

**TRANSACTIONS OF SOCIETY OF ACTUARIES
1969 VOL. 21 PT. 1 NO. 61**

MINUTES OF THE ANNUAL MEETING
of the
SOCIETY OF ACTUARIES

HELD AT THE SHERATON-BOSTON HOTEL
BOSTON, MASSACHUSETTS
NOVEMBER 17, 18, AND 19, 1969

The meeting was called to order by the President, Mr. Wendell A. Milliman, on Monday, November 17, 1969, at 9:15 A.M. The following is a summary of the attendance at the meeting:

SUMMARY

Fellows	779
Associates	349
Guests	47
Guests of the President	1
Total	<hr/> 1,176

The President welcomed and recognized members of the American Academy of Actuaries, who are not members of the Society, and members of the Actuarial Club of Boston who were attending the meeting.

President Milliman then presented Mr. Harold Lawson, Chairman of the Nominating Committee. The Society proceeded to the elections, which were completed on Tuesday morning, with the following results:

<i>President-Elect:</i>	Edwin B. Lancaster
	<i>Two-Year Term</i>
<i>Vice-Presidents:</i>	Edward A. Lew
	Charles L. Trowbridge
<i>Secretary:</i>	Robert C. Dowsett
<i>Treasurer:</i>	Robert H. Hoskins
<i>Editor:</i>	Floyd T. Beasley
	<i>Three-Year Term</i>
<i>Board of Governors:</i>	Thomas P. Bowles, Jr.
	Samuel B. Eckler
	Frank L. Griffin, Jr.
	Robert T. Jackson
	Charles M. Sternhell
	Gathings Stewart
	<i>One-Year Term</i>
	Colin E. Jack

The Secretary presented an oral summary of the major items of business transacted at the Board of Governors meeting held November 16, 1969, as follows:

1. Approved the following changes in dates or hotels for meetings already scheduled, and approved the city, hotel, and dates shown below for the 1975 Annual Meeting:
 - a) That the hotel for the 1971 Seattle Regional Meeting be changed from the Olympic to the Washington Plaza.
 - b) That the hotel for the 1974 New Orleans Annual Meeting be changed from the Jung to the New Orleans Marriott.
 - c) That the dates for the 1974 Dallas Regional Meeting be changed from May 9-10 to May 23-24, so that the meeting will fall after the May examinations.
 - d) That the dates for the 1974 Montreal Regional Meeting be changed from May 2-3 to June 6-7, so that the meeting will fall after the May examinations.
 - e) That the 1975 Annual Meeting be held in Bal Harbour, Florida, on October 20-22 at the Americana Hotel.
2. Approved offering the plaques, with the Society seal, but not the medallions, for sale to Associates as well as Fellows.
3. Adopted a proposal that, after a final ten-year index of the *Transactions* is printed, a cumulative index, which will build up to five years or longer, will be included in the *Transactions* themselves.
4. Adopted a proposal that, beginning with the May, 1970, examinations, students will be notified of their individual examination results a few days before the pass list is distributed.
5. Adopted a proposal that the present Committee on Continuing Education be dissolved, presumably after one more report. In the meantime, a new standing committee on continuing education will be appointed. This new committee will be subdivided along specialty subject lines.
6. Authorized the appointment of a member of the Society to the specific responsibility of formulating and implementing policy for the Society with respect to the development of the Society's library, which is maintained by the Insurance Society of New York.
7. Adopted new Guides to Professional Conduct, which are very similar to the present Guides, to become effective when the other five North American actuarial organizations adopt companion guides.
8. Accepted, for promulgation, an Interpretative Opinion on the subject of relations with other actuaries.

9. Approved a change in the investment policy for the Society. Up to 25 per cent of invested assets may now be invested in equities, and the remainder may be invested in corporate bonds as well as federal government bonds.
10. Adopted the following recommendation of the ad hoc Committee on Committee Memberships:

That principles or guidelines for committee appointments be adopted. Among other things, these guidelines recommend that membership on a committee be limited to a three-year term and that a central registry of membership information be established and maintained. Information contained in this registry will be made available to committee chairmen to aid them in making committee appointments.

The Treasurer gave, in summary form, the financial report, published elsewhere in this number of the *Transactions*. He also reported on the recommendations of the ad hoc Committee to Study Fiscal Policy of the Society and the ad hoc Committee on the Pricing of Publications, which were adopted by the Board.

The Executive Director gave his report in summary form.

President Milliman then introduced Dr. Michael H. Mescon, Dr. W. Gerald Austen, Mr. Paul J. Mason, Mr. John Bernauer, Mr. Colin C. Hampton, and Mr. John C. Coss.

