

**TRANSACTIONS OF SOCIETY OF ACTUARIES
1969 VOL. 21 PT. 1 NO. 61**

SOCIETY OF ACTUARIES—ITS FIRST TWENTY YEARS

VICTOR E. HENNINGSEN

*The use of history is to give value to the present
hour and its duty.*—EMERSON

ABSTRACT

It is twenty years since the Society of Actuaries was founded in 1949 as the successor organization to both The Actuarial Society of America, organized in 1889, and the American Institute of Actuaries, formed in 1909. The story of the origin of the Society is thoroughly and interestingly covered by R. A. Hohaus in his paper in Volume I of the *Transactions* and need not be retