

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

**HELD AT THE WASHINGTON PLAZA HOTEL
SEATTLE, WASHINGTON
MAY 27-28, 1971**

The meeting was called to order by the President, Mr. E. B. Lancaster, on Thursday, May 27, 1971, at 9:15 A.M. The following is a summary of the attendance at the meeting:

SUMMARY

Fellows.....	160
Associates.....	87
Guests.....	22
Total.....	<hr/> 269

The President introduced Mr. Richard S. L. Roddis, Dean of the School of Law, University of Washington, former Commissioner of Insurance of the State of California.

The President then 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. Stuart A. Robertson as moderator of the panel session on "The Actuary's Responsibility to his Various Publics." Panel members were Messrs. Garnett E. Cannon, John P. Carberry, and Richard S. L. Roddis. Following the panel presentation, the President thanked the panelists.

At 10:45 A.M. there was a brief recess, after which the meeting assembled in four concurrent sessions. Concurrent Session A, "Actuarial Reporting to Management," was moderated by Mr. Louis Garfín; panel members were Messrs. William B. Dandy, John R. Taylor, and Ralph E. Young. Concurrent Session B, "Elections by Mail," was moderated by Mr. Charles L. Trowbridge; panel member was Mr. Thomas P. Bowles, Jr. Concurrent Session C, "Health Services—Public versus Private Financing," was moderated by Mr. William A. Halvorson; panel members were Messrs. Darwin S. Liggett (Senior Vice-President,

Pacific Mutual Life Insurance Company), Byron W. Straight, and Gordon R. Trapnell. Concurrent Session D, "Variable Life Insurance," was moderated by Mr. Ian M. Rolland; panel members were Messrs. Raymond A. Bierschbach, J. Ross Hanson, and Rodney R. Rohda. These sessions adjourned at approximately 12:30 P.M.

The meeting reconvened that afternoon in three concurrent sessions and six workshops. Concurrent Session E, "Alternate Route," was moderated by Mr. Paul T. Rotter; panel members were Messrs. Peter W. Plumley and Julius Vogel. Concurrent Session F, "Pension Developments," was moderated by Mr. James A. Curtis; panel members were Messrs. Daniel F. McGinn, Juan B. Rael, Jr., and William K. Steiner. Concurrent Session G, "Profit Squeeze for Individual Insurance," was moderated by Mr. Alfred L. Buckman; panel members were Messrs. Richard S. Robertson, Ronald E. Timpe, and Robert C. Tookey. Workshop 1, "Demography," was moderated by Mr. E. Allen Arnold, assisted by Dr. David Kleinman (Battelle Population Study Center). Workshop 2, "Group Dental Insurance," was moderated by Mr. Lawrence Mitchell, assisted by Mr. Richard F. Wyse. Workshop 3, "Individual Health Insurance—Nonforfeiture and Return of Premium Benefits," was moderated by Mr. James T. Colburn, assisted by Mr. Frank M. Bristow, Jr. Workshop 4, "Marketing Individual Insurance," was moderated by Mr. Alden W. Brosseau, assisted by Mr. Christian L. Strom. Workshop 5, "Mutual Fund Marketing," was moderated by Mr. Richard P. Peterson, assisted by Mr. Alan Richards. Workshop 6, "Risk Theory," was moderated by Mr. Russell M. Collins, Jr., assisted by Mr. David G. Halmstad. These meetings adjourned at approximately 4:30 P.M., except Concurrent Session E, which adjourned at 3:30 P.M..

On Friday, May 28, the meeting convened at 9:00 A.M. in two concurrent sessions and five workshops. Concurrent Session H, "Adjusted Earnings," was moderated by Mr. Charles B. H. Watson; panel members were Messrs. Gary E. Corbett and Bert A. Winter. Concurrent Session I, "Agent Compensation," was moderated by Mr. Norman F. Buck; panel members were Messrs. John E. Oxley, Jeffrey S. Skinner, and Richard B. Wyman. Workshop 7, "Group Insurance—Rate Setting and Experience Rating," was moderated by Mr. Frederick J. Knox, assisted by Mr. Allan D. Affleck. Workshop 8, "EDP Packages," was moderated by Mr. William L. Ferris, assisted by Mr. William R. Lones. Workshop 9, "Individual Policy Underwriting," was moderated by Mr. James L. Compere, assisted by Mr. David E. Steven. Workshop 10, "Social Security Integration," was moderated by Mr. Robert G. Moss, assisted by Mr. Joseph F. Saulon. Workshop 11, "Variable Annuity Problems of a

Technical Nature," was moderated by Mr. Donn B. Jones, Jr., assisted by Mr. Rodney R. Rohda. These meetings adjourned at about 11:15 A.M.

