

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

of the

SOCIETY OF ACTUARIES

HELD AT THE ROYAL YORK HOTEL

TORONTO, CANADA

NOVEMBER 8, 9, AND 10, 1971

The meeting was called to order by the President, Mr. Edwin B. Lancaster, on Monday, November 8, 1971, at 9:00 A.M. The following is a summary of the attendance at the meeting:

SUMMARY

Fellows	800
Associates	417
Guests	38
Guests of the President	18
Total	<hr/> 1,273

The President welcomed and recognized Dr. Nathan Keyfitz, Professor, University of California, and President of the Population Association of America; Dr. Hans Ammeter, President of the Swiss Association of Actuaries; and Mr. Ronald S. Skerman, President of the Institute of Actuaries.

The President then recognized three long-time Fellows of the Society—Edmund M. McConney (first President of the Society), J. Gordon Beatty (last President of the American Institute of Actuaries), and John D. Williamson.

The minutes of the regional meeting in Houston held April 2-3, 1970, as printed in the *Transactions* (XXII, 73-75 inclusive), the minutes of the regional meeting in Hartford held April 16-17, 1970, as printed in the *Transactions* (XXII, 77-80 inclusive), the minutes of the regional meeting in Chicago held June 4-5, 1970, as printed in the *Transactions* (XXII, 149-53 inclusive), the minutes of the annual meeting in Denver held November 9-11, 1970, as printed in the *Transactions* (XXII, 435-42 inclusive), and the minutes of the regional meeting in New York held April 5-6, 1971, as printed in the *Transactions* (XXIII, 89-92 inclusive), were approved.

President Lancaster then presented Mr. Wendell A. Milliman, chairman of the Nominating Committee. The Society proceeded to the elec-

tions, which were completed on Tuesday morning, with the following results:

<i>President-Elect:</i>	Thomas P. Bowles
	<i>Two-Year Term</i>
<i>Vice-Presidents:</i>	Dale R. Gustafson Robert H. Hoskins
<i>Secretary:</i>	William A. Spare
<i>Treasurer:</i>	John T. Birkenshaw
<i>Editor:</i>	Floyd T. Beasley
	<i>One-Year Term</i>
<i>Board of Governors:</i>	William A. Dreher Robert J. Randall
	<i>Three-Year Term</i>
	E. Paul Barnhart Paul A. Campbell Geoffrey Crofts Robert C. Dowsett James C. Hickman Anna Maria Rappaport

The Secretary presented an oral summary of the major items of business transacted at the Board of Governors meeting held November 7, 1971, as follows:

1. The Board received a report from the Society's legal counsel to the effect that expressions of opinion made by the Joint Actuarial Committee on Financial Reporting may properly be regarded as expressions of opinion by a Committee, within the language of Article X of the Constitution of the Society.
2. The Board approved the following dates and hotels for future meetings of the Society:
 - a) March 31–April 1, 1977, Regency Hyatt House, Atlanta, Georgia.
 - b) May 26–27, 1977, Chateau Frontenac, Quebec City, Quebec.
 - c) October 24–26, 1977, Sheraton-Boston Hotel, Boston, Massachusetts.

By mail vote, the Board had previously approved the change in the May, 1972, Atlantic City meeting. This meeting, originally set for May 18–19 in the Hotel Dennis, has been rescheduled to May 15–16, 1972, in the Chalfonte-Haddon Hall Hotel.

3. Regarding the Society meeting to be held in New Orleans, March

20-21, 1972, the Board received a report that this will be a specialized meeting on the subject of pensions. Members of the Conference of Actuaries in Public Practice will be invited to attend.

