

**TRANSACTIONS OF SOCIETY OF ACTUARIES
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REPORTS ON SPECIAL TOPICS

XVIITH INTERNATIONAL CONGRESS OF ACTUARIES

One hundred actuaries from the United States, led by the Society's President, Andrew C. Webster (Vice-President of the Congress for the United States), and forty-six actuaries from Canada, led by our Past President, Ben T. Holmes (Vice-President of the Congress for Canada), attended the XVIIth International Congress of Actuaries in London and Edinburgh during the nine days commencing May 26, 1964. There we became part of the Congress of more than eleven hundred actuaries from thirty-five countries. With few exceptions, each of the members was accompanied by his wife. As always, the ladies added that quality of grace and that special feeling of excitement without which the character of our Congresses would not be the same.

All who were present heartily agree that our British colleagues of the Institute of Actuaries and the Faculty of Actuaries organized, and conducted in a highly successful way, one of the finest international meetings of actuaries ever held.

The working sessions in London were at Church House, Westminster. The circular shape and circular seating arrangement of the main meeting room, with the speaker's platform in the center, were unusual but conducive to a feeling of intimacy between the speaker and the listeners in the discussions which took place there. Simultaneous translation from any one of five languages into the other four made it unnecessary to follow the well-known principle that English is intelligible to all if it is spoken loudly enough.

The first day's session was devoted to discussion of reports on the national development of the actuarial profession in each of twenty-three countries. These reports and discussions provided a world-wide view of all professional aspects, with particular attention to the developments of the last fifteen years. A major degree of interest was displayed by our colleagues from abroad in the developments on this side leading up to the proposed American Academy of Actuaries. Interesting questions arose as to the possibility of evolving basic actuarial examinations on an internationally recognized basis and as to the extent of specialization to be required in the training of actuaries under today's expanding social and economic patterns.

At subsequent sessions in Church House, the Congress discussed four main subjects which had occasioned 104 papers, of which 21 were from the United States and Canada. These subjects were: (1) the analysis, allocation, and control of expenses in life business; (2) developments in methods of pension provision in private schemes; (3) the financing of pension schemes (both state and private) which are subject to adjustment of benefits to compensate for changes in the value of money; and (4) practical applications of modern statistical techniques in motor and other nonlife insurance branches and in life insurance. The Astin branch of the Congress, in which members of the Casualty Actuarial Society very naturally tend to take an important part, were more particularly, though not exclusively, concerned with the last-named topic.

The range of the papers and discussions on the subject of expenses in the life business is not easily summarized in a sentence. Clearly, though, the problems dealt with were of common interest, and much gain will accrue from detailed study of the views and techniques which were advanced.

Each of the two main subjects dealing with pensions evoked many excellent papers. However, in the discussion sessions, the greater interest seemed to center on the serious problems that accompany monetary inflation. Though this part of the subject for discussion was carefully worded to refer to "changes in the value of money"—which includes increased value of money as well as reduced value—there was, understandably, precious little time spent on anything but the effects of reduction in value. On this side of the water we are not free of concern for the problems under discussion. Nevertheless, it was quite disconcerting to contemplate how direct and pressing are the problems of many of our European colleagues on account of the extent of inflation experienced or expected.

In Edinburgh somewhat more informal discussions in smaller groups were conducted simultaneously at different locations in the city. A total of seven different topics covering a wide range of specialized actuarial interests, both life and nonlife, was explored.

The excellent arrangements for the business meetings were, if anything, surpassed by the superlative program of social functions. No one can stay in London and Edinburgh for even a short time without feeling enveloped in an older history than that made manifest to us in our daily lives in North America. Withal, these two Old World cities are very vitally a part of the twentieth century. Against this background, our hosts offered hospitality and entertainment in such abundance that no guest could possibly partake of all.

We were all together at the formal opening ceremony in London. The

site was the Drury Lane Theatre—an institution with 301 years of history. Here the Joint President of the Congress, Kenneth A. Usherwood (President of the Institute), welcomed us. Among others, our Society's President spoke with fine effectiveness, and we were greeted in a most fitting address by the Chancellor of the Exchequer, the Right Honorable Reginald Maudling, M.P. We were all together again at receptions in the home of the Royal Academy of Arts and, at the invitation of the Lord Mayor of London, in Guildhall. On our first evening in Scotland we enjoyed a concert of the British Broadcasting Corporation's Scottish Orchestra. Later we were officially welcomed in colorful style by the Lord Provost of Edinburgh, the Right Honorable D. M. Weatherstone. We met together for the last time at the closing ceremony at Edinburgh's Usher Hall, where notable addresses were delivered by the Joint President of the Congress, A. Trevor Haynes (President of the Faculty); by the President of the Permanent Committee, Édouard Franckx; by the Lord Provost; and by others. Interspersed with these grand affairs were such a plethora of soirees, receptions, small and large dinners, teas, luncheons, concerts, plays, fashion shows, and glorious excursions, both in England and in Scotland, that only the self-effacing Organizing Committee could have full knowledge of all that our hosts provided for the enjoyment of the members and their wives.

