

**TRANSACTIONS OF SOCIETY OF ACTUARIES  
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**MINUTES OF THE LATER REGIONAL MEETING  
*of the*  
SOCIETY OF ACTUARIES**

**HELD AT THE DRAKE HOTEL  
CHICAGO, ILLINOIS  
JUNE 4-5, 1970**

The meeting was called to order by the President, Mr. Ernest J. Moorhead, on Thursday, June 4, 1970, at 9:15 A.M. The following is a summary of the attendance at the meeting:

**SUMMARY**

Fellows.....	247
Associates.....	226
Guests.....	38
Total.....	<u>511</u>

The President commented on the innovation in practice being tried at this meeting—the publication of a list of registrants in alphabetical order, listing their company affiliations.

The President introduced several guests—Mr. E. G. Merritt, Vice-President, Education and Training Division, Life Office Management Association; Dr. George Katona, Institute of Social Research, University of Michigan; Dr. Donald Bellamy, Professor, School of Social Work, University of Toronto; Mr. R. L. Posnak of the firm of Ernst & Ernst, San Francisco; Mr. Charles C. Hewitt, Jr., F.C.A.S., Actuary, Allstate Insurance Company; Mr. Richard L. Maurer, University of Iowa; Mr. G. N. Woolfenden, Associate of the Institute of Actuaries; and Mr. Peter C. Hirst, Associate of the Institute of Actuaries.

The President then introduced Mr. Robert J. Myers, who made a statement from the platform regarding his resignation from the Social Security Administration.

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. Fredrick E. Rathgeber as moderator of the panel session on “The Continuing Education of the Actuary.” Panel members were Messrs. Charles L. Trowbridge, John M. Bragg, and

E. G. Merritt. Following the panel presentation, the President thanked the panelists.

At 10:45 A.M. there was a brief recess, after which the meeting reassembled in three concurrent sessions. Concurrent Session 1, "Personal Security in the 1970's—United States and Canada," was moderated by Mr. J. Craig Davidson; panel members were Drs. George Katona and Donald Bellamy. Concurrent Session 2, "Adjusted Earnings for Life Companies," was moderated by Mr. Stuart A. Robertson; panel members were Messrs. Dale R. Gustafson and Abraham Hazelnor. Concurrent Session 3, "Pension Funding," was moderated by Mr. Kenneth K. Keene; panel members were Messrs. John Hanson, Carl R. Ohman, and Schuyler W. Tompson, Jr. 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 three concurrent sessions and six workshops. Concurrent Session 4, "What about These Younger Actuaries?" was moderated by Mr. Walter S. Rugland; panel members were Messrs. David R. Carpenter, J. Dickson Crawford, and Wendell A. Milliman. Concurrent Session 5, "Sources of Statistical Information for Actuaries," was moderated by Mr. Walter W. Steffen; panel members were Miss J. Clunas F. McKibbin and Messrs. John Mahder, Frederic Seltzer, and Richard W. Ziock. Concurrent Session 6, "Variable Life Insurance," was moderated by Mr. John C. Fraser; panel members were Messrs. Thomas P. Bowles, Jr., Stewart G. Nagler, and D'Alton S. Rudd. Workshop 1, "Accounting and Administration for Separate Accounts," was moderated by Mr. Joseph C. Noback, assisted by Mr. Noel J. Abkemeier. Workshop 2, "Changes in the Distribution System," was moderated by Mr. John R. Taylor, assisted by Mr. Chandler L. McKelvey. Workshop 3, "Group Survivor Income Benefits," was moderated by Mr. William A. Allison, assisted by Mr. Gary N. See. Workshop 4, "Electronic Data Processing," was moderated by Mr. William T. Tozer, assisted by Mr. John S. Fry. Workshop 5, "Disability Income," was moderated by Mr. Richard W. Erdenberger, assisted by Mr. Dean Williams. Workshop 6, "Health Care in the 1970's," was moderated by Mr. John S. Thompson, Jr., assisted by Mr. Charles J. Sherfey. These meetings adjourned between 4:30 and 5:00 P.M.