The President advised that the Society had received word of the deaths of nineteen members since the last meeting; among these deceased members are two Past-Presidents. Mr. Fredrick Rathgeber read the obituary of Past-President William Anderson, and Mr. George Ryrie read the obituary of Past-President Pearce Shepherd. President Milliman then read the names of the remaining deceased members: W. Lloyd Blackadar, Joseph J. Clair, Lorne K. File, Paul K. Frazer, Frank J. Gagliuso, Philip C. Irwin, Harry W. Jones, Edward G. Newcomb, Stanford Z. Rothschild, Jonathan C. Sharp, Charles A. Spoerl, Richard Little, and Arthur J. Moore, Fellows; and Walter C. Brown, David L. DeSmet, Clyde W. James, and Leif R. Johnson, Associates. The members stood for a moment in silent respect for the memories of these members. Obituaries are printed in this volume of the *Transactions*.

Mr. Milliman then gave his presidential address, as printed in this volume of the *Transactions*.

A recess was called at 11:00 A.M. The meeting reconvened at 11:25 A.M., at which time President Milliman presented Mr. Walter Steffen, Chairman of the Fields of Activity Committee. Mr. Steffen in turn introduced Dr. Clarence C. Walton, President of Catholic University, who spoke on "End of a Decade or End of an Epic."

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.

The President introduced Mr. William Williamson, who has completed fifty years of membership as a Fellow in the Society and a predecessor organization, and Mr. Walter Tebbetts, who has completed fifty-three years of membership in the Society and a predecessor organization. President Milliman then adjourned the meeting at 12:15 P.M.

The meeting reconvened that afternoon at 2:15 P.M. in four concurrent sessions and five workshops. Concurrent Session 1, "Pension Benefit Security Bill," was moderated by Mr. Myles L. Grover; panel members were Messrs. John H. Flittie, James A. Curtis, and Charles L. Trowbridge. Concurrent Session 2, "Variable Insurance Products," was moderated by Mr. Daniel F. McGinn; panel members were Messrs. Raymond L. Crapo, Frank P. DiPaolo, Paul J. Mason, and Harold G. Ingraham, Jr. Concurrent Session 3, "Trends in Hospital and Medical Care Utilization," was moderated by Mr. Burton E. Burton; panel members were Messrs. S. Martin Hickman, James J. Olsen, James L. Purdy, and William C. Hsiao. Concurrent Session 4, "Insurance Distribution and Marketing Systems," was moderated by Mr. J. C. Archibald; panel members were Messrs. Harold Thompson, Alfred L. Buckman, and Howard D. Allen. Workshop 1, "Education, Training, Professionalism," was moderated by Mr. Daniel J. McCarthy, Jr., assisted by Mr. Gerald M. Brown. Workshop 2, "United States Federal Income Tax: Allocation by Line," was moderated by Mr. William E. Lewis, assisted by Mr. Joseph C. Noback. Workshop 3, "Individual Ordinary Insurance," was moderated by Mr. Robin B. Leckie, assisted by Mr. John A. Facey, Jr. Workshop 4, "United States Pension Integration Problems," was moderated by Mr. Edwin F. Boynton, assisted by Mr. Raymond G. Pearson. Workshop 5, "Computers and Management Information Systems," was moderated by Mr. Jack O. Parsonage, assisted by Mr. William B. Waugh. These meetings adjourned at about 5:00 P.M.

On Tuesday, November 18, 1969, the meeting was called to order at 9:00 A.M. by President Milliman.

A special panel discussion entitled "Past Is Prologue" was then presented in recognition of the Society's twentieth anniversary. This panel was moderated by Mr. Thomas Bowles, Jr. Panel members were Messrs. V. E. Henningsen, Reinhard A. Hohaus, H. Douglas Lee, Walter S. Rugland, and Charles B. H. Watson.

The President introduced the authors of all the papers. President Milliman adjourned the meeting at 10:40 A.M.

The meeting reconvened at 11:00 A.M. in a lecture, five concurrent sessions, and three workshops. The lecture, by Dr. Michael H. Mescon of Georgia State University, was entitled "Modern Management Techniques and Corporate Planning." Concurrent Session 1, "Deferred and Incentive Compensation," was moderated by Mr. J. Edwin Matz; panel members were Messrs. DeLos H. Christian, Robert B. Goode, and John R. Taylor. Concurrent Session 2, "Annual Statement Accounting," was moderated by Mr. Robert G. Espie; panel members were Messrs. William H. Aitken, Dwight K. Bartlett III, John Bernauer, and Stephen D. Bickel. Concurrent Session 3, "Social Security and Employee Benefits in Western Europe," was moderated by Mr. John K. Dyer; panel members were Messrs. G. Ashley Cooper, John H. Miller, and Ernest R. Vogt. Concurrent Session 4, "Individual Medical Expense Insurance," was moderated by Mr. Niels H. Fischer; panel members were Messrs. William A. Feeney, Anthony J. Houghton, and Joseph C. Sibigroth. Concurrent Session 5, "Reserves and Related Problems for Variable Annuities and Cost-of-Living Benefits," was moderated by Mr. Robert N. Powell; panel members were Mrs. Linda B. Emory and Messrs. Dale R. Gustafson and Albert Gubar. Workshop 1, "Computers and Management Information Systems," was moderated by Mr. Frank H. Rice, assisted by Mr. Robert B. Koch. Workshop 2, "Cost of Settlement Options and 'Pour-in' Options," was moderated by Mr. Frank M. Bristow, Jr., assisted by Mr. Bruce E. Nickerson. Workshop 3, "Pensions and Health Care in Canada," was moderated by Mr. D'Alton S. Rudd, assisted by Mr. Yves G. Guerard. These meetings adjourned at 12:30 P.M.

