

**TRANSACTIONS OF SOCIETY OF ACTUARIES  
1978 VOL. 30**

MINUTES OF THE REGIONAL MEETING

*of the*

**SOCIETY OF ACTUARIES**

HELD JOINTLY WITH THE  
CASUALTY ACTUARIAL SOCIETY

NEW YORK HILTON HOTEL  
NEW YORK, NEW YORK  
APRIL 10 AND 11, 1978

The meeting was called to order by President William A. Halvorson on Monday, April 10, 1978, at 9:00 A.M. The following is a summary of attendance at the meeting:

SUMMARY

Fellows of the Society of Actuaries . . . . .	431
Associates of the Society of Actuaries . . . . .	163
Members of the Casualty Actuarial Society who are not members of the Society of Actuaries . . . . .	166
Guests . . . . .	69
Total . . . . .	<u>829</u>

President Halvorson welcomed the members of the Casualty Actuarial Society and introduced P. Adger Williams, President of the Casualty Actuarial Society. President Williams, in turn, welcomed the members of the Society of Actuaries to this, the first joint meeting of the two societies.

President Halvorson recognized Dr. Bernard Benjamin, F.I.A., of the City University in London, England.

President Halvorson then recognized all the program participants who were not members of one of the two societies.

The Secretary presented an oral summary of the nonroutine business transacted by the Board of Governors at its meeting on January 25, 1978, and by the Executive Committee at its meetings on December 7, 1977, February 9-10, 1978, and April 9, 1978.

President Halvorson advised that the Society had received word of the deaths of fourteen members since the last annual meeting: J. Fredrick Bitzer, Forrest E. Black, Jr., James H. Braddock, Jesse D. Brown,

Reginald Ernest Dowsett, Gilbert A. Heun, A. Charles Howell, William J. November, Frederick Powers Perkins, John G. Thom, and Sanford M. Thompson, Fellows; Stanley M. Hof, Eugene H. Pakes, and Walter Young, Associates. Those in attendance at this meeting observed a moment of silence in respect for the memory of these members. Obituaries are printed in this volume of the *Transactions*.

President Halvorson then recognized and welcomed the new Fellows and Associates who were attending their first meeting of the Society after attaining their present ranks.

President Halvorson then recognized Ernest J. Moorhead and Charles L. Trowbridge, authors of "The Unresolved OASDI Decoupling Issue," a paper discussed during the teaching session of this meeting.

President Halvorson then recognized the individuals responsible for this meeting: officers—Geoffrey Crofts and Robin B. Leckie for the Society of Actuaries, and P. Adger Williams and Ruth E. Salzmann for the Casualty Actuarial Society; committee chairmen—Linda B. Emory of the Society of Actuaries Program Committee, Robert E. Hunstad of the Society of Actuaries Continuing Education and Research Committee, and David G. Hartman of the Casualty Actuarial Society Committee on Continuing Education; local arrangements chairmen—Arthur R. Cadorine and Leonard E. Tandul.

Executive Director Peter W. Plumley made a few brief announcements.

President Halvorson introduced Robin B. Leckie, F.S.A., who moderated the keynote panel for this meeting. Panel members were Roy R. Anderson, F.S.A., Stephen G. Kellison, F.S.A., and Frederick W. Kilbourne, F.C.A.S., F.S.A.

After a brief recess the meeting reconvened at 11:00 A.M. in five concurrent sessions. Concurrent Session A, "Overlapping Benefits—the Intersection of Social Insurance and Private Insurance," was moderated by Charles B. H. Watson, F.S.A.; panel members were James F. A. Biggs, F.S.A., Keith H. Cooper, F.S.A., Stephen S. Makgill, F.C.A.S., and Gerald S. Parker (Vice-President—Health Insurance, Guardian Life Insurance Company). Concurrent Session B, "Expense Assumptions in Pricing," was moderated by Richard G. Woll, F.C.A.S.; panel members were Paul T. Bourdeau, F.S.A., John B. Cumming, F.S.A., and Anthony J. Grippa, F.C.A.S. Concurrent Session C, "Actuarial Certifications and Opinions Rendered," was moderated by Ruth E. Salzmann, F.C.A.S.; panel members were Kenneth T. Clark, F.S.A., Carl R. Ohman, F.S.A., Leslie Shapiro (Executive Director of the Joint Board for the Enrollment of Actuaries), Richard H. Snader, F.C.A.S., A.S.A., and Donald E. Trudeau, F.C.A.S. Concurrent Session D, "Investment Portfolio Theory,"

was moderated by Irwin T. Vanderhoof, F.S.A., A.C.A.S.; panel members were Ronald A. Karp, F.S.A., Bruce Marquand (Vice-President—Investment Operations, Equitable Life Assurance Society of the United States), and Paul M. Otteson, F.C.A.S. Concurrent Session E, "Education for an Expanding Actuarial Profession—Expanding Roles of the Actuary," was moderated by Lionel A. Potts, Jr., F.S.A.; panel members were Thomas F. Eason, F.S.A., Charles C. Hewitt, Jr., F.C.A.S., James C. Hickman, F.S.A., A.C.A.S., and Kevin M. Ryan, F.C.A.S.

A luncheon was held at 12:30 P.M., during which Dr. Bernard Benjamin, F.I.A., City University, London, England, spoke on "Outside Views of the United States Social Security System."

