

**TRANSACTIONS OF SOCIETY OF ACTUARIES  
1970 VOL. 22 PT. 1 NO. 64**

**MINUTES OF THE ANNUAL MEETING**

*of the*

**SOCIETY OF ACTUARIES**

**HELD AT THE DENVER HILTON HOTEL  
DENVER, COLORADO  
NOVEMBER 9, 10, AND 11, 1970**

The meeting was called to order by the President, Mr. E. J. Moorhead, on Monday, November 9, 1970, at 9:00 A.M. The following is a summary of the attendance at the meeting:

**SUMMARY**

Fellows.....	626
Associates.....	231
Guests.....	55
Guests of the President.....	11
Total.....	<u>923</u>

The President pointed out that this was the first annual meeting of the Society to be held west of Chicago.

The President welcomed and recognized H. Raymond Strong, the President-Elect of the American Academy of Actuaries; Henry F. Ries, F.C.A., A.F.A.A., President of the Denver Actuarial Club; Conrad Taeuber, Associate Director of Demographic Fields, United States Bureau of the Census; and Dr. Karl V. Smith, University of Wisconsin.

The minutes of the regional meeting in St. Louis held June 5-6, 1969, as printed in the *Transactions* (XXI, 331-333 inclusive), and the minutes of the annual meeting in Boston held November 17-19, 1969, as printed in the *Transactions* (XXI, 685-691 inclusive), were approved.

President Moorhead then presented Mr. Morton D. Miller, 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>	Robert J. Myers
	<i>Two-Year Term</i>
<i>Vice-Presidents:</i>	John M. Bragg Bert A. Winter
<i>Secretary:</i>	Robert C. Dowsett
<i>Treasurer:</i>	Robert H. Hoskins
<i>Editor:</i>	Floyd T. Beasley

*Three-Year Term**Board of Governors:*

L. Blake Fewster  
 Walter L. Grace  
 Richard Humphrys  
 Léon J. Mondoux  
 Daniel W. Pettengill  
 Fredrick E. Rathgeber

The President announced the winners of the Triennial Prize. Tied for this award for the period July 1, 1967, to June 30, 1970, were:

Samuel H. Turner: Asset Value Guarantees under Equity-Based Products

Richard W. Ziock: Gross Premiums for Term Insurance with Varying Benefits and Premiums

The Secretary presented an oral summary of the major items of business transacted at the Board of Governors' meeting held November 8, 1970, as follows:

1. The Board agreed that it would be desirable to include a short history of the Society in the future *Year Books*.
2. The Board noted the following circumstances in connection with a Don Howard Personnel Agency questionnaire that has been sent to some Society members. The sending of this questionnaire was not cleared with the Society Board of Governors, the Executive Committee, or the Chicago Office before the mailing began some months ago.
3. The Board adopted the following future Society meeting dates and places:
  - (a) March 20-21, 1975, Los Angeles, Century Plaza Hotel.
  - (b) June 3-4, 1976, Chicago, Drake Hotel.
  - (c) October 18-20, 1976, Toronto, Four Seasons Sheraton Hotel.
4. The Board approved the establishment of a committee to explore all phases of a proposal that "a Society of Actuaries Memorial Fund be established to receive memorials to deceased Society members, the money to be used for such educational and research purposes as the Board may from time to time decide."
5. The Board agreed to support the establishment of a joint committee of actuaries on life company adjusted earnings, composed of actuaries from the Society of Actuaries, Academy of Actuaries, the Conference of Actuaries in Public Practice, and the Canadian Institute of Actuaries. Prompt action is contemplated on this matter.

