

**TRANSACTIONS OF SOCIETY OF ACTUARIES
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MINUTES OF THE REGIONAL MEETING

of the

SOCIETY OF ACTUARIES

**HELD AT THE HARTFORD HILTON HOTEL
HARTFORD, CONNECTICUT
APRIL 16-17, 1970**

The meeting was called to order by the President, Mr. Ernest J. Moorhead, on Thursday, April 16, 1970, at 9:15 A.M. The following is a summary of the attendance at the meeting:

SUMMARY

Fellows.....	389
Associates.....	106
Guests.....	21
Total.....	<u>516</u>

The President introduced Mr. William M. Morrison, F.F.A., of Edinburgh, Scotland; Mr. Walter L. Rugland, President of the American Academy of Actuaries; Mr. H. Raymond Strong, President-Elect of the Academy; and Mr. Charles Moeller, Jr., Vice-President—Economics, Metropolitan Life Insurance Company.

The President introduced Mr. Dennis N. Warters, a Past-President of the Society, and Mr. Reinhard A. Hohaus, a Past-President of the American Institute of Actuaries.

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 then introduced Mr. Morrison H. Beach as moderator of the panel session on "The Impact of Inflation on the Life Insurance Industry." Panel members were Messrs. Charles Moeller, Jr., E. Sydney Jackson, Jack T. Kvernland, and LaLander S. Norman. Following the panel presentation, the President thanked the panelists.

At 10:45 A.M. there was a brief recess, after which the meeting re-assembled in three concurrent sessions. Concurrent Session 1, "Health Care Delivery in the 1970's," was moderated by Mr. James H. Hunt; panel members were Messrs. James A. Gobes, William C. Hsiao, and Harvey J. Saffair. Concurrent Session 2, "Investment Responsibilities

of the Actuary," was moderated by Mr. Cyril J. Woods; panel members were Messrs. William A. Dreher, Allan B. Roby, Jr., and Barry L. Shemin. Concurrent Session 3, "Role of the Actuary in Expense Control," was moderated by Mr. William A. Spare; panel members were Messrs. Gary K. Drown, Melvin L. Gold, and Jasper E. Moore. Written discussions were presented in some cases, and there were questions from the floor. These sessions adjourned at approximately 12:30 P.M.

The meeting reconvened that afternoon at 2:15 P.M. in two concurrent sessions and five workshops. Concurrent Session 4, "Variable Life Insurance," was moderated by Mr. Harry Walker; panel members were Messrs. Daniel F. Case, Walter N. Miller, and George R. Wallace. Concurrent Session 5, "Pension Plan Developments," was moderated by Mr. Samuel Eckler; panel members were Messrs. Henry J. L. Fortuin, Shepherd M. Holcombe, and Henry N. Winslow. Workshop 1, "Accounting and Administration for Separate Accounts," was moderated by Mr. Robert H. McMillen, assisted by Mr. Henry B. Ramsey, Jr. Workshop 2, "Changes in the Distribution System," was moderated by Mr. Richard J. Willemin, assisted by Mr. Walter S. Rugland. Workshop 3, "Group Survivor Income Benefits," was moderated by Mr. James L. Purdy, assisted by Mr. J. Dickson Crawford. Workshop 4, "Electronic Data Processing," was moderated by Mr. George E. Wallace, assisted by Mr. Alan E. Morson. Workshop 5, "Recent Developments in Reinsurance," was moderated by Mr. Herbert L. DePrenger, assisted by Mr. Robert B. Goode. These meetings adjourned at about 4:30 P.M.

On Friday, April 17, the meeting convened at 9:00 A.M. in two concurrent sessions and five workshops. Concurrent Session 6, "Effects of Inflation on Underwriting," was moderated by Mr. George F. McNamara; panel members were Messrs. John Gummere, Julius Vogel, and Edward G. Wendt, Jr. Concurrent Session 7, "Continuing Education—Discussion of Trowbridge Report," was moderated by Mr. Charles L. Trowbridge; panel members were Mr. Barnet N. Berin and Mrs. Anna Maria Rappaport. There were questions and comments from the floor. Workshop 6, "Employee Benefit Plans for Professional Corporations," was moderated by Mr. Harold G. Ingraham, Jr., assisted by Mr. John L. Cummins. Workshop 7, "Variable Annuity Problems of a Technical Nature," was moderated by Mr. John Macarchuk, assisted by Mr. Philip Briggs. Workshop 8, "Organization of Consulting Actuarial Firms," was moderated by Mr. Keith H. Cooper, assisted by Mr. George B. Carlson. Workshop 9, "Group Dental Benefits," was moderated by Mr. Theodore W. Garrison, assisted by Mr. Theodore J. Kowalchuk. Workshop 10, "Role of Term Insurance," was moderated by Mr. Edward T. Hill,

assisted by Mr. Robert L. Williamson. These meetings adjourned at about 11:15 A.M.