The meeting reconvened at 2:00 P.M. with a general session panel, "Risk Classification," moderated by Daniel F. Case, F.S.A.; panel members were Barbara J. Lautzenheiser, F.S.A., and William S. Gillam, F.C.A.S.

Following a brief recess, the meeting reconvened at 3:15 P.M. in four concurrent sessions and ten workshops. Concurrent Session F, "Classification Models," was moderated by Charles A. Hachemeister, F.C.A.S.; panel members were Joseph Ferriera (Massachusetts Institute of Technology), Arnold F. Shapiro, F.S.A., and Oakley E. Van Slyke, A.S.A., F.C.A.S. Concurrent Session G, "Social Security Funding," was moderated by Robert J. Myers, F.S.A., F.C.A.S.; panel members were Donald D. Cody, F.S.A., and A. Haeworth Robertson, F.S.A. Concurrent Session H, "Capacity and Solvency—the Outside Influence," was moderated by Robert P. Hill, F.S.A.; panel members were Dr. William Fairley (Massachusetts Division of Insurance), Joseph W. Levin, F.C.A.S., and Frederick S. Townsend, Jr., A.S.A. Concurrent Session I, "All-Lines Organizations—the Intersection of the Life and Casualty Operations," was moderated by Alan C. Curry, F.C.A.S.; panel members were James A. Attwood, F.S.A., Robert J. Johansen, F.S.A., and Robert Pollack, F.C.A.S.

Workshop 1A, "Investment Results in Rate-making," was chaired by John S. McGuinness, F.C.A.S., and Bruce D. Moore, F.S.A., A.C.A.S. Workshop 1B was chaired by Glenn W. Fresch, F.C.A.S., and Jan L. Pollnow, F.S.A. Workshop 1C was chaired by Melvin C. McFall, F.S.A., and Harry R. Richards, F.C.A.S. Workshop 1D was chaired by Donald R. Sondergeld, F.S.A., and Michael R. Ward, F.C.A.S. Workshop 1E was chaired by Martin Adler, F.C.A.S., and Melvin L. Gold, F.S.A., A.C.A.S. Workshop 2A, "Financial Reporting," was chaired by Paul R. Flack, A.C.A.S., and Robert H. McMillen, F.S.A. Workshop 2B was chaired by James A. Faber, F.C.A.S., and Richard K. Kischuk, F.S.A.

Workshop 2C was chaired by Leslie E. Korper II, F.S.A., and Paul E. Singer, A.C.A.S. Workshop 3A, "Extending Actuarial Horizons," was chaired by Ronald L. Bornhuetter, F.C.A.S., and Peter W. Plumley, F.S.A. Workshop 3B was chaired by David G. Hartman, F.C.A.S., and David E. Norton, F.S.A.

On Tuesday, April 11, the meeting convened at 9:00 A.M. in four concurrent sessions and eleven workshops. Concurrent Session J, "Classification Areas," was moderated by Harry L. Sutton, Jr., F.S.A.; panel members were Robert D. Bergen, F.C.A.S., Darrell W. Ehlert, F.C.A.S., and Harry A. Woodman, Jr., F.S.A. Concurrent Session K, "Capacity and Solvency—Internal Considerations," was moderated by John C. Woody, F.S.A., A.C.A.S.; panel members were Warren P. Cooper, A.C.A.S., Frank S. Irish, F.S.A., C. K. Khury, F.C.A.S., and Robert G. Maxon, F.S.A. Concurrent Session L, "Personal Casualty Lines on a Group Basis," was moderated by Daniel J. Flaherty, F.C.A.S.; panel members were Vincent W. Donnelly, F.S.A., Dennis E. Hoffmann, F.C.A.S., and C. Ronald Riley, F.S.A. Concurrent Session M, "Current Topics," was moderated by W. James MacGinnitie, F.S.A., F.C.A.S.; panel members were Richard J. Decker (Automobile Insurance Plans Services Offices), William G. Halby (Vice-President and Associate General Counsel, Equitable Life Assurance Society of the United States), Robert E. Hunstad, F.S.A., and Ernest J. Moorhead, F.S.A.

Workshop 4A, "Overlapping Benefits—the Intersection of Social Insurance and Private Insurance," was chaired by Elsbeth T. Erbe, A.S.A., and Michael P. Fox, F.S.A. Workshop 4B was chaired by Richard G. Schreitmueller, F.S.A., and Steven F. McKay, F.S.A. Workshop 5, "Portfolio Construction—Life vs. Casualty," was chaired by Joseph H. Dowling, F.S.A., and M. Stanley Hughey, F.C.A.S. Workshop 6A, "Reinsurance," was chaired by Ray M. Perisho, F.S.A., and Lee R. Steeneck, F.C.A.S. Workshop 6B was chaired by Herman H. Schmit, F.S.A., and James N. Stanard, F.C.A.S. Workshop 6C was chaired by Christopher P. Garand, F.C.A.S., and Courtland C. Smith, F.S.A. Workshop 6D was chaired by Robert S. Miccolis, A.C.A.S., and William K. Tyler, F.S.A. Workshop 7A, "Management of Actuarial Staff," was chaired by Darrell W. Beernink, F.S.A., and David P. Flynn, F.C.A.S. Workshop 7B was chaired by Phillip N. Ben-Zvi, F.C.A.S., and Paul D. Yearly, F.S.A. Workshop 7C was chaired by Michael J. Cowell, F.S.A., and Frank Rubino, F.S.A. Workshop 7D was chaired by J. Lynn Peabody, F.S.A., and Jerry A. Hillhouse, F.C.A.S.

