Hat Society, who identify themselves as noncon-

formists by the uniform they all wear—a red hat and a purple dress, as I recall.

That confuses me. Should it be so easy to spot a nonconformist? Should it be so easy to be one? Conformity means being in harmony or agreement and taking action in accordance with rules, customs, or prevailing opinion. Nonconformance requires originality, doesn't it? Originality is a process. We've already learned that casual dress shouldn't just mean it's Friday. It's time to take the next step. If we all put a little of our idle time to work on this question, we might change the world.

But we ought not get too carried away. A portion of our time devoted to nonconformism is really all that would be required. A little goes a long way, and some uniformity is a good thing. If we let our heads get too big, we'll never find a hat that fits or one that we can wear without looking like a dork.

Here's another problem I've always



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wondered about: weather forecasting. Weather forecasting is done by looking at weather patterns and conditions known to actually exist in one place and using

that information to predict the future weather for the next place down the road. That means that your weather is always yesterday's weather to somebody else.

What this implies, of course, is that there's a place where all the weather starts and, therefore, where it's totally unpredictable. People who lived in that kind of place would never know if it was going to rain or shine. A lot of the work actuaries do in the organizations we work for is like weather forecasting. In fact, we even sometimes use huge computer models to do it. So I think we ought to pool our idle time to find that place in our organizations where nobody knows what's going on. Of course, what we do after that is the next problem.

#### **Getting Organized**

Anyway, those are the kinds of problems we would solve by putting our minds to work in our spare time. We could call our organization Actuarial Mindworks. Actuarial Mindworks would be like a club of actuarial superheroes. We could get T-shirts or slick body suits that we could wear under our regular clothing. We'd need an emblem. We'd need a motto. We'd need a clubhouse. We'd need a website. We'd need a Society of Actuaries section. We'd probably also need secret identities.

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