

**TRANSACTIONS OF SOCIETY OF ACTUARIES
1968 VOL. 20 PT. 1 NO. 58**

**MINUTES OF THE ANNUAL MEETING
of the
SOCIETY OF ACTUARIES**

**HELD AT THE WASHINGTON HILTON HOTEL
WASHINGTON, D.C.**

OCTOBER 28, 29, AND 30, 1968

The meeting was called to order by the President, Morton D. Miller, on Monday, October 28, 1968, at 9:40 A.M. The following is a summary of the attendance at the meeting:

SUMMARY

Fellows.....	650
Associates.....	189
Guests.....	31
Guests of the President.....	4
Total.....	<hr/> 874

The President welcomed all those present and noted that this was the first annual meeting of the Society to be held in Washington, D.C. He introduced as distinguished guests Mr. Maximilian Wallach, actuary of the Department of Insurance of Washington, D.C.; Señor José Antonio Araque, chief actuary of the Venezuelan Superintendency of Insurance; Mr. Hank Langhorst of Amsterdam, Holland; Mr. Sidney Benjamin, a member of the Council of the Institute of Actuaries; and Mr. Geoffrey Westall, a member of the Institute of Actuaries.

President Miller presented Mr. Gilbert W. Fitzhugh, chairman of the 1968 Nominating Committee. Mr. Fitzhugh named the other members of the Committee. They were Mr. Harold R. Lawson, Miss Josephine W. Beers, Mr. Frank L. Griffin, Jr., and Mr. Henry C. Unruh. Mr. John P. Carberry was the chief teller. The Society proceeded to the elections, which were completed on Tuesday morning with the following results:

President-Elect: Ernest J. Moorhead

Two-Year Term

Vice-Presidents: Robert J. Myers
Fredrick E. Rathgeber

One-Year Term

Gathings Stewart

Secretary: Herbert L. DePrenger*Treasurer:* Robert H. Hoskins*Editor:* Robert T. Jackson*Three-Year Term*

Board of Governors: Dale R. Gustafson
 William H. Schmidt
 Charles A. Siegfried
 J. Henry Smith
 Walter W. Steffen
 Julius Vogel

Mr. Miller gave his presidential address as printed in this volume of the *Transactions*. During the course of this address, Mr. Charles B. H. Watson was introduced to the membership.

The President advised that the Society had received word of the deaths of six members since the last meeting: Mr. William Breiby, Mr. Donald G. Clark, Mr. Harold A. Reise, and Mr. George A. Skelding, Fellows; and Mr. E. S. Linney and Mr. Joseph P. Moore, Associates. (The names of Mr. Guy W. Pickering, Jr., and Mr. Francis M. Hope, Fellows, should have been included on this list but were not received by the Society office in time for inclusion.) The members stood for a moment in silent respect for the memories of these members. Obituaries are printed in this volume of the *Transactions*.

The Secretary read a summary of the business transacted at the Board of Governors meeting held October 27, 1968, as follows:

1. The duties and responsibilities of the Executive Director were defined. Reporting directly to the Board of Governors, the Executive Director has been given broad responsibility for the management of the Society's office in Chicago. This will include some of the functions previously performed by the Treasurer. With some of his housekeeping duties reduced, the Treasurer will be able to devote more attention to strictly financial matters and will be chairman of the Committee on Investments. Changes in Bylaws and Resolutions necessary to accomplish these shifts of responsibility were approved by the Board and will appear in the next edition of the *Year Book*.
2. Appointment of an Ad Hoc Committee on Committees was approved. The purpose of this committee will be to study the committee structure

of the Society. Particular attention will be given to the formulation of policy on such matters as length of service on committees, multiplicity of service by members, and ways in which more of the younger members may become involved in Society activities.

3. The following sites for future meetings were approved:

- a) In the spring of 1973 there will be a meeting at the Bellevue Stratford in Philadelphia on April 2 and 3. A second meeting will be held at the Saint Paul Hilton in Saint Paul on May 24 and 25. The site for the third meeting will be announced at a later date.
- b) The fall meeting in 1974 will be at the Palmer House in Chicago on November 11-13.

The Treasurer reported that on September 30, 1968, the membership of the Society stood at 1,764 Fellows and 1,502 Associates, making a total membership of 3,266. He gave, in summary form, the financial report, published elsewhere in this number of the *Transactions*.

A recess was called at 10:35 A.M. The meeting reconvened at 10:45 A.M., at which time the President extended a welcome to the new Fellows and Associates who were attending their first meeting of the Society after attaining their present ranks. President Miller then introduced Mr. M. Carl Holman, vice-president for program development, The Urban Coalition, who spoke on "The Urban Crisis: Challenge and Response." After expressing the Society's appreciation to Mr. Holman, the President adjourned the meeting at Noon.

The meeting reconvened that afternoon in three concurrent sessions and four workshops. Concurrent Session 1, "Pensions," was moderated by Mr. James A. Attwood; panel members were Messrs. William A. Dreher, Donald H. Reid, and Thomas L. Wills. Mr. Harrison Givens, Jr., was the recorder. Two papers were presented and discussed in this session: "Industry as a Guide to the Selection of the Level of Turnover Scales," by Mr. B. George Isen and Mr. Vasant H. Karmarkar, and "The Valuation of Pension Fund Assets," by Mr. Paul H. Jackson and Mr. James A. Hamilton. Concurrent Session 2, "Life Insurance Accounting," was moderated by Mr. Dale R. Gustafson; panel members were Messrs. Charles M. Beardsley, Joseph C. Noback, and Gathings Stewart. The recorder was Mr. Joseph F. Crowe. Concurrent Session 3, "Individual Life and Health Insurance," was moderated by Mr. William H. Schmidt; panel members were Messrs. E. Paul Barnhart and Meno T. Lake. The recorder was Mr. Harold G. Greenlee, Jr. A paper, "Costs of Nonforfeiture Benefits on Substandard Policies," by Mr. John E. Hearst, was presented and discussed in this session. For Workshop I, "Group