Following a brief recess, the meeting reconvened at 11:00 A.M. in three concurrent sessions, a teaching session, and ten workshops. Concurrent

Session N, "Risk Classification—Effect on Plan Design," was moderated by Anna Maria Rappaport, F.S.A.; panel members were Catherine M. Kamrow (Counsel, CNA Insurance), Daniel J. Gross, F.S.A., and Donald S. Grubbs, Jr., F.S.A. Concurrent Session O, "Claim Reserves," was moderated by Peter L. Hutchings, F.S.A.; panel members were Rafal J. Balcarek, F.C.A.S., Walter J. Fitzgibbon, Jr., F.C.A.S., Spencer Koppel, F.S.A., and Herbert Orenshein, A.S.A. Concurrent Session P, "Insuring Social and Economic Risks," was moderated by Arthur W. Ericson, F.S.A.; panel members were Ross C. Cowan (Vice-President of Prudential Reinsurance, Prudential Insurance Company), David W. Pray, F.S.A., and Robert D. Shapiro, F.S.A.

The teaching session, "OASDI Benefit Formula Issues," was conducted by Ernest J. Moorhead, F.S.A., and Charles L. Trowbridge, F.S.A.

Workshop 8, "Personal Casualty Lines on a Group Basis," was chaired by Richard A. Lino, F.C.A.S., and John G. Turner, F.S.A. Workshop 9A, "Underwriting the Difficult Risk," was chaired by John H. Cook, F.S.A., and W. Vernon Rice, A.C.A.S. Workshop 9B was chaired by James W. Pilgrim, F.S.A., and David Skurnick, F.C.A.S. Workshop 10A, "Analysis of Financial Results," was chaired by Nora M. Beattie, F.S.A., and E. Frederick Fossa, F.C.A.S. Workshop 10B was chaired by Steve P. Cooperstein, F.S.A., and Allan M. Kaufman, F.C.A.S. Workshop 10C was chaired by Robert H. Dobson, F.S.A., and Nicholas F. Miller, F.C.A.S. Workshop 10D was chaired by Robert B. Foster, F.C.A.S., and Glen N. Gammill, F.S.A. Workshop 10E was chaired by John D. Nolan, A.C.A.S., and Richard S. Robertson, F.S.A. Workshop 11A, "Education for an Expanding Actuarial Profession," was chaired by James J. Murphy, F.S.A., and Robert J. Schuler, F.C.A.S. Workshop 11B was chaired by David R. Bickerstaff, F.C.A.S., and W. Paul McCrossan, F.S.A.

A luncheon was held at 12:30 P.M. honoring new Fellows attending their first meeting of the Society of Actuaries since attainment of Fellowship. After brief remarks by President Halvorson, the new Fellows were recognized individually and their Fellowship certificates were presented.

MYLES M. GRAY  
*Secretary*



# MINUTES OF THE REGIONAL MEETING

*of the*

## SOCIETY OF ACTUARIES

HELD AT THE HYATT REGENCY HOTEL  
DEARBORN, MICHIGAN  
MAY 18 AND 19, 1978

The meeting was called to order by President William A. Halvorson on Thursday, May 18, 1978, at 9:00 A.M. The following is a summary of attendance at the meeting:

### SUMMARY

Fellows.....	346
Associates.....	250
Guests.....	50
Total.....	<u>646</u>

President Halvorson recognized Wilson W. Naggs, President of the Fraternal Actuarial Association.

President Halvorson then recognized all the program participants who were not members of the Society.

The Secretary presented an oral summary of the nonroutine business transacted by the Board of Governors at its meeting on May 17, 1978, and by the Executive Committee at its meeting on April 9, 1978.

President Halvorson advised that the Society had received word of the deaths of nineteen members since the last annual meeting: Roy R. Benjamin, J. Frederick Bitzer, Forrest E. Black, Jr., James H. Braddock, Arnold Beach Brown, Jesse D. Brown, Reginald Ernest Dowsett, Carl E. Herfurth, Gilbert A. Heun, A. Charles Howell, John Ruse Larus, William J. November, Frederick Powers Perkins, Albert Pike, Jr., John G. Thom, and Sanford M. Thompson, Fellows; Stanley M. Hof, Eugene H. Pakes, and Walter Young, Associates. Those in attendance at this meeting observed a moment of silence in respect for the memory of these members after Robert T. Jackson read the obituary for Mr. Larus, a Past President of the Society. Obituaries are printed in this volume of the *Transactions*.

President Halvorson recognized and welcomed the new Fellows and Associates who were attending their first meeting of the Society after attaining their present ranks.

President Halvorson then recognized Joe B. Pharr, author of "GAAP Acquisition Expense Amortization Methodology," a paper discussed during Concurrent Session J of this meeting, and Samuel H. Turner, author of a paper titled "Actuarial Appraisal Valuations of Life Insurance Companies."

President Halvorson then recognized the individuals responsible for this meeting: Vice-Presidents Geoffrey Crofts and Robin B. Leckie, program committee vice-chairmen Richard A. Burrows and Burton D. Jay, and local arrangements chairman Frances O. Jones.

Executive Director Peter W. Plumley made a few brief announcements.