WALTER KLEM

AMERICAN ACADEMY OF ACTUARIES

At the Society meetings last spring, the members of the Society by resolution gave their endorsement to the organization of a federally incorporated body to be known as the American Academy of Actuaries. At their spring meetings, similar resolutions were passed by the Casualty Actuarial Society, the Conference of Actuaries in Public Practice, and the Fraternal Actuarial Association.

By the time all these resolutions were passed, it was late in the spring. It was realized that in the time remaining it would be difficult to have a bill introduced and passed by both houses in the current session of Congress. Nevertheless, it was decided that an attempt should be made.

A bill for the incorporation of the Academy was introduced in the Senate on July 24, 1964, by Senator Dodd of Connecticut with Senator Curtis of Nebraska as co-sponsor, and subsequently nineteen other senators were co-sponsors of the bill. The bill was passed by the Senate on August 15, 1964.

A similar bill was introduced in the House on August 4, 1964, by Congressman Boggs of Louisiana. It was referred to the Judiciary Committee, but, as there was not time to have hearings before Congress adjourned, the bill died.

According to present plans, every effort will be made to have the bills reintroduced in Congress early in 1965. Senator Dodd and Congressman Boggs have indicated willingness to reintroduce these bills. We can hope for quick action, but it is entirely possible that Congress will insist on the normal legislative process which may require hearings and may take some time. In any event, it is hoped that, when the bill is passed, there will still be time to get action in some state legislatures in 1965. In other states administrative rulings must be sought.

Based on the expectation that a federal charter will be obtained, analysis is being made in certain key states of the problems involved and procedures necessary if legislation is to be introduced or administrative rulings obtained in those states in 1965.

In case a federal charter is not available, possibilities of getting a charter in the District of Columbia or in another state (probably Illinois) are being explored.

If a federal charter is obtained, an announcement of the charter and an offer of membership in the Academy will be sent by each of the four actuarial organizations to all of its Fellows (Active Members of the Fra-

ternal Actuarial Association) residing in the United States, and each Associate Member will receive an announcement and a membership application blank. An interim Admissions Committee has prepared an appropriate membership application form.

Canadian actuaries report progress in their efforts to develop a similar organization of actuaries at the federal level. Separate petitions for an act incorporating the Canadian Institute of Actuaries have been made to the Senate and House of Commons, and it is possible that the act of incorporation may become a fact before the end of the year.

HENRY F. ROOD

CANADIAN INSTITUTE OF ACTUARIES

Earlier this year at the Regional Meetings of the Society Mr. J. E. Morrison outlined the developments which have been taking place in Canada.

To refresh your memory—the situation is that at present most actuaries in Canada are members of the Canadian Association of Actuaries. Membership in the C.A.A. requires at least Associateship (or the equivalent) in the Society, the Institute of Great Britain, or the Faculty of Actuaries. Our plan is to incorporate a new organization with the identical membership initially as the present Canadian Association and to dissolve the Association. The new organization is to be called the Canadian Institute of Actuaries. Future new members of the Institute will be limited to Fellows of the Society, the Institute of Great Britain, the Faculty of Actuaries, and the Casualty Actuarial Society. Associates qualifying in the future will not be eligible for membership but may enroll as “students” of the Institute.

The bill to incorporate the Canadian Institute received second reading in the Senate last week. We hope that it will be passed this year. If so, it will become effective as from January 1, 1965.

One of the reasons for incorporating is to facilitate accreditation, certification, and possibly licensing of actuaries. We feel that this requires that our membership consist predominantly of Canadian residents. At the present time, approximately one-sixth of the Fellows in the Canadian Association of Actuaries reside outside Canada. For the most part, these are former Canadians who have moved to the United States but who keep up their membership in the Association in order to receive our minutes. We do not propose to cancel their membership, but we are going to encourage them to drop their membership and become correspondents. Correspondents will receive copies of the minutes of the Institute. They will pay lower fees than members, will have the right to attend meetings, and will be eligible for membership in the Institute if they return to Canada.

In keeping with our desire to have our organization consist predominantly of Canadian residents, we will admit to membership in the Institute only Fellows who are residents of Canada or who establish to the satisfaction of the Council of the Institute that their responsibilities require them to furnish actuarial advice in Canada or sign an actuarial certificate required by Canadian statutory regulation.

These rules for membership are not meant to favor Canadian residents at the expense of others who have legitimate professional interests in Canada. Rather they are meant to save us from being overwhelmed by former Canadians and Americans who might wish to belong to our Institute merely to read the minutes of our informal discussions or to watch actuarial developments in Canada.

E. SYDNEY JACKSON