On Friday, June 5, the meeting convened at 9:00 A.M. in two concurrent sessions and five workshops. Concurrent Session 7, "Models and Decision Techniques," was moderated by Mr. James C. Hickman; panel members were Messrs. Charles C. Hewitt, Jr., Richard L. Maurer, John C. Fraser, and Donald A. Jones. Concurrent Session 8, "Role of the Actuary

in Expense Control," was moderated by Mr. Eugene W. Bates; panel members were Messrs. Wilfred A. Kraegel, H. Todd Morris, and Eugene F. Porter. Workshop 7, "Employee Benefit Plans for Professional Corporations," was moderated by Mr. William R. Hall. Workshop 8, "Variable Annuity Problems of a Technical Nature," was moderated by Mr. Rodney R. Rohda, assisted by Mr. Robert D. Shapiro. Workshop 9, "Organization of Consulting Actuarial Firms," was moderated by Mr. Richard Daskais, assisted by Mr. D. Alan Little. Workshop 10, "The Role of Term Insurance," was moderated by Mr. Meno T. Lake, assisted by Mr. Ronald E. Ryan. Workshop 11, "Actuarial Problems of Variable Life Insurance," was moderated by Mr. Edward Scher. These meetings adjourned about 11:15 A.M.

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

The President advised that the Society had received word of the deaths of nine members since the last annual meeting: Joseph W. Hahn, Frederick R. Colquhoun, W. Ralph Jones, Norman S. Kessner, William K. White, Robert T. Wiseman, and C. Gilbert Noren, 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 Secretary read a summary of the business transacted at the Board of Governors meeting held April 15, 1970:

1. The Board approved the elimination of stenotypist services at Society meetings 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. This Committee has since been appointed, with Paul A. Campbell as chairman.
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. Implementation of its recommendations will be the responsibility of a new Committee on Continuing Education under the chairmanship of John M. Bragg.
5. The Board authorized the appointment of an ad hoc committee to consider additional dues categories, with Gathings Stewart as chairman.

6. The Board adopted the New Guides to Professional Conduct unconditionally rather than subject to the condition that the four other recognized United States actuarial organizations adopt similar guides. The Board approved the printing of the new Guides and Opinions in a separate pamphlet apart from the *Year Book*.
7. The Board approved continuation of monetary support by the Society for the Conference Board of Mathematical Sciences.
8. The Board appointed the firm of Touche Ross & Co. as its auditor for the current fiscal year.
9. 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, at our 1967 annual meeting, narrowly failed to receive affirmative vote by two-thirds of those who voted.

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.

10. 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.
11. 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.

With these changes and savings achieved or planned elsewhere, 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 surplus developed next year to cover the loss in operations that we suffered in 1968-69.

The Secretary reported that the President had sent a letter to all Canadian members, indicating that an approximate adjustment of 7 per

cent would be used for the time being in connection with item 10 above. However, since the Canadian government had unpegged the Canadian dollar on May 31, 1970, and the value was then fluctuating around \$0.965 in United States dollars, the members of the Executive Committee agreed to send the following notice with the annual dues notices being mailed to Canadians:

Recent currency exchange developments have upset our plans for use of the 7 per cent exchange allowance referred to in the attached notice. The 7 per cent rate is no longer appropriate and should not be used. In view of the current difficulty in establishing a satisfactory exchange rate, it would be a great help if you would make payments in United States currency, by money order or cheque on a United States dollar bank account. Where it is inconvenient for you to do this, the present situation would indicate that a 3½ per cent exchange rate might be used until June 30th, 1970.

The President introduced the authors of two papers, Mr. Raymond L. Whaley and Mr. Mel Stein, who gave brief summaries of their papers. The President commented on the late distribution of Mr. Whaley's paper, apologizing to Mr. Whaley on behalf of the Society, and announced that discussions of that paper would be received until September 30, 1970, and that these discussions, together with the author's summary, would be published in the Annual Meeting Number of the *Transactions*.

Following this, Mr. Dale R. Gustafson reported on recent legislative developments; Mr. John M. Bragg reported on activities of the Joint Actuarial Committee of the American Life Convention and Life Insurance Association of America; and the President gave a brief report on the deliberations of the ALC-ILI-LIAA Committee on Life Insurance Costs.

After thanking all the participants and planners involved, the President adjourned the meeting at 12:15 P.M.

