

## Plain Speaking

**O**NE OF THE HALLMARKS of our representative form of democracy is citizen participation. Our government is strongest when the citizenry is engaged, interested, and involved in selecting those who will represent their interests in the presidency, Congress, state houses, and city halls. And our constitutionally guaranteed protections of civil liberties, particularly free speech, empower us to do so.

The challenge confronting this 214-year-old work in progress is whether it will succumb to its own success. From so many simultaneous voices raised on so many disparate issues, the tenor of public policy debates has either become unnecessarily shrill or it occupies a low political bandwidth of trite mantras that lulls the political establishment into a false sense of achievement, if not security.

It's within this public policy arena that the American Academy of Actuaries, the voice of the actuarial profession, competes to be heard by lawmakers and regulators. I'm fortunate to have recently joined the Academy staff as director of public policy to, in part, coordinate the process by which this unique association communicates with public officials and related interested parties.

Whereas many groups sharing either a professional or philosophical common interest have banded together and armed themselves with potent tools—massive grass-roots mobilization capabilities, political action committees, ideologically oriented think tanks—the Academy relies on the tools of its trade: expert actuarial analysis.

If there's one thing the public policy-making process often lacks, it's balanced information on the efficacy and fundamental wisdom of proposals affecting either governmental pension, health, and social insurance programs or the regulation of the private insurance and pension markets. Some lawmakers are competent enough in many areas of law to draft legislation themselves, while others rely on their staffs and legislative counsel.

Since there are no qualified actuaries currently serving in Congress, it would be reasonable to expect that ac-

tuarial opinion would be at a premium. It's been my experience, during 16 years of working in the leadership ranks of the House of Representatives, that the work of actuaries is often highly valued. But not always.

Many on Capitol Hill have limited experience with the actuarial profession. Some read the required reports by government actuaries on federal programs. Others use state-generated actuarial analysis in their oversight of insurance or pension products.

Unfortunately, with so much at stake and so much regularly in dispute in this public policy arena, there's an abundant supply of non-actuarial opinion that will suit

a legislator's perspective and legitimize his or her predispositions. Never let the facts get in the way of truth, as they say. (That is, the "truth" as they see it.)

The challenge, then, is not just to be heard, but to be listened to. As strange as it may

sound, part of the Academy's present task must be to remind legislators and their staffs that actuaries are relevant to the policy-making process. While legislators may acknowledge the utility of actuarial advice about current and future solvency levels in certain programs, they often don't heed actuarial warnings when those reforms are ill-conceived or when they're struggling to find solutions for which actuaries are best suited to provide guidance.

In many ways, the Academy has already overcome the challenge of familiarizing key players in Washington with its expertise on key issues. The dedicated work of Academy member-volunteers has resulted in an impressive level of exposure on many of these emerging issues: pension reforms, Medicare and Social Security reforms, medical malpractice reform, and asbestos reform, just to name a few.

Through direct communications with Congress—testimony before congressional committees, members' direct visits with Hill leaders, and educational Hill briefings—the Academy brings that expertise to the attention of law-



**CRAIG HANNA** IS DIRECTOR OF PUBLIC POLICY FOR THE AMERICAN ACADEMY OF ACTUARIES IN WASHINGTON.

makers. And through the various written communications, such as issue briefs, monographs, and targeted letters to lawmakers, the scope of the Academy's reach is enhanced.

It's the quality of the work within these communications that has enhanced the Academy's reputation for excellence on the issues to which it lends its voice. And it's the high standard of unbiased and objective analysis that has established its credibility in a town of noted cynics.

As encouraging as this may be, it doesn't immediately lead to success. Congress doesn't call a special session to act on every recommendation the Academy makes, nor does the administration draft every regulation and rule according to the comments the Academy provides. Though legislators may give great weight to such recommendations, they are just as likely to turn a deaf ear toward any "static" raised over a policy advocated by other constituencies. It's sometimes hard to hear the voice of reason with a chorus of catcalls hissing in your ear.

It's great sport in Washington to damn the budget estimators, the economists, and yes, even the actuaries, who provide unwanted and inconvenient information. And if the discontented don't kill the mes-

senger, they try to ignore him. But for every proposed solution to a significant issue, there's usually at least a competing viewpoint that may find such truths absolutely essential.

As nice as it is to be wanted, it's sometimes a dangerous place to be. There's nothing more stifling in the political arena than to be pigeonholed in terms of your affiliations. But because the Academy is just as likely to agree with a particular interested party on an issue this time as to disagree the next time, it defies such facile identification.

And perhaps another useful, inherent characteristic of the Academy is its diverse interests. While the Academy may enjoy a fruitful relationship with a particular legislator through the work of one practice council, the work of the remaining practice councils may be either unknown or antithetical to that same legislator.

The day-to-day work of the Academy is an ongoing analysis of the issues emerging from Congress, the administration, and state regulators, identifying potential areas of interest from an actuarial perspective. The Academy's work is most influential if it's reasoned and timely and anticipates well in advance the legislative timeline.

This work also means ascertaining the best avenues for communication. Informal discussions can sometimes be as effective as public letters aimed at policy-makers. Constructive, consultative conversations are often started when policy-makers respond to Academy public statements with a request for more information. It's this type of productive advice and counsel the Academy strives to do more of.

The benefit of this activity has obvious value on two fronts: Not only does it help produce better public policy, which we hope enables actuaries to better practice in their particular areas. But it also enhances the value of the profession in the eyes of policy-makers and those whose business concerns are affected by government regulation.

What sets the Academy apart from virtually any other public policy organization is its resolve to continue to build upon the solid foundations of its reputation for excellence and credibility. As a nonpartisan, unbiased resource in this loud and raucous world of legislators, regulators, interest groups, and citizen activists, the Academy can best be heard in quiet, two-way conversation.

But sometimes it may have to raise its voice first, just to get their attention. ●

## *Did You Know... ?*



If you received your FSA in 2000 or later **you may not meet all of the Life and Health specific qualification requirements** to render a Prescribed Statement of Actuarial Opinion.

Go to the American Academy of Actuaries website at [www.actuary.org](http://www.actuary.org) and find out if you need to attend the **2003 Life & Health Qualifications Seminar** to be held November 11-14, 2003, in Crystal City, Virginia.

Or call Rita Winkel at 202-223-8196 for more information.