President Halvorson introduced Walter L. Grace, who moderated an open forum on "Recent Developments and Issues of Interest to the Actuarial Profession." Panel members, and their topics, were Barbara J. Lautzenheiser ("Reorganization of the Profession"), Walter S. Rugland ("Academy Membership Requirements"), Robin B. Leckie ("Committee on Dividend Philosophy"), and Warren R. Adams ("Activities of the Director of Education").

After a brief recess the meeting reconvened at 11:00 A.M. in three concurrent sessions and nine workshops. Concurrent Session A, "Funding Vehicles and Administration for Pension Plans with 10 to 50 Lives," was moderated by Malcolm T. Macphee, Jr.; panel members were Charles E. Farr, Walter S. Rugland, and Charles F. Monroe. Concurrent Session B, "Individual Life Products in the Employee Market," was moderated by Harold G. Ingraham, Jr.; panel members were Jack S. Couzens II, C.L.U. (Bassey, Selesko, Couzens and Murphy, P.C.), Eugene L. Notkin, C.L.U. (The Ellison Agency), and Walter N. Miller. Concurrent Session C, "Regulatory Considerations in Group Insurance," was moderated by Richard J. Mellman; panel members were Robert H. Dobson, Ted L. Dunn, Raymond F. McCaskey, and Vincent W. Donnelly.

Workshop 1, "Federal Income Tax—Canada," was chaired by James E. Jeffery and Rodney C. Wilton. Workshop 2A, "Federal Income Tax—U.S.," was chaired by Joseph C. Noback and Howard I. Teich. Workshop 2B was chaired by Carl B. Wright and Richard S. Robertson. Workshop 3A, "Individual Disability Income," was chaired by Robert J. Butler and Nicholas A. O'Kulich. Workshop 3B was chaired by Michael L. Kellen and Andrew F. Bodine. Workshop 4A, "Individual Life Experience Studies," was chaired by Melvin C. McFall and W. Allan Keltie. Workshop 4B was chaired by Timothy N. Terry and John A. Skevington. Workshop 4C was chaired by Neal N. Stanley and Daniel F. Case. Workshop 4D was chaired by Kent M. Simmons and Thomas T. Chamberlain.

A "New Associates Workshop" also was held at 11:00 A.M. This

session, which was sponsored by the Committee on Professional Development, introduced new and recent Associates to the Society of Actuaries—its meetings, its structure, and the education and examination process, as well as its current activities and some of the problems to be faced in the future.

A luncheon was held at 12:30 P.M. honoring new Fellows attending their first meeting of the Society since attainment of Fellowship. After brief remarks by President Halvorson, the new Fellows were recognized individually and their Fellowship certificates were presented.

The meeting reconvened at 2:30 P.M. in three concurrent sessions, a teaching session, and nine workshops. Concurrent Session D, "Social Security," was moderated by A. Haeworth Robertson; panel members were Alicia H. Munnell (Assistant Vice-President and Economist, Federal Reserve Bank of Boston) and Robert F. Link. Concurrent Session E, "Individual Annuities," was moderated by Samuel H. Turner; panel members were Jack P. Barger (Senior Vice-President—Marketing, Life Insurance Company of California), Edward H. Baker, and William T. Gibb (Chief Counsel, Federal Taxes and Pensions, American Council of Life Insurance). Concurrent Session F, "Risk Classification and Privacy," was moderated by Charles N. Walker; panel members were LaVerne W. Cain, Linda B. Emory, Orlo L. Karsten, Jr., and Robert S. Seiler (Vice-President, Secretary, and General Counsel, Allstate Life Insurance Company).

Teaching Session 1, "Forecasting Methods," was conducted by Wilfred A. Kraegel and Harold S. Becker (Executive Vice-President and Treasurer, The Futures Group).

Workshop 5A, "ERISA and Other Pension Regulatory Developments," was chaired by Dorn H. Swerdlin and Randall M. Luzader. Workshop 5B was chaired by E. Chadwick Ross and James W. Grosheider. Workshop 5C was chaired by William J. McDonnell and Herbert W. Kimball. Workshop 5D was chaired by Kenneth R. Smith and Gregg L. Skalinder. Workshop 6A, "Individual Life Products in the Employee Market," was chaired by Jesse M. Schwartz and Thomas B. Sorenson. Workshop 6B was chaired by Bruce W. Winterhof and Thomas K. Neavins. Workshop 7A, "Group LTD," was chaired by Ted L. Dunn and Gerold W. Frey. Workshop 7B was chaired by John E. Hewitt and Frances O. Jones. Workshop 7C was chaired by W. Dale Cosburn and Harry E. Clarke.

At 4:30 P.M. a movie, *Accountants' Legal Liability*, was presented.

On Friday, May 19, the meeting convened at 9:00 A.M. in three concurrent sessions and eight workshops. Concurrent Session G, "Pension Plan Design," was moderated by Preston C. Bassett; panel members

were Henry Bright, Gilbert V. I. Fitzhugh, and M. David R. Brown. Concurrent Session H, "New Actuarial Standards for Insurance Company Reporting in Canada," was moderated by Robin B. Leckie; panel members were Daniel J. Kunesh, Kenneth T. Clark, and Michael Rosenfelder. Concurrent Session I, "Individual Life Product Development," was moderated by James F. Reiskytl; panel members were Michael L. Smith, William H. Strong, and Edward T. Hill.

