PRESIDENTIAL ADDRESS AMERICAN RISK AND INSURANCE ASSOCIATION AUGUST 1990

STRENGTH IN DIVERSITY

Sandra G. Gustavson

And now before we all get back to our serious academic pursuits, in the best traditions of Walt Disney and MGM, let me take you on a brief fantasy trip back in time. Initially, I want you to try and remember where you were in mid-August of 1979. Many of us were together, as we often are at this time of year, at the ARIA meeting.

You may not recall, but in 1979 we met in Toronto. I particularly remember that meeting because it was the first ARIA meeting I ever attended. I believe it was also the first meeting for Scott Harrington and Neil Doherty, among others. Think back now. Travis Pritchett was the Program Chair, Chuck Hall gave the Presidential Address, and a few of the same people who are presenting papers here in Orlando were doing the same thing 11 years ago in Toronto. Examples include Richard Corbett, Mike Murray, Jim Trieschmann, and Harold Skipper, to name a few. What I'd like you to do for just a minute here with me is think back a little more on that 1979 meeting. Or, better yet, think back to the first ARIA meeting that *you* ever attended.

First of all, nobody ever looks the way that you imagine they will. Back then, I just knew that David Cummins would be at least 75 years old, because he had written so many articles. And of course anyone with the first name of "Travis" would surely have to be one of those rough, rugged individuals, who most likely would be wearing cowboy boots and a 10-gallon hat. I obviously had a few surprises in that regard, and I suspect you have too.

Think about the rest of your first meeting. You probably checked in at the hotel, dropped off your bags, and then made your way to the registration table where, among other things, you picked up your name tag. Things change from year to year, but for many of us, the first ARIA name tags we ever wore had some special marking on them indicating that we were "first time attendees." For me, it was a big blue stripe across the bottom of the tag. That was supposed to signal to other members that I was new and then at the receptions and coffee breaks, people would be sure to make me feel welcome. To me, however, the stripe felt more like a flashing neon sign saying: "New . . .

Department of Insurance, Legal Studies, and Real Estate, University of Georgia.

Unimportant . . . OK to Ignore." Receptions and coffee breaks were hard; paper presentations were more relevant and infinitely less stressful.

Now, the Research Roundtables were something else again. Just the name itself was a little intimidating. Back then, I just knew that if I went, I would be expected to be an expert on all topics and, with no advance preparation, would be expected to enlighten everyone else in the room with my great insight and expertise. I think I walked by the door of the roundtables in Toronto, glanced in, and decided that maybe I'd come back the next year. As for the business meeting, I doubt I even thought about going to that thing. All in all, the whole "first time" ARIA experience—at least for me—was not especially pleasant. It was actually pretty depressing. And it was incredibly long.

But I survived. And like a lot of things in life, the experience has improved considerably with practice. This is the twelfth ARIA meeting I've been to. That's a lot fewer than for many people in this room, but it's long enough to have learned some things. And that's really what I'd like to share with you for just a few more minutes today.

First of all, for better or worse, people now look the way they're supposed to, and it's pretty hard to even imagine Travis Pritchett in a 10-gallon hat. I've also learned that many issues and ideas have a way of recycling themselves. Let me give you just a few examples:

(1) In 1979 we had a Program Chair from South Carolina and discussants for many of the papers. The discussants were then absent from our program for 10 years. Now, in 1990, we again have a Program Chair from South Carolina and the discussants are back.

(2) Our research continually evolves to reflect new theories and methodologies, but in 1990 we're still presenting papers on many of the same topics we talked about in Toronto: things like the pricing of auto insurance, government involvement with health care, and insurance versus self-insurance arrangements.

(3) We think periodically that our entire discipline is under attack, but as you look back in time, it seems that has always been a concern. That doesn't mean that we don't have to take the threat seriously, but it's not new.

The most important thing I've learned since my first ARIA meeting has a little bit to do with a lot of things. It has to do with research, with teaching, with political battles and program survival, and with academic excellence. What I've learned is an awful lot about the incredible diversity of those of us in the risk and insurance discipline. And I've learned not only to tolerate that diversity, but to welcome it as being absolutely essential.