6. The Board discussed the reasons for the lateness of the mailing of the *1970 Earlier Regional Meetings Number* of the *Transactions* and the *1969 Reports Number*, both of which are now in the mail. Steps are being taken to avoid similar problems in the future.
7. The Board passed a resolution expressing thanks to H. Powell Yates, recently retired Vice-President of Metropolitan Life, a lawyer who has contributed greatly to the Society of Actuaries over the past twenty-one years with legal advice on the Society's Constitution and many other matters.
8. The Board authorized the setting of an equitable scale of charges for single Study Notes so that in future an individual wishing to purchase a single Study Note need not request and pay for an entire set of Study Notes for a particular Examination Part.
9. The Board changed the name of the Society Committee on Reporting Meetings to the "Press Committee."
10. The Board approved distribution to all Society members of the separate booklet being printed containing the new Guides to Professional Conduct and completed Opinions.
11. The Board discharged with thanks the Committee on Co-operation with the Bureau of the Census but asked that the new Executive Committee study the opportunities of Society liaison with government departments in both Canada and the United States dealing with vital and health statistics as well as with census data.
12. The Board requested that a review be made of the rules governing outside distribution of a paper between the time it is accepted by the Committee on Papers and the time it is presented at a Society Meeting.
13. The Board approved the appointment of an ad hoc committee to study the possibility of conducting Society elections all or in part by mail.

The President advised that the Society had received word of the deaths of nine members since the last meeting. Among these deceased members was Joseph B. Maclean, a Past-President of the Actuarial Society of America; Mr. A. C. Webster read his obituary. President Moorhead read the names of the remaining deceased members: Peter Hondorp, Francis O. Johanson, Kermit Lang, and Robert K. Lawrence, Fellows; and Harold P. Clay, F. Russell Jordan, William Penman, and Edward Perlman, 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*.

The Treasurer gave in summary form the financial report, published elsewhere in this number of the *Transactions*.

The Executive Director gave his report, which is published elsewhere in this number of the *Transactions*.

Mr. Moorhead then gave his presidential address, which is published elsewhere in this number of the *Transactions*.

A recess was called at 10:25 A.M. The meeting reconvened at 11:00 A.M., at which time the President introduced Dr. Kenneth E. Boulding, Institute of Behavioral Science, University of Colorado, who spoke on "The Economics of Environmental Deterioration." The President thanked Dr. Boulding.

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 Moorhead adjourned the meeting at 12:00 noon.

The meeting reconvened that afternoon at 2:15 P.M. in a lecture, four concurrent sessions, and four workshops. The lecture by Conrad Taeuber, Associate Director of Demographic Fields, United States Bureau of the Census, was entitled "1970 United States Census—New Procedures, Accompanying Problems, and Resulting Data." Concurrent Session 1, "Statistical Studies of Stock Market Behavior," was moderated by Mr. Leroy B. Parks, Jr.; panel members were Messrs. James C. Hickman, Robert A. Levy, and Samuel H. Turner. Concurrent Session 2, "Developments in State Insurance Laws," was moderated by Mr. Dale R. Gustafson; panel members were Messrs. W. Harold Bittel, Otis L. Frost, Jr., and Robert Williams. Concurrent Session 3, "The Retirement-Age Dilemma," was moderated by Mr. Carl H. Fischer; panel members were Messrs. James L. Clare, E. S. Willis, and Dr. Karl V. Smith. Concurrent Session 4, "Actuarial Reporting for Management," was moderated by Mr. Norman T. Fuhlrodt; panel members were Messrs. Arthur C. Cragoe, Herbert L. DePrenger, and W. James D. Lewis. Workshop 1, "Group Practice Prepayment Plans," was moderated by Mr. Harry L. Sutton, Jr., assisted by Mr. William C. Hsiao. Workshop 2, "Role of Consulting Actuary in Small-Company Problems," was moderated by Mr. John H. Flittie, assisted by Mr. Allan D. Affleck. Workshop 3, "Group Pension Experience Rating," was moderated by Mr. Charles E. Farr, assisted by Mr. David A. Jeggle. Workshop 4A, "Adjusted Earnings—AICPA Recommendations," was moderated by Mr. Gary E. Corbett, assisted by Mr. Barton H. Clennon. These meetings adjourned at about 4:30 P.M.