Workshop 8A, "Individual Annuities," was chaired by Thomas A. DeSelm and Larry R. Peterson. Workshop 8B was chaired by Michael R. Winterfield and Vernon J. Smith. Workshop 9A, "Individual Health—Major Medical, Basic Hospital and Surgical Expense Plans," was chaired by Robert B. Shapland and Cynthia M. Clancy. Workshop 9B was chaired by Ronald M. Wolf and Richard B. Marx. Workshop 10A, "Group Medical Care Topics," was chaired by Vincent W. Donnelly and Alastair G. Longley-Cook. Workshop 10B was chaired by Kenneth D. LeBow and Jeffrey L. Gathers. Workshop 10C was chaired by Theodore W. Garrison and Richard S. Bilisoly. Workshop 11, "Individual Underwriting," was chaired by Courtland C. Smith and Barbara J. Lautzenheiser.

Following a brief recess, the meeting reconvened at 11:00 A.M. in three concurrent sessions, a teaching session, and nine workshops. Concurrent Session J, "Current Developments in Financial Reporting," was moderated by J. G. Fernand Bonnard; panel members were Bruce E. Nickerson, Glen M. Gammill, Wayne Kauth (Partner, Ernst and Ernst), and Joe B. Pharr. Concurrent Session K, "Adjustable Life Products," was moderated by Robert D. Hogue; panel members were James C. Charling, Robert L. Senkler, Wilfred A. Kraegel, and J. Stanley Hill. Concurrent Session L, "Group ASO and Minimum Premium Plans," was moderated by Henry W. Siegel; panel members were Stephen E. White, Alan D. MacLennan, and Laurence M. Swerdlow.

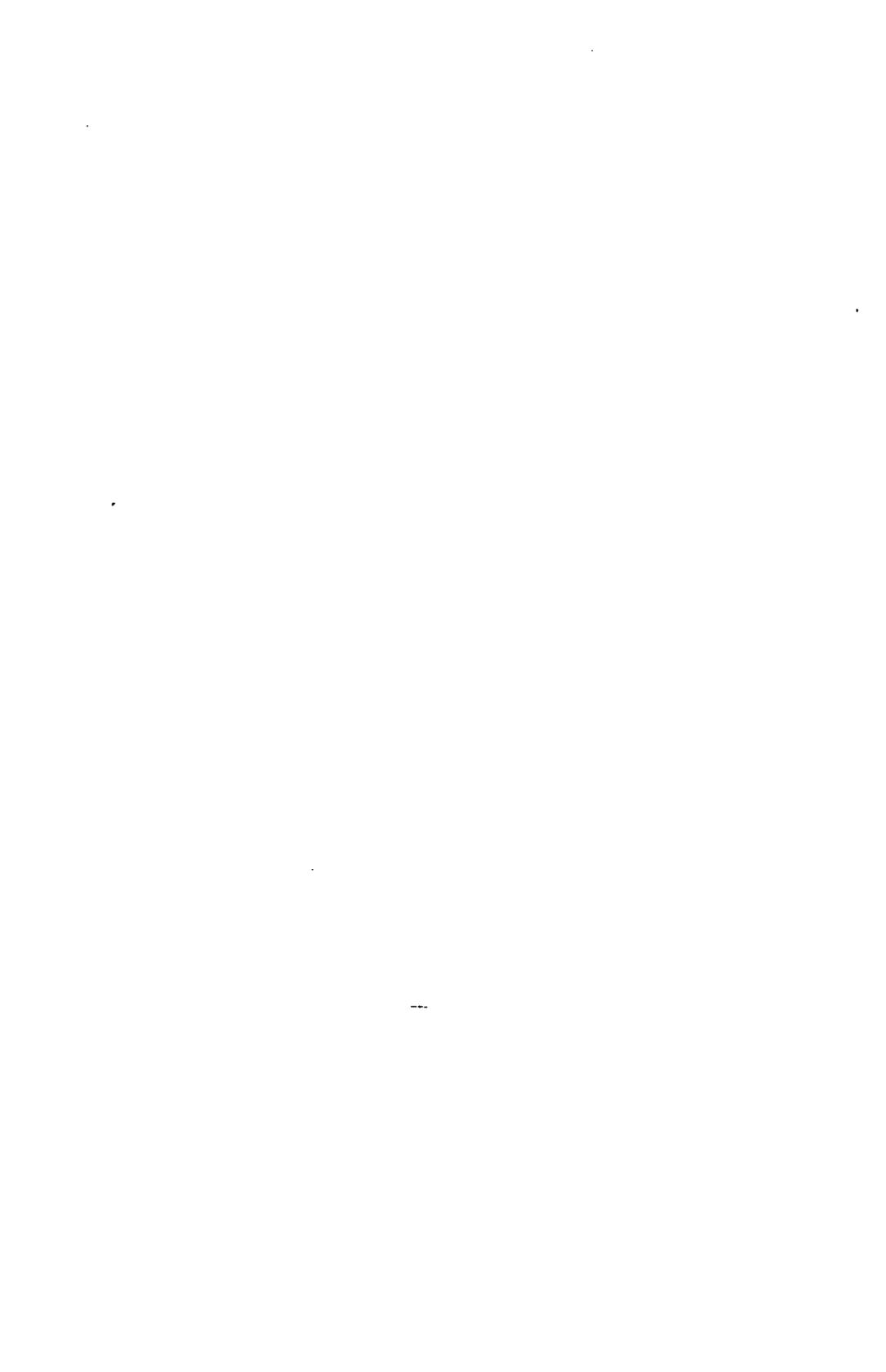
Teaching Session 2, "Elementary Risk Theory," was conducted by Geoffrey Crofts.