The meeting reconvened that afternoon at 2:00 P.M. in two lectures, five concurrent sessions, and three workshops. The lecture by Dr. Michael E. Mescon of Georgia State University was entitled "Modern Management Techniques and Corporate Planning," and the lecture by Dr. W. Gerald Austen of Harvard Medical School and Massachusetts General Hospital was entitled "The Heart: A Prognosis." Concurrent Session 1, "Topics for Consulting Actuaries," was moderated by Mr. William A. Halvorson; panel members were Messrs. Donald R. Anderson, Waid J. Davidson, Jr., Melvin L. Gold, and John G. Ireland. Concurrent Session 2, "Profit and Other Objectives in Group Operations," was moderated by Mr. George Nelson Watson; panel members were Messrs. William Cunningham, Edward A. Green, and Charles G. Hill. Concurrent Session 3, "Life Insurance Operations Overseas—Problems and Opportunities," was moderated by Mr. James C. H. Anderson; panel members were Messrs. George F. S. Clarke, A. Henry Kunkemuller, and John C. Coss. Concurrent Session 4, "Diversification of Life Companies to Financial

Services," was moderated by Mr. Henry R. Roberts; panel members were Messrs. Colin C. Hampton, Meno T. Lake, Andrew Delaney, and Kenneth R. MacGregor. Concurrent Session 5, "Taxation of Variable Annuities and Mutual Funds," was moderated by Mr. Walter N. Miller; panel members were Messrs. George Thomas Mitchell, Robert C. Dowsett, and John C. Fraser. Workshop 1, "United States Pension Integration Problems," was moderated by Mr. Edward Harry Friend, assisted by Mr. David Yanis. Workshop 2, "Education, Training, Professionalism," was moderated by Mr. Leroy B. Parks, assisted by Mr. Robert C. Winters. Workshop 3, "Underwriting and Policy Issue: Systems and Computer Applications," was moderated by Mr. Charles A. Ormsby, assisted by Mr. James L. Compere. These meetings adjourned at 5:00 P.M.

On Wednesday, November 19, 1969, the meeting convened at 9:00 A.M. in five concurrent sessions and five workshops. Concurrent Session 1, "Pension Benefit Security Bill," was moderated by Mr. J. Darrison Sillesky; panel members were Messrs. Frank L. Griffin, Jr., James A. Attwood, and Marc M. Twinney, Jr. Concurrent Session 2, "Variable Insurance Products," was moderated by Mr. William M. White, Jr.; panel members were Messrs. Samuel H. Turner, Guy L. Fairbanks, Jr., and Albert Pike, Jr. Concurrent Session 3, "Corporate Planning," was moderated by Mr. William H. Schmidt; panel members were Messrs. W. James MacGinnitie, Chandler L. McKelvey, and Howard H. Hennington. Concurrent Session 4, "Mortality Trends," was moderated by Mr. Alton P. Morton; panel members were Messrs. Francisco Bayo, Norman F. Buck, and William A. Keltie. Concurrent Session 5, "Numerical Analysis," was moderated by Mr. Julius Vogel; panel members were Messrs. John E. Hearst, James C. Hickman, and Robert J. Johansen. Workshop 1, "Problems in Medicare and Medicaid," was moderated by Mr. Milton F. Chauner, assisted by Mr. Frank W. Biese. Workshop 2, "Computers and Management Information Systems," was moderated by Mr. Yuan Chang, assisted by Mr. John S. Fry. Workshop 3, "Agency Problems of Combination Companies," was moderated by Mr. Neil M. Anderson, assisted by Mr. Clint E. Edwards. Workshop 4, "Experience Rating for Group Pension Contracts," was moderated by Mr. Joseph J. Doucette, assisted by Mr. P. William Forester. Workshop 5, "Individual Ordinary Insurance," was moderated by Mr. Raymond A. Bierschbach, assisted by Mr. Gary E. Dahlman. These meetings adjourned at 10:45 A.M.

The meeting reconvened at 11:00 A.M. with President Milliman presiding with presentations of Topics of Current Interest: Mr. Harry Walker on "Activities of the Subcommittee on Variable Contracts of the A.L.C.-L.I.A.A. Actuarial Committee"; Mr. Edwin B. Lancaster on the "Alter-

nate Route"; and Mr. Edward A. Lew on "Report on Recent Mortality under Individual Immediate Annuities."

President Milliman thanked all meeting participants and those who assisted with meeting details and other Society matters during his term of office.

Mr. Harold Lawson presented a silver tray to Mr. Wendell A. Milliman on behalf of the Society. After Mr. Milliman expressed his appreciation for the gift, he turned over the gavel to President-Elect Moorhead, who closed the meeting at 11:45 A.M.