4. The Board authorized the formation of a Committee to Co-operate with Governmental Demographic and Statistical Agencies.
5. The Board authorized the appointment of Society representatives to a Joint Committee on the Theory of Risk, the committee to be formed jointly with the Casualty Actuarial Society.
6. The Board received a report regarding the consideration of a revised set of By-Laws. If the constitutional amendments to be presented to the annual meeting of the Society on November 8, 1971 are passed, it will be necessary for the Board to adopt revised By-Laws, and for this purpose a special meeting of the Board of Governors has been scheduled for December 14, 1971, in New York City. The Board accepted this report.
7. The Board discussed a very comprehensive and detailed report of the Committee on Professional Development. The report includes nineteen specific recommendations to help younger members gain professional and personal benefit from Society membership and to help younger members contribute effectively to the Society and to the actuarial profession. The Board adopted a course of action to deal with these recommendations which calls for dialogue between the Executive Committee and the Professional Development Committee. The Executive Committee will hold a special meeting on December 14, 1971, to consider further the priorities and courses of action to be followed as a result of consideration of the nineteen recommendations.
8. The Board received the report of the Society representatives on the Joint Committee on Review of Education and Examinations which dealt with the matter of joint sponsorship of examinations. A year ago the Board of the Society passed a resolution embracing the principle of joint sponsorship of actuarial examinations by the Society and calling for invitations to be sent to the Casualty Actuarial Society, the American Academy of Actuaries, the Canadian Institute of Actuaries, the Conference of Actuaries in Public Practice, and the Fraternal Actuarial Association to become joint sponsors of Parts 1-4 of the Society examinations in the case of the Casualty Actuarial Society and of Parts 1-5 for the other bodies.

A resolution was passed at this Board meeting calling for an invitation to be sent to each of the other five organizations to become a joint sponsor of any of the later Parts of the Society examinations

which count toward membership in that organization. The resolution adopted also directs the Advisory Committee on Education and Examinations to make recommendations regarding joint sponsorship on an even broader basis.

9. In addition to these matters, the Board conducted a large amount of routine business and received reports from twenty-one committees.
10. Mr. Bernard A. Bartels was introduced to the Board and spoke briefly. Mr. Bartels is a new full-time employee of the Society of Actuaries working in the Chicago, Illinois, Office, assuming some of the duties previously handled by Mr. Arthur A. McKinnie, who retires on December 31, 1971.

The President advised that the Society had received word of the deaths of ten members since the last meeting: Clark T. Foster, Harold A. Grout, Everett C. Huntington, Thomas J. Maccabe, Allen L. Mayer-son, Edward M. Neumann, James Scott, and Charles M. Sternhell, Fellows; and Richard E. Erway and Henry Kinzler, 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 then gave his report.

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

A recess was called at 10:15 A.M. The meeting reconvened at 11:00 A.M., at which time the President introduced Mr. Kenneth R. MacGregor. Mr. MacGregor then introduced The Right Honourable Lester B. Pearson, former Prime Minister of Canada, and Chairman of the International Development Research Centre, who presented an address in which he discussed national aspirations and international relationships mainly between Canada and the United States. The President thanked Mr. Pearson.

The President then introduced two Fellows of the Japanese Institute of Actuaries—Minoru Kitano and Takashi Nishioka—and Mr. Arthur F. Williams, Vice-Chairman of the Crown Life Insurance Company.

President Lancaster adjourned the meeting at 12:15 P.M.

The meeting reconvened that afternoon at 2:15 P.M. in a lecture, three concurrent sessions, and eight workshops. The lecture, by Dr. Nathan Keyfitz, was entitled "Some Implications of Current Demographic Trends." Concurrent Session A, "Mutual Life Insurance Companies—Their Objectives and Operating Philosophy," was moderated by Mr. George Ryrie; panel members were Messrs. Harold Gerald Allen,