Workshop 12A, "Pension Plan Design (United States Plans)," was chaired by Raymond J. Biscoglia and Harry S. Lutz. Workshop 12B was chaired by Harold R. Brigade and Rian M. Yaffe. Workshop 12C was chaired by Michael R. Mudry and Richard S. Hester, Sr. Workshop 13, "Pension Plan Design (Canadian Plans)," was chaired by John A. McLean and David B. Martin. Workshop 14, "New Actuarial Standards for Insurance Company Reporting in Canada," was chaired by Horace W. McCubbin and Ronald H. M. Jones. Workshop 15A, "Individual Life Product Development—Nonparticipating," was chaired by Wilford

A. Leonard and John R. Skar. Workshop 15B was chaired by Wilfred L. Thornthwaite and William R. Dean. Workshop 16A, "Individual Life Product Development—Participating," was chaired by Robert H. Jordan and John R. McClelland. Workshop 16B was chaired by Norman K. Martin and William F. Sutton III.

At 2:30 P.M. the movie *Accountants' Legal Liability* was presented, followed by a "Discussion on Professionalism," led by Geoffrey Crofts and Charles T. Smith, Jr. (Partner, Peat, Marwick, Mitchell and Company).

MYLES M. GRAY  
*Secretary*



# MINUTES OF THE REGIONAL MEETING

*of the*

## SOCIETY OF ACTUARIES

HELD AT THE PORTLAND HILTON HOTEL

PORTLAND, OREGON

JUNE 1 AND 2, 1978

The meeting was called to order by President William A. Halvorson on Thursday, June 1, 1978, at 9:00 A.M. The following is a summary of attendance at the meeting:

### SUMMARY

Fellows.....	256
Associates.....	158
Guests.....	<u>39</u>
Total.....	453

President Halvorson recognized all the program participants who were not members of the Society.

The Secretary presented an oral summary of the nonroutine business transacted by the Board of Governors at its meeting on May 17, 1978, and by the Executive Committee at its meeting on April 9, 1978.

President Halvorson advised that the Society had received word of the deaths of twenty-two members since the last annual meeting: Roy R. Benjamin, J. Frederick Bitzer, Forrest E. Black, Jr., James H. Braddock, Arnold Beach Brown, Jesse D. Brown, Byron Cosby, Jr., Reginald Ernest Dowsett, Carl E. Herfurth, Gilbert A. Heun, A. Charles Howell, John Ruse Larus, Alton P. Morton, William J. November, Frederick Powers Perkins, Albert Pike, Jr., John G. Thom, and Sanford M. Thompson, Fellows; Arthur H. Garvin, Stanley M. Hof, Eugene H. Pakes, and Walter Young, Associates. Those in attendance at this meeting observed a moment of silence in respect for the memory of these members. Obituaries are printed in this volume of the *Transactions*.

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Executive Director Peter W. Plumley made a few brief announcements.

President Halvorson introduced William David Smith, who moderated an open forum on "Recent Developments and Issues of Interest to the Actuarial Profession." Panel members, and their topics, were David R. Carpenter ("Reorganization of the Profession"), Louis Garfin ("Academy Membership Requirements"), Thomas C. Sutton ("Committee on Dividend Philosophy"), and Warren R. Adams ("Activities of the Director of Education").

After a brief recess the meeting reconvened at 11:00 A.M. in three concurrent sessions and eight workshops. Concurrent Session A, "Funding Vehicles and Administration for Pension Plans with 10 to 50 Lives," was moderated by Richard A. Winkenwerder; panel members were Loyd Hopper and Edward T. Forte. Concurrent Session B, "Individual Life Products in the Employee Market," was moderated by Robert P. Brady; panel members were Ronald E. Ryan, Thomas C. Sutton, and John Stigaard (First Colony Life Insurance Company). Concurrent Session C, "Regulatory Considerations in Group Insurance," was moderated by Howard J. Bolnick; panel members were Robert G. Maule and Deane A. Ninnemann.

Workshop 1, "Federal Income Tax—Canada," was chaired by Wayne E. Bergquist and Ronald A. Crawley. Workshop 2A, "Federal Income Tax—U.S.," was chaired by Charles D. Friedstat and Allan D. Greenberg. Workshop 2B was chaired by Bruce D. Bengston and Jeffrey J. Nohl. Workshop 3A, "Individual Disability Income," was chaired by Ernie Frankovich and Donald E. Kreider. Workshop 3B was chaired by F. Gilbert Swanson and Joseph R. Galko. Workshop 4A, "Individual Life Experience Studies," was chaired by Wilbur M. Bolton and Esther H. Milnes. Workshop 4B was chaired by John H. Cook and Courtland C. Smith. Workshop 4C was chaired by Jon E. Niehus and John B. Dinius.

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Teaching Session 1, "Forecasting Methods," was conducted by Gary Corbett and Harold S. Becker (Executive Vice-President and Treasurer, The Futures Group).