On Tuesday, November 10, the meeting was called to order at 9:00

A.M. by President Moorhead. The President welcomed and recognized Professor Harold C. Krogh, President of the American Risk and Insurance Association.

The President opened the discussion of the proposed amendment to the Constitution—addition of Article X, Public Expression of Professional Opinion—notice of this proposed amendment having been sent to all Fellows on October 16, 1970. The following members spoke on the subject:

Harry M. Sarason	Orrin S. Tovson
Anna Maria Rappaport	J. Ross Gray
Ellis A. Wohlner	Donald S. Grubbs, Jr.
Robert F. Davis	John K. Dyer
Lawrence Mitchell	Harlow B. Staley
Gary E. Corbett	John Kroeker
James L. Clare	

The comments of Mrs. Rappaport and Mr. Clare are summarized at the end of these minutes.

The ballot on the proposed amendment was then taken, with the following results, which President Moorhead announced on Wednesday, November 11: 390 in favor of and 95 opposed to the adoption of Article X. For adoption of the amendment in accordance with the provisions of Article IX of the Constitution 324 affirmative votes were necessary, and accordingly President Moorhead declared the new Article X to be in effect.

A special panel discussion on "The Alternate Route" was then presented. The panel was moderated by Mr. Paul T. Rotter; panel members were Messrs. L. Blake Fewster, James C. Hickman, Stephen G. Kellison, Peter W. Plumley, and Julius Vogel.

A recess was called at 11:10 A.M. The meeting reconvened at 11:30 A.M., at which time a special panel was presented on "Participation of Actuaries in Governmental Advisory Groups." This panel was moderated by Mr. Harold R. Lawson; panel members were Messrs. Charles A. Siegfried, J. Henry Smith, and Joseph Musher.

President Moorhead adjourned the meeting at 12:40 P.M.

The meeting reconvened that afternoon at 2:00 P.M. in a lecture, three concurrent sessions, and five workshops. The lecture by Professor Richard O. Mason, School of Business Administration, University of California, was entitled "The Prospects for Corporate Long-Range Planning." Concurrent Session 5, "Trends in Employee Benefit Plans," was

moderated by Mr. James A. Attwood; panel members were Messrs. Alden W. Brosseau, Kenneth T. Clark, Rowland E. Cross, and Donald H. Reid. Concurrent Session 6, "Disability Income Insurance Written on Individual Policies," was moderated by Mr. Ben J. Helphand; panel members were Messrs. E. Paul Barnhart, George W. Chalmers, and Richard W. Erdenberger. Concurrent Session 7 was canceled. Concurrent Session 8, "Education and Examination of Actuaries," was moderated by Mr. Robert J. Johansen; panel members were Messrs. John A. Fibiger, Harold G. Ingraham, Jr., and Peter W. Plumley. Workshop 5A, "Measuring Investment Performance," was moderated by Mr. Leonard Mactas, assisted by Mr. Peter E. Friedes. Workshop 6, "United States Federal Income Tax on Life Insurance Companies," was moderated by Mr. Joseph C. Noback, assisted by Mr. Dale R. Kain. Workshop 7, "Uses of Group Contingency Reserves," was moderated by Mr. Carman A. Naylor, assisted by Miss Josephine W. Beers. Workshop 8, "Trends in Mass Marketing—Association Group, Mail Order, Etc.," was moderated by Mr. Alfred L. Buckman, assisted by Mr. Donald R. Edwards. Workshop 12A, "Indexed Products and Variable Insurance—Canadian Experience and United States Developments," was moderated by Mr. Donald S. Grubbs, Jr., assisted by Mr. Robert C. Tookey. These meetings adjourned at about 4:30 P.M., except for Concurrent Session 8, which continued until about 5:30 P.M.