Health," Mr. Frank J. Bush served as chairman and Mr. Howard Young as cochairman. For Workshop II, "Electronic Data Processing," Mr. David H. Harris served as chairman and Mr. Yuan Chang as cochairman. For Workshop III, "Group Experience Rating Practices," Mr. Robert H. Hoskins served as chairman and Mr. Alden W. Brosseau as cochairman. For Workshop IV, "Credit Life and Health Insurance," Mr. William K. Nicol served as chairman and Mr. Richard J. Mellman as cochairman. These meetings adjourned at approximately 4:30 p.m.

On Tuesday, October 29, 1968, the meeting was called to order at 9:30 a.m. by President Miller. Mr. Charles E. Rickards, chairman of the Public Relations Committee, presented a report for the committee. President Miller then introduced the authors of all of the papers. This was followed by the presentation and discussion of two papers: "Federal Income Taxation of Annuity Payments," by Mr. William H. Crosson, and "Hospital and Surgical Expense Insurance under Group Conversions," by Mr. Samuel E. Shaw II. After a brief recess, the meeting reconvened at 10:30 a.m. for a panel discussion entitled "Management of Technical Personnel." President Miller introduced the moderator, Mr. Edwin B. Lancaster. Panel members were Mr. A. Douglas Murch, Dr. Lester C. Krogh of the Minnesota Mining & Manufacturing Company, and Mr. Philip Dutter of McKinsey & Company. Following the panel presentation, there was discussion from the floor. The meeting adjourned at Noon.

The meeting reassembled that afternoon in three concurrent sessions and five workshops. Concurrent Session 1, "Consulting Actuaries Session," was moderated by Mr. James A. Hamilton; panel members were Messrs. M. David R. Brown, Edward H. Friend, Stuart A. Robertson, and Harvey J. Saffair. The recorder was Mr. John H. Flittie. Concurrent Session 2, "Equity-oriented Products," was moderated by Mr. DeLos H. Christian; panel members were Messrs. Raymond L. Crapo, Charles T. P. Galloway, and Ian M. Rolland. The recorder was Mr. J. Reuben Rigel. A paper, "Actuarial Aspects of State Regulation of Individual Variable Annuities," by Mr. Harry Walker, was presented and discussed in this session. Concurrent Session 3, "Investments," was moderated by Mr. W. R. Mullens; panel members were Messrs. Gordon L. Corneil, Irwin T. Vanderhoof, and Charles Moeller, Jr., of the Metropolitan Life Insurance Company. The recorder was Mr. William C. Brown. Mr. Walter W. Steffen presented a discussion by Mr. Fergus J. McDiarmid, who was unable to be present. The topics for Workshops I, II, and III were the same as those of the preceding day. For Workshop I, Mr. R. D. Albright served as chairman and Mr. Allan D. Affleck as cochairman. For Workshop II, Mr. Wilfred A. Kraegel served as chairman and Mr.

Chandler L. McKelvey as cochairman. For Workshop III, Mr. James A. Gobes served as chairman and Mr. Charles E. Rohm as cochairman. For Workshop IV, "Fluctuations in the Aggregate Claims of Ordinary Life Insurance," Mr. Cecil J. Nesbitt served as chairman and Mr. Franklin G. Reynolds as cochairman. For Workshop V, "Financial Projections," Mr. W. J. D. Lewis served as chairman and Mr. Waid J. Davidson as cochairman. These meetings adjourned at approximately 4:30 P.M.

On Wednesday, October 30, 1968, the meeting was called to order at 9:30 A.M. by President Miller. A panel discussion, "Future of Health Care and Health Care Insurance," took place. This panel was moderated by Mr. J. Henry Smith. Panel members were Mr. Daniel W. Pettengill; Dr. Victor Fuchs of the National Bureau of Economic Research, Inc.; and Mr. Irving J. Lewis of the Department of Health, Education, and Welfare. Discussions were presented by the panel members, and the panel answered questions from the floor. Mr. Miller thanked the participants, and also the members of the Middle Atlantic Actuarial Club, for handling the hospitality arrangements for the ladies. A recess was called at 11:10 A.M.

Following the recess, with Mr. Milliman presiding, presentations were given on topics of current interest: Mr. Henry F. Rood on the International Congress, Mr. Charles L. Trowbridge on the Committee on Continuing Education, Mr. Roy R. Anderson on the developments in the Automobile Compensation System, and Mr. John H. Miller on the American Academy of Actuaries. After thanking these members for their reports, Mr. Milliman turned over the podium to Mr. Harold R. Lawson.

Mr. Lawson presented a silver tray to Mr. Morton D. Miller on behalf of the Society. Mr. Miller expressed his appreciation for the gift and thanked all the members for their co-operation during his term of office. He then turned over the gavel to President-Elect Milliman, who closed the meeting at 12:25 P.M.

An Actuarial Clubs Seminar was called to order by Mr. Milliman at 2:00 P.M. on Wednesday, October 30, 1968. The seminar was in the form of a panel discussion chaired by Mr. Charles E. Rickards. Panel members were Messrs. Frederick W. Kilbourne, Léon J. Mondoux, Wilbur H. Odell, Jr., William T. Tozer, and Andrew C. Webster. Presentations were presented, and there was discussion from the floor. The meeting adjourned at 4:15 P.M.