Workshop 5A, "ERISA and Other Pension Regulatory Developments," was chaired by Steven A. Eisenberg and Jon L. King. Workshop 5B was chaired by William E. Giegerich, Jr., and Douglas C. Borton. Workshop 5C was chaired by T. Thomas Simester and E. Allen Arnold. Workshop 6A, "Individual Life Products in the Employee Market," was chaired by Ronald E. Timpe and Zafar Rashid. Workshop 6B was chaired by Thomas C. Sutton and Joe L. Thompson. Workshop 7A, "Group LTD," was chaired by Wayne V. Roberts and Robert B. Hardin, Jr. Workshop 7B was chaired by Richard W. McNeill and Donald L. Peterson. Workshop 7C was chaired by Martin E. Staehlin and Frederick R. Brown.

At 4:30 P.M. a movie, *Accountants' Legal Liability*, was presented.

On Friday, June 2, the meeting convened at 9:00 A.M. in three concurrent sessions and seven workshops. Concurrent Session G, "Pension Plan Design," was moderated by Paul C. Hart; panel members were Martin Stempel, Daryle G. Johnson, and Michael J. Mahoney. Concurrent Session H, "New Actuarial Standards for Insurance Company Reporting in Canada," was moderated by H. Edward Harland; panel members were Wayne E. Bergquist, Cecil G. White, and James D. Lamb. Concurrent Session I, "Individual Life Product Development," was moderated by David M. Mordorski; panel members were David R. Carpenter, Steven A. Smith, and Douglas G. Draeseke.

Workshop 8A, "Individual Annuities," was chaired by Orrin S. Tovson and James D. Maughn. Workshop 8B was chaired by Jerome F. Seaman and Robert E. Pung. Workshop 9, "Individual Health—Major Medical,

Basic Hospital and Surgical Expense Plans," was chaired by Earl S. Magnuson and William L. Hezzelwood. Workshop 10A, "Group Medical Care Topics," was chaired by Stanley L. Olds and Wayne D. Lehman. Workshop 10B was chaired by Joshua Jacobs and Donald A. Gibbs. Workshop 10C was chaired by Robert G. Maule and Christopher George. Workshop 11, "Individual Underwriting," was chaired by Richard M. Stenson and Dan R. Spafford.

Following a brief recess, the meeting reconvened at 11:00 A.M. in three concurrent sessions, a teaching session, and eight workshops. Concurrent Session J, "Current Developments in Financial Reporting," was moderated by Burton D. Jay; panel members were Clair J. Galloway (Partner, Ernst and Ernst), John K. Booth, and Joe B. Pharr. Concurrent Session K, "Adjustable Life Products," was moderated by Samuel H. Turner; panel members were John E. Aschenbrenner, Gerald R. Chapman, and Alice M. Neenan. Concurrent Session L, "Group ASO and Minimum Premium Plans," was moderated by Richard G. Murdock; panel members were David V. Axene, William Cunningham, and Richard J. Barksdale (Vice-President, Johnson and Higgins).

Teaching Session 2, "Elementary Risk Theory," was conducted by Geoffrey Crofts.

Workshop 12A, "Pension Plan Design (United States Plans)," was chaired by William F. Lumsden and Robert E. Heitzman, Jr. Workshop 12B was chaired by Karen L. Mitchell and J. Stephen Kennedy. Workshop 13, "Pension Plan Design (Canadian Plans)," was chaired by Thomas A. Weddell and Donald H. Reid. Workshop 14, "New Actuarial Standards for Insurance Company Reporting in Canada," was chaired by Wayne E. Bergquist and Robert M. Blake. Workshop 15A, "Individual Life Product Development—Nonparticipating," was chaired by John A. Johnson and James J. Knutson. Workshop 15B was chaired by Randall P. Mire and Bruce L. Caldwell. Workshop 15C was chaired by Gene W. Buchter and James G. Carlin. Workshop 16, "Individual Life Product Development—Participating," was chaired by Gregory A. Rogers and Ronald J. Dolan.

At 2:30 P.M. the movie *Accountants' Legal Liability* was presented, followed by a "Discussion on Professionalism" led by Geoffrey Crofts and Frank L. Bradley (Partner, Peat, Marwick, Mitchell and Company).

MYLES M. GRAY  
*Secretary*

# MINUTES OF THE ANNUAL MEETING

*of the*

## SOCIETY OF ACTUARIES

HELD AT THE HYATT REGENCY CHICAGO

CHICAGO, ILLINOIS

OCTOBER 23, 24, AND 25, 1978

The meeting was called to order by President William A. Halvorson on Monday, October 23, 1978, at 9:00 A.M. The following is a summary of attendance at the meeting:

### SUMMARY

Fellows.....	931
Associates.....	248
Guests.....	101
Total.....	<u>1,280</u>

President Halvorson recognized Edwin F. Boynton, President of the American Academy of Actuaries; Bartley L. Munson, President of the Fraternal Actuarial Association; Charles B. H. Watson, President of the Conference of Actuaries in Public Practice; Jorge Suzan, President of the Mexican Actuarial Association; and Luis Huerta Rosas, Treasurer of the Mexican Actuarial Association.

President Halvorson then recognized all the program participants who were not members of the Society.

John M. Bragg, chairman of the Committee on Elections, reported the results of the election of officers as follows:

<i>President-Elect:</i>	Julius Vogel
	<i>Two-Year Term</i>
<i>Vice-Presidents:</i>	Ardian C. Gill
	Barbara J. Lautzenheiser
<i>Secretary:</i>	Myles M. Gray
<i>Treasurer:</i>	L. Blake Fewster
<i>Director of Publications:</i>	John C. Angle

With respect to the election of members to the Board of Governors, Mr. Bragg reported that the mail ballot had elected five new members to the Board but had produced a tie between Paul A. Campbell and William

A. Spare for the sixth position to be filled. Accordingly, Mr. Bragg reported that the Board of Governors had authorized a special election during the general session on October 23, 1978, to break the tie.