On Wednesday, November 11, 1970, the meeting convened at 9:00 A.M. in four concurrent sessions and six workshops. Concurrent Session 9, "The Social and Economic Role of the Actuary," was moderated by Mr. Colin E. Jack; panel members were Messrs. John C. Angle, David Langer, Robert J. Randall, and Samuel Eckler. Concurrent Session 10, "Social Security Legislative Developments," was moderated by Mr. Walter Shur; panel members were Messrs. K. Arne Eide, Yves G. Guérard, and Robert J. Myers. Concurrent Session 11, "Net Cost Comparisons," was moderated by Mr. Russell R. Jensen; panel members were Messrs. Robert N. Houser, Daniel J. Lyons, and Peter L. J. Ryall. Concurrent Session 12, "Cash-Flow Problems," was moderated by Mr. Irving S. Wolfson; panel members were Messrs. Raymond A. Bierschbach, Allan B. Roby, Jr., and Duncan R. Winhold. Workshop 4B, "Adjusted Earnings—AICPA Recommendations," was moderated by Mr. Gary E. Corbett, assisted by Mr. Barton H. Clennon. Workshop 5B, "Measuring Investment Performance," was moderated by Mr. Peter E. Friedes, assisted by Mr. Leonard Mactas. Workshop 9, "Survivor Income Benefits under Group

Life Policies," was moderated by Mr. John C. Antliff, assisted by Mr. Harrison Givens, Jr. Workshop 10, "Trends in Rate Regulation and Reserve Requirements of Credit Life and Health Insurance," was moderated by Mr. William K. Nicol, assisted by Miss Josephine W. Beers. Workshop 11, "Social Security Integration," was moderated by Mr. Edward L. Chapin, assisted by Mr. R. Paul Schrader. Workshop 12B, "Indexed Products and Variable Insurance—Canadian Experience and United States Developments," was moderated by Mrs. Anna M. Rappaport, assisted by Mr. John H. Harding. These meetings adjourned at about 10:45 A.M.

The meeting reconvened at 11:00 A.M., with President Moorhead presiding. The members observed a minute's silence in recognition of the fact that it was November 11, Remembrance Day.

The President introduced the authors of the papers being presented—Messrs. E. Paul Barnhart, John M. Bragg, David A. Stonecipher, Herbert W. Hickman, James C. Hickman, James J. Murphy, and Rodney R. Rohda. The authors gave brief summaries of their papers.

Following this, under Topics of Current Interest, Mr. Robert F. Carbone presented a report on "Suggestions Received in Connection with the Society of Actuaries Library," which had been prepared by John W. Tomlinson; Mr. John M. Bragg gave a report on the results of the questionnaire on continuing education; Mr. E. B. Lancaster commented as follows on the subject of "Joint Sponsorship of Actuarial Examinations":

The governing body of each of the other five North American actuarial bodies—the American Academy of Actuaries, the Canadian Institute of Actuaries, the Casualty Actuarial Society, the Conference of Actuaries in Public Practice, and the Fraternal Actuarial Association—adopted resolutions embracing the principle of joint sponsorship of actuarial examinations; these actions flow from discussions which initially took place within the Joint Committee on Review, a committee of representatives of all six North American actuarial bodies.

The Board of Governors of the Society yesterday adopted a resolution, recommended by the Society members on the Joint Committee on Review, calling for the embracing of the principle of joint sponsorship of actuarial examinations by the Society.

The Board recognized that many details and specifics must be worked out in connection with this matter.

The Education and Examination Committee and the Executive Director were directed to work out the many details to implement the resolution.

Following this, as a final Topic of Current Interest, the President recognized Mr. Gathings Stewart, who read his poem "The State of the Society Today," which is printed following these minutes.

President Moorhead thanked all the meeting participants and those who had assisted with meeting details and then turned the meeting over to President-Elect Lancaster. He called on Mr. Morton D. Miller, who presented a silver bowl to Mr. E. J. Moorhead on behalf of the Society. After Mr. Moorhead expressed his appreciation for the gift, President-Elect Lancaster closed the meeting at 12:10 P.M.