Robert T. Jackson, Kenneth R. MacGregor, and J. Henry Smith. Concurrent Session B, "State, Provincial, and Municipal Employee Pension Plans—Financing and Other Problems," was moderated by Mr. Thomas P. Bleakney; panel members were Messrs. Kenneth Altman, Conrad M. Siegel, George V. Stennes, and Cyril J. Woods. Concurrent Session C, "Mortality and Underwriting of Individual Policies for Large Amounts," was moderated by Mr. Charles A. Ormsby; panel members were Messrs. James W. Pilgrim, Barton S. Pauley, Joseph C. Sibigroth, and George Wallace Wilson. Workshop 1A, "Regulation of Equity Products in the United States," was moderated by Mr. Paul A. Campbell, assisted by Mr. John T. Longmoore. Workshop 1B, "Regulation of Equity Products in the United States," was moderated by Mr. Jerome S. Golden, assisted by Mr. Robert L. Pawelko. Workshop 2A, "Electronic Data-processing Developments," was moderated by Mr. Jack O. Parsonage, assisted by Mr. Theodore E. Baledes. Workshop 2B, "Electronic Data-processing Developments," was moderated by Mr. Barry V. Smith, assisted by Mr. Alan E. Morson. Workshop 3A, "Co-ordinating Several Types of Pension Benefits," was moderated by Mr. Harrison Givens, Jr., assisted by Mr. Peter G. Grant. Workshop 3B, "Co-ordinating Several Types of Pension Benefits," was moderated by Mr. Geoffrey B. White, assisted by Mr. David M. Reade. Workshop 4A, "Profitability of Field Operations," was moderated by Mr. David A. Nield, assisted by Mr. Michael B. Hutchison. Workshop 4B, "Profitability of Field Operations," was moderated by Mr. Charles F. Pestal, assisted by Mr. Simon P. Dompierre. These meetings adjourned at about 4:30 P.M.

On Tuesday, November 9, the meeting was called to order at 9:00 A.M. by President Lancaster.

The President opened the discussion of the proposed amendments to the Constitution—(1) Elections by Mail and (2) Constitutional Amendments by Mail—notice of these proposed amendments having been sent to all Fellows on October 15, 1971. The following members spoke on the subject:

Andrew C. Webster
 Harry M. Sarason
 J. Ross Gray
 Ernest J. Moorhead

Colin E. Jack
 Anna Maria Rappaport
 Henry F. Rood

After discussion, the ballots on the proposed amendments were taken. Later in the meeting the President announced the results of the votes. On the constitutional amendment to permit elections by mail, 433 votes were cast by Fellows, 358 in favor of and 75 opposed to amending the

Constitution. Only 289 affirmative votes were necessary for adoption of the amendment in accordance with the provisions of Article IX of the Constitution. On the constitutional amendment regarding mail voting for future constitutional amendments, 431 votes were cast by Fellows, 398 in favor of and 33 opposed to amending the Constitution. Only 287 affirmative votes were necessary for adoption of the amendment, in accordance with the provisions of Article IX of the Constitution. The President declared the Constitution amended in accordance with both amendments.

Under "Topics of Current Interest," Mr. John M. Bragg presented a report on the Activities of the Joint Actuarial Committee of the American Life Convention and the Life Insurance Association of America; this is published elsewhere in this number of the *Transactions*.

A presentation was made to Mr. Arthur A. McKinnie, who is retiring as Executive Secretary on December 31, 1971.

The President then introduced Mr. Bernard A. Bartels, who is a new full-time Society of Actuaries employee working in the Chicago, Illinois, Office.

A recess was called at 10:15 A.M. The meeting reconvened at 11:00 A.M., at which time the President introduced Mr. Léon Mondoux. Mr. Mondoux then introduced The Honourable Claude J. Castonguay, Minister of Social Affairs of the Province of Quebec, who presented an address on social and economic developments in Quebec. The President thanked Mr. Castonguay.

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 Lancaster adjourned the meeting at 12:15 P.M.

The meeting reconvened that afternoon at 2:15 P.M. in a lecture, three concurrent sessions, and seven workshops. The lecture, by Walter E. Duffett, Dominion Statistician, was entitled "The 1971 Canadian Census." Concurrent Session D, "Investing during the 1970's," was moderated by Mr. E. Sydney Jackson; panel members were Messrs. John T. Birkenshaw, James H. Torrey (Senior Vice-President, Connecticut General Life Insurance Co.), Charles Moeller, Jr., Ph.D. (Vice-President and Economist, Metropolitan Life Insurance Company), and Duncan R. Winhold. Concurrent Session E, "Long-Range Viability and Regulation of Corporate Pension Plans," was moderated by Mr. Preston C. Bassett; panel members were Messrs. M. David R. Brown, William A. Dreher, William A. Halvorson, and Richard V. Minck. Concurrent Session F, "Forecasting the Environment for Business," was moderated by Mr.