For now, don't even think about people who aren't here at this precise moment. Just take a look around and think about the diversity represented by those of us in this room. One obvious factor is age. I don't think it's any coincidence that last year in Denver we started two new practices at the same time. First, we devoted a session entirely to hearing doctoral dissertation studies presented. And secondly, we began offering free meeting registrations to retired members. The wisdom, perspective, and institutional knowledge of our long-time members are so valuable. And when we're able to mix that with the eagerness and raw research talent of those just starting their careers in this area, we've got an environment where some exciting things are bound to happen.

We also differ in terms of nationalities. On this year's program, we have presenters from more countries other than the United States than I can ever remember in the past. Some examples: Norway, Sweden, Australia, Belgium, Israel, Korea, France, Hungary, and Texas. And in a time when phrases like "increased globalization" are used so frequently, maybe it's good to remind ourselves of the rich contributions to our discipline made for so many years by people such as Yehuda Kahane, Neil Doherty, and Jean LeMaire. We're meeting here as part of the American Risk and Insurance Association, but our discipline extends far beyond this country's borders, and our diversity makes us stronger, more credible, and more valuable to the various societies in which we live.

Look around the room again and this time think about the types of research we do. Some of us analyze issues with thought-provoking arguments and compelling logic. Others of us prefer economic models and the latest statistical methodologies. Maybe you've never thought about it, but there are many world-renowned experts sitting right here in this room today. But things are changing so quickly and research is evolving at such a rate that I dare say most of us are probably doing well if we can stay current and make some continuing, worthwhile contributions in our own unique specialty areas. None of us are experts in all areas, and the work you do is not unimportant just because it's different from the work I do. We need each other. And our overall discipline needs the cross pollenization that can occur not only from other fields but also from the work done by people in this room.

Now think one more time about diversity. We represent the academic world, as well as many different facets of the risk and insurance industry. Those of us who are professors can learn a lot from our colleagues in the industry, and we can contribute much to them at the same time. But even within the academic setting itself, we come from a variety of situations. We come from large state universities and from small private colleges. We come from schools where we teach only undergraduates and places where we teach mainly graduate students. We come from programs housed within Finance Departments; programs that stand alone; programs that have been eliminated; and programs that never existed to begin with.

Quite apart from our research, I want to suggest that we have a lot of other knowledge that we need to be sharing with each other. Most of us know that successful risk and insurance academics generally have to be able to work hard on many different things, seemingly all at the same time. There are plenty of people I know of in this room who have taught extra classes from time to time, without extra compensation, just to assure program continuity at their schools. People in this room know how and when to go the extra mile with students in terms of classroom performance, job placement activities, and involvement with student groups.

I think our versatility is generally pretty well-known on our various campuses, and it sometimes temporarily turns us into deans, associate deans, department heads, and MBA program directors. It turns us into members of university councils, athletic boards, and benefit committees. But in spite of that, I suspect most of us remain risk and insurance professors at heart.

As such, we're politically savvy, or we wouldn't be here today. We know when we have to fight, and we know when it's probably best to just let the storm blow over. People in this room know a lot about survival, and we know about the need to be tolerant of the intolerance to which we're often subjected. We know that if our discipline is not only to survive, but prosper in the current climate, in most cases we're going to have to work harder for longer hours and engage in more diverse activities than most of our colleagues in other fields. And I think we also know that in spite of our best efforts, sometimes at some schools, it may not be enough. Those are the political realities of the day. And we can learn a lot from each other in dealing with those realities.

We are a diverse group. But we're linked by a common interest in a vast subject area that's ever-changing. We have a lot to offer to each other, to our students, and to the world in which we live.

In closing, let me share one last item with you. It's a limerick that I came across this past year. Now, Neil Doherty of course is the person in our midst who is usually associated with limericks. But as I've been saying, we can learn a lot from each other in a lot of areas. So I'm going to step out of my usual mold and share a limerick with you myself. It's an old, old warning whose author is unknown. But I suspect it might have been written by somebody who once wandered into an ARIA meeting by mistake. Anyway, it goes like this:

> Insurance people are bright;
> But you can't recognize them on sight.
> They're young and they're old;
> Some quiet, some bold;
> But watch out—they're usually right!

Thank-you.