After a brief recess, the meeting reconvened in general session.

The President introduced Mr. Lynn Merritt, Vice-President, Life Office Management Association, New York, and also two Associates from Australia—Messrs. G. L. Melville, F.I.A., and W. G. Westwood, F.I.A.

The Secretary read a summary of the business transacted at the Board of Governors meeting held April 15, 1970:

1. The Board authorized the elimination of stenotypist services for an indefinite period, to achieve a cost saving of about \$9,000 per year.
2. The Board authorized appointment of an ad hoc committee to study ways of increasing the involvement of younger members in Society affairs and, in particular, to study a specific proposal that has been received.
3. The Board discharged the Society Committee on Status and Accreditation because this activity is in the hands of the Academy of Actuaries in the United States, and the Canadian Institute of Actuaries in Canada.
4. The Board accepted a final report and discharged with thanks the Trowbridge Committee on Continuing Education. The next stage of this work will be done by the new Committee on Continuing Education under the chairmanship of John M. Bragg.
5. The Board approved continuation of monetary support by the Society for the Conference Board of Mathematical Sciences.
6. The Board appointed the firm of Touche Ross & Co. as its auditor for the current fiscal year.
7. The Board agreed to raise again with the members the question of the constitutional amendment to allow public expression of professional opinion by the Society, by its Board of Governors, or by a Society Committee. The amendment that will be offered differs in several important respects from the one that was narrowly defeated at our 1967 annual meeting. The Board authorized the mailing of a questionnaire to all Fellows to sound out their sentiments on this subject. The results of this questionnaire will be used by the Board to determine whether or not this amendment will be put to a vote at the 1970 Annual Meeting in Denver.
8. The Board agreed to change the basis for dues and other charges for Canadian members. Since 1949 a member in Canada has been permitted to pay the same number of dollars whether he pays in Canadian

currency or in United States currency. This has created a loss to the Society ever since the Canadian dollar went to a discount in 1961. In recent years this loss has amounted to about \$6,000 per year. From now on the amount billed will be payable in United States dollars or the approximate equivalent in Canadian dollars.

9. The Board accepted a number of recommendations from the Treasurer, including a new increased scale of charges for clothbound copies of the *Transactions* and *Reports*, to cover costs; the new charges are \$10.00 and \$2.50, respectively, instead of the present \$6.00 and \$1.50. The outlook now is that the Society will break even for the fiscal year that is just ending on May 31, 1970, and that there may be a small recovery next year on the loss in operations that we suffered in 1968-69.

The President advised that the Society had received word of the deaths of six members since the last meeting: Frederick R. Colquhoun, W. Ralph Jones, Norman S. Kessner, and William K. White, Fellows; and Walton B. Fawcett and Roland S. Haradon, Associates. The members observed a moment of silence in respect for the memory of these members. Obituaries are printed in this volume of the *Transactions*.

The President introduced the authors of two papers, Mr. Richard W. Ziock and Mr. Mel Stein, who gave brief summaries of their papers.

Following this, Mr. Albert Pike reported on current legislative developments; Mr. John C. Angle reported on the 1970 National Health Forum; Mr. E. A. Lew outlined preliminary plans in connection with the June, 1972, International Actuarial Association meeting in Oslo, Norway; and the President gave a brief report on the deliberations of the ALC-ILLIAA Committee on Life Insurance Costs.

After thanking all the participants and planners involved, the President adjourned the meeting at 12:20 P.M.

The meeting reconvened at 2:00 P.M. in five workshops. Workshop 7, "Variable Annuity Problems of a Technical Nature" (repeated from April 17 morning session), was moderated by Mr. Orest T. Dackow, assisted by Mr. Roger M. Winans. Workshops 11A and 11B, "Actuarial Problems of Variable Life Insurance," were moderated by Mr. John C. Fraser, assisted by Mr. Guy L. Fairbanks, Jr., and Mr. Brian L. Burnell, assisted by Mr. Lewis P. Roth. Workshop 12, "Problems of Inflation for Smaller Companies," was moderated by Mr. Irwin T. Vanderhoof, assisted by Mr. Barry L. Blazer. Workshop 13, "Disability Income," was moderated by Mr. Sherwood G. House, assisted by Mr. William A. Halvorson. These meetings adjourned at approximately 4:30 P.M.