

**Remarks of 2011 Academy President Mary Frances Miller
American Academy of Actuaries Annual Meeting
October 24, 2011**

Congratulations once again to all our award recipients. We're very proud of you, and grateful for your work on behalf of the Academy and the profession. You represent just the tip of the iceberg of Academy volunteers working to realize the Academy vision of sound, sustainable financial systems in the US.

It's been a tremendous joy and privilege to have worked on behalf of the profession, through the Academy, during this past year. While there have been many significant and rewarding experiences during this short time, there are a few items I'd like to highlight.

When I began my term as president-elect of the Academy, I led a strategic planning initiative that resulted in revisions of the Academy's vision and mission. The vision now reflects the fundamental objective of our policy work: sound and sustainable financial systems. To its foundational commitment of serving the public interest through its public policy and professionalism work, the revised Academy mission also now reflects the Academy's long-standing commitment to serving the actuarial profession itself. In my year as president, I've stressed that the Academy, through its many volunteers, including many of you here before me, works toward the twin missions of serving the public and the profession.

Internationally that has meant the Academy leading the U.S. profession in speaking with a strong and certain voice on a host of critical issues like solvency modernization, systemic risk and international standards of actuarial practice. While international issues might not seem to touch on the practice of most US actuaries, the increasing reach—and the increasing convergence - of global finance means that, as a profession, we cannot isolate ourselves from international discussions. Specifically on international standards of actuarial practice, the U.S. profession has chosen to take a leading, proactive role in helping to shape model international standards. We have sharpened our focus by assembling a team of highly experienced and well respected actuaries to represent US interests on the various committees and work groups of the International Association of Actuaries currently working to develop model standards. I'm very happy to report that, as a result, the first standard to be exposed—on general actuarial practice—draws heavily from our own standards. The second standard under development will provide guidance for actuaries practicing under international pension accounting, and I am confident that the US actuaries on the drafting team will ensure that the result will again reflect ASB guidance.

Domestically, the Academy has seen a surge in member interest in professionalism and related issues. Our three professionalism webinars conducted thus far in 2011 have ranged from the practical—the revised ASOP 41, Actuarial Communications—to the more conceptual—“The Profession's Responsibility to the Public” and “Applying the Actuarial Code of Professional Conduct in Uncertain Economic Times.” Groups of actuaries, gathered at as many as a thousand web-linked sites and who set aside 90 minutes from a hectic workday to engage in a thoughtful examination of topics like these, attest to the strength of our members' commitment to professional excellence. It also attests to the Academy's obligation and ability to deliver needed, timely, engaging, and cost-effective continuing education for the profession.

That commitment, of course, guides us equally well in the public policy arena. We continue to serve the public interest, providing the voice of the U.S. actuarial profession and maintaining our well-earned reputation for excellence through independent and objective actuarial analysis to inform public policy discussions for the formulation of sound public policy.

I cannot think of a finer example than this: Two years ago, a joint work group of the Academy and the Society provided an actuarial analysis of a then little-known piece of long-term care legislation called the CLASS Act, which was adopted as part of the Affordable Care Act. With the Academy's public policy expertise and the SOA's research support, the actuaries concluded that the program was vulnerable to adverse selection and that it would fall short of coverage goals. We warned that the program as designed was not sound and would ultimately be unsustainable. For two years our colleagues communicated these concerns and provided recommendations, including through testimony before a congressional subcommittee.

Just ten days ago HHS Secretary Sebelius announced that she could see no viable path forward for CLASS and that the Department of Health and Human Services would NOT be implementing the program at this time. At the end of the day, the secretary concluded that the program's failure would hurt those who would have been counting on it the most. By providing independent and objective actuarial information that was used in the department's decision making process, actuaries were able to protect and serve the public interest.

Our work, of course, has not stopped there. The chair of the Academy's Public Interest Committee sat before a congressional subcommittee in July and discussed the urgent need to address Social Security's financial and demographic challenges. The Academy continues to use its resources to educate policy makers to help craft sound actuarial public policy. Our members have traveled up to Capitol Hill to lead briefings on the National Flood Insurance Program, Medicare, Social Security, retirement risk, and private pension systems. Each of these issues affects tens of millions of Americans every day.

On health reform implementation, the Academy sent two dozen volunteers to the Hill to meet with policymakers to present the actuarial perspective on how to ensure that the goals of health reform are being met and to mitigate unintended consequences. On systemic risk regulation, our volunteers have communicated extensively with U.S. Treasury Department officials and state-based stakeholders—through both written analysis and direct, in-person meetings—to help regulators develop the complex mechanics of emerging, inter-related financial markets, including the insurance sector.

The Academy continues to work with state legislators, insurance regulators, and the National Association of Insurance Commissioners to generate the best possible model for individual state laws and regulations that affect our members who work under those rules. These efforts are helping to advance our mission, promote the profession, and serve the public interest.

Independent. Objective. Not a trade association, lobbying for outcomes favorable to us or our employers. Providing a voice for the US profession.

Again, the Academy's impressive public policy work, both within each of the practice councils and, increasingly, across two or more practice councils, is a reflection of the work of our volunteers. I'm proud to say that more than 1200 of our colleagues now actively volunteer for the Academy, a significant increase over just the past few years. Under the leadership of the Academy's Volunteer Resource Committee, and with the active support of each of the Academy vice presidents, we've streamlined and fine-tuned the volunteer process to ensure that we match volunteers ready and able to work with genuine public policy and professionalism needs.

It has been a positive, meaningful year for me as your Academy president. I celebrate all that we have accomplished. And I'm grateful for your support in continuing our work on what still needs to be done.

In closing, I'd like to thank all of the Academy staff for their infinite patience and persistence, keeping often-distracted volunteers on task and on time. Special thanks to Mary Downs our Executive Director, who over the last couple of years has put together the strongest team in the Academy's history; Craig Hanna our Director of Public Policy, without whom our voice would not be heard; and Mark Cohen and his communications team, who have seen to it that the expanded communications to you, our members, begun last year by Ken Hohman have continued.

I'd also like to thank my partners back home in Nashville. Yes, I do still remember who you are—although it sure has been a blur these last couple of years. Thank you for supporting me and the profession. On a personal note: Jon, my dear, I don't promise to be home for dinner by six, but I just might make it by seven rather than 8 or 9 a bit more often. Our children—Rachel, Frank, who was able to be with us today, and Joe: thank you for your willingness to put up with my schedule and my musings on public policy issues. Chelsea and Kalini—the dog park awaits!

It has been another productive, effective year for the Academy. I have been privileged to serve, and I am confident that our good work will continue.