After a brief recess, the meeting reconvened at 11:30 A.M. in a general session.

The President introduced Mr. Robert E. Swett, Vice-President, Bankers Life, Nebraska, who indicated that Messrs. Fibiger and Kellison would comment in writing on the discussions they had received on their paper "Actuarial Functions as Expected Values."

The President advised that the Society had received word of the deaths of nine members since the Annual Meeting in Denver, November, 1970: Robert N. Griswold, John T. Hoyt, Mrs. Estella C. King, John W. Lincoln, John B. St. John, Frank A. Shailer, and Robert N. Stabler, Fellows; and Harold M. Horne and Clair C. Kirkpatrick, 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 Mr. Joe B. Pharr, the author of the paper "The Natural Reserve Concept and Life Insurance Earnings."

Following this, Mr. Thomas P. Bowles, Jr., gave a report on the concurrent session on "Elections by Mail." Mr. Gary E. Corbett gave a report on the activities of the Joint Actuarial Committee on Financial Reporting.

Mr. R. J. Myers read a summary of the business transacted at the Board of Governors meeting held April 7, 1971:

1. The Board adopted the following future Society meeting dates and places:
 - a) April 1-2, 1976, Washington, D.C., Shoreham Hotel.
 - b) May 20-21, 1976, Houston, Texas, Shamrock Hilton Hotel.
2. The Board approved the establishment of a broadly based committee, including both senior and junior Society members, to study the possible advantages and disadvantages of forming a Society of Actuaries career consultation committee.
3. The Board agreed—after considerable study extending over some months—that there should be no changes at the present time in the number and character of the different dues categories for members of the Society.
4. The Board agreed that, if no unfavorable comments develop at the Seattle and Des Moines meetings regarding the question of elections by mail, the Executive Committee should proceed to prepare the presentation of the constitutional amendment for vote at the annual meeting in Toronto in November, 1971.
5. The Board approved the appointment of a committee to study the

question—also for possible presentation at the annual meeting in Toronto in November, 1971—of voting on any constitutional amendment by mail; it was agreed that this matter would be treated as a separate issue, with a separate decision to be reached, and that it would not be tied in with the question of adopting the elections-by-mail procedure.

6. The Board appointed the firm of Touche Ross and Co. as auditor for the current fiscal year.
7. The Board passed the following resolution:

Resolved, That the Board commend the Executive Director, and through him the Society office staff, for handling the increasingly complex business of the Society through the office in Chicago and for handling arrangements in connection with the growing Society meetings with competence and effectiveness throughout the past year.

8. The Board accepted the following recommendations of the Public Relations Committee:

- a) That the Board of Governors, on behalf of the Society of Actuaries, endorse minority and disadvantaged recruitment efforts in general and, in particular, the Actuarial Summer Institute program initiated in 1970 at Lincoln University and supported by twenty-six or more life insurance companies and consulting firms and the New York Actuaries Club.

- b) That authorization be given for the Public Relations Committee to direct, in 1971 and subsequent years, fund-raising for this specific program in the name of the Society of Actuaries.

It is understood that this activity will be self-supporting and will not involve Society of Actuaries funds.

9. The Board approved the establishment of a committee to be charged with finding and developing in considerable detail the best solutions to the problems involved in the possible adoption of an alternate route; it was agreed that the Board, in establishing this committee, has voted not in favor of the alternate route but, rather, merely in favor of more extensive study.

The President introduced Mr. D. W. A. Donald, President of the Faculty of Actuaries. Mr. Donald extended greetings to the members of the Society from the Faculty of Actuaries. He expressed his appreciation for the invitation to attend the meeting.

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