Edward A. Lew; panel members were Messrs. Ian Wilson (General Electric Company), John W. Riley, Jr., Ph.D. (Senior Vice-President—Corporate Relations, Equitable Life Assurance Society), Denis F. Johnston, Ph.D. (United States Bureau of Labor Statistics), and Selwyn Enzer (Institute for the Future, Middletown, Connecticut). Workshop 5, "Regulation of Equity Products in Canada," was moderated by Mr. Frank W. Speed, assisted by Mr. George F. S. Clarke. Workshop 6A, "Actuarial Aspects of Marketing," was moderated by Mr. John S. Acheson, assisted by Mr. Charles F. Pestal. Workshop 6B, "Actuarial Aspects of Marketing," was moderated by Mr. Howard D. Allen, assisted by Mr. Michael B. Hutchison. Workshop 7A, "Reporting on Group Operations to Management," was moderated by Mr. Alexander J. Bailie, assisted by Mr. Carman A. Naylor. Workshop 7B, "Reporting on Group Operations to Management," was moderated by Mr. George Nelson Watson, assisted by Mr. Henry C. Unruh. Workshop 8, "Tax Problems on Variable Contracts in the United States," was moderated by Mr. John C. Fraser, assisted by Mr. Lewis P. Roth. Workshop 13A, "Health Maintenance Organizations," was moderated by Mr. John K. Kittredge, assisted by Mr. Matt B. Jones, Jr. These meetings adjourned at about 4:30 P.M.

On Wednesday, November 10, 1971, the meeting convened at 9:00 A.M. in four concurrent sessions and seven workshops. Concurrent Session G, "Liabilities and Surplus in the 1970's," was moderated by Mr. John M. Bragg; panel members were Messrs. D. H. Samuel Bateman, Dale R. Gustafson, and E. J. Leverett, Ph.D. (Professor of Risk Management and Insurance, University of Georgia). Concurrent Session H, "Changing Modes of Family Life," was moderated by Mr. John W. Riley, Jr.; panel members were Drs. Juanita M. Kreps (Duke University), Anne Foner (Rutgers University), Virginia Schein (Life Office Management Association), and Dorrian Apple Sweetser (School of Nursing, Boston University). Concurrent Session I, "The Role of the Actuary in Collective Bargaining," was moderated by Mr. Laurence E. Coward; panel members were Messrs. Richard Daskais, Paul H. Jackson, Alexander J. C. Smith, and Howard Young. Concurrent Session J, "Health Insurance in the United States," was moderated by Mr. Fredrick E. Rathgeber; panel members were Messrs. William H. Burling, Daniel W. Pettengill, and Ralph C. Teall, M.D. (Vice-President, American Medical Association). Workshop 9A, "Index-linked Life Insurance," was moderated by Mr. Archie R. McCracken, assisted by Mr. Roger O. Beebe. Workshop 9B, "Index-linked Life Insurance," was moderated by Mrs. Linda B. Emory, assisted by Mr. John W. Taylor. Workshop 10, "The

Actuary as a Professional," was moderated by Mr. J. Dickson Crawford, assisted by Mrs. Anna M. Rappaport. Workshop 11A, "Group Long-Term Disability Benefits," was moderated by Mr. James L. Purdy, assisted by Mr. Richard L. Huffman. Workshop 11B, "Group Long-Term Disability Benefits," was moderated by Mr. Charles E. Rohm, assisted by Mr. Richard C. Murphy. Workshop 12A, "Expense Analysis Control," was moderated by Mr. Robin B. Leckie, assisted by Mr. H. Todd Morris. Workshop 12B, "Expense Analysis Control," was moderated by Mr. Henry B. Ramsey, Jr., assisted by Mr. Michael Rosenfelder. These meetings adjourned at about 11:15 A.M.

The meeting reconvened at 11:30 A.M., with President Lancaster presiding. The President introduced the authors of papers being presented: Mr. J. Stanley Hill, author of "Net Cost Comparison of Dissimilar Life Insurance Contracts: The Standard Mortality Cost Method"; Mr. Richard G. Horn, author of "Life Insurance Earnings and the Release from Risk Policy Reserve System"; Mr. Paul M. Kahn, author of "Projections of Variable Life Insurance Operations"; Mr. Raymond B. Krieger, author of "Reserves for Lives Disabled under Group Insurance Extended Death Benefit Provisions of the Premium-Waiver Type"; Mr. James L. Lewis, Jr., author of "Expected Profit Formulas"; Mr. Myron H. Margolin, author of "On the Credibility of Group Insurance Claim Experience"; Mr. Edward Scher, author of "The New York Life Variable Life Insurance Design on a Daily Basis"; Mr. Samuel H. Turner, author of "Equity-based Life Insurance in the United Kingdom"; Mr. Harold R. Greenlee, Jr., coauthor with Mr. Alfonso D. Keh, of "The 1971 Group Annuity Mortality Table"; and Mr. Harold Cherry, author of "The 1971 Individual Annuity Mortality Table." The authors gave brief summaries of their papers.

The President welcomed and recognized Dr. James Frankowsky, Chairman of the Department of Mathematics at Lincoln University, Oxford, Pennsylvania, and Director for the last two years of the Actuarial Summer Institute, which is part of the program for recruiting black mathematics students into the actuarial profession; this program is now sponsored by the Society through the Public Relations Committee.

The President then introduced Mr. Ronald S. Skerman, President of the Institute of Actuaries, who discussed current developments affecting actuaries in the United Kingdom.

Dr. Hans Ammeter, President of the Swiss Association of Actuaries, brought greetings to the Society from his Association and presented the Society with a pewter decanter and six pewter mugs (this presentation

actually occurred at the banquet held on the evening of Tuesday, November 9, 1971).

President Lancaster thanked all the meeting participants and those who had assisted with meeting details and then turned the meeting over to President-Elect Myers. Mr. Myers called on Mr. Wendell A. Milliman, who presented a silver tray to Mr. E. B. Lancaster on behalf of the Society. After Mr. Lancaster expressed his appreciation for the gift, President-Elect Myers closed the meeting at 12:30 P.M.

The meeting reconvened that afternoon in two concurrent sessions and six workshops. Concurrent Session K, "Adjusted Earnings," was moderated by Mr. Robert L. Lindsay; panel members were Messrs. J. G. Fernand Bonnard, Daniel F. Case, and Derek Eckersley. Concurrent Session L, "Outlook for Federal Old Age, Survivors, and Disability Insurance Benefits in the United States," was moderated by Mr. Wendell A. Milliman; panel members were Messrs. Charles A. Siegfried, Charles L. Trowbridge, and Howard Young. Workshop 4C, "Profitability of Field Operations," was moderated by Mr. Raymond A. Bierschbach, assisted by Mr. Richard J. Willemin. Workshop 6C, "Actuarial Aspects of Marketing," was moderated by Mr. Neil W. Macintyre, assisted by Mr. David A. Nield. Workshop 12C, "Expense Analysis and Control," was moderated by Mr. Jasper E. Moore, assisted by Mr. Burton D. Jay. Workshop 13B, "Health Maintenance Organizations," was moderated by Mr. Howard H. Hennington, assisted by Mr. Theodore S. Rosky. Workshop 14A, "Tax Problems in Canada," was moderated by Mr. George R. Dinney, assisted by Mr. Allan K. Archer. Workshop 14B, "Tax Problems in Canada," was moderated by Mr. Raymond L. Whaley, assisted by Mr. Christopher S. Moore. These meetings adjourned at about 4:30 P.M.