Following the special election, Mr. Bragg reported that the results of the election of members to the Board of Governors were as follows:

*Three-Year Term*

<i>Board of Governors:</i>	David R. Carpenter
	Richard V. Minck
	A. Haeworth Robertson
	Robert D. Shapiro
	J. Henry Smith
	William A. Spare

During the course of the balloting for the special election, President-Elect Vogel spoke briefly.

Mr. Bragg reported that there were 2,171 ballots cast by mail and 578 ballots cast during the special election.

Executive Director Peter W. Plumley, following a few brief announcements, presented his annual report to the membership. During that report, Mr. Plumley announced that he had resigned his position as Executive Director of the Society effective January 31, 1979.

President Halvorson expressed appreciation to Mr. Plumley for the services rendered to the Society during his term as Executive Director.

The Secretary presented an oral summary of the nonroutine business transacted by the Board of Governors at its meeting on October 22, 1978, and by the Executive Committee at its meeting on September 6-7, 1978.

President Halvorson advised that the Society had received word of the deaths of nine members since the last meeting. Those in attendance at this meeting observed a moment of silence in respect for the memory of these members. Obituaries are printed in this volume of the *Transactions*.

President Halvorson then recognized and welcomed the new Fellows and Associates who were attending their first meeting of the Society after attaining their present ranks.

President Halvorson then recognized the presence in the audience of three generations of the Hoskins family who are members of the Society: James E. Hoskins, a Past President of the Society who has been a Fellow for more than fifty years; Robert H. Hoskins, who has been a Fellow of the Society for more than twenty-five years; and Walter H. Hoskins, a new Associate of the Society.

Vice-President Ian M. Rolland recognized the individuals responsible for this meeting, in addition to himself: Vice-President Preston C. Bassett, program committee chairman Linda B. Emory and vice-chairman Burton D. Jay, and local arrangements chairman Patrick J. O'Reilly, all members of the Program Committee, and all individuals participating in the program.

President Halvorson introduced Dr. Martin S. Feldstein, Professor of Economics, Harvard University. Dr. Feldstein addressed the membership on the subject "Economic Research of Social Insurance."

After a brief recess the meeting reconvened at 11:00 A.M. in three concurrent sessions and fifteen workshops.

A "New Fellows Session" and a "New Associates Workshop" also were held at 11:00 A.M. under the sponsorship of the Committee on Professional Development.

A luncheon was held at 12:30 P.M. honoring new Fellows attending their first meeting of the Society since attainment of Fellowship. After brief remarks by President Halvorson, the new Fellows were recognized individually and their Fellowship certificates were presented.

The meeting reconvened at 2:30 P.M. in four concurrent sessions, a teaching session, and fourteen workshops.

On Tuesday, October 24, the meeting convened at 10:30 A.M. in nine workshops. (Also on Tuesday morning the American Academy of Actuaries held its annual meeting at 9:00 A.M., followed by four concurrent sessions at 10:30 A.M.)

The meeting reconvened at 2:30 P.M. in four concurrent sessions, a discussion forum, and three workshops.

On Wednesday, October 25, the meeting convened in a general session at 9:00 A.M.

The minutes of the Society meetings held in Atlanta, Georgia, on March 31 and April 1, 1977, in Quebec, Quebec, on May 16 and 17, 1977, in St. Louis, Missouri, on June 16 and 17, 1977, and in Boston, Massachusetts, on October 24, 25, and 26, 1977, as printed in the *Transactions* (XXIX, 537-61), were approved.

Treasurer L. Blake Fewster summarized the financial report, which is printed in this volume of the *Transactions*.

Director of Education Warren R. Adams presented a report on his plans for the future.

Communications Manager Linda M. Delgadillo described briefly the Society's communications program.

President Halvorson recognized the authors of papers being discussed at this meeting, as follows:

Joseph R. Brzezinski, coauthor with Archer L. Edgar of "Field Management Survival Experience, 1956-73"

Anthony J. Houghton and Ronald M. Wolf, coauthors of "Development of the 1974 Medical Expense Tables"

Peyton J. Huffman, author of "Asset Share Mathematics"

Russell R. Jensen, author of "Choice of Basis for Dividend Illustrations"

Anna Maria Rappaport and Peter W. Plumley, coauthors of "The Impact of Social and Economic Changes on Financial Security Systems"

Donald R. Sondergeld, author of "Changing Premium Valuation Method"

Robert C. Winters, author of "Philosophic Issues in Dividend Distribution"

President Halvorson then gave his presidential address, which is printed in this volume of the *Transactions*.

The gavel was passed to President-Elect E. Paul Barnhart. President Barnhart called upon John M. Bragg, who presented a silver tray to Mr. Halvorson on behalf of the Society in appreciation of his services as President.

President Barnhart then spoke briefly and adjourned the business session.

After a brief recess the meeting reconvened at 11:00 A.M. in three concurrent sessions, a teaching session, and fifteen workshops.

Concurrent session, teaching session, discussion forum, and workshop topics and participants for this meeting are printed in the *Record*, Volume IV, Number 4.

MYLES M. GRAY  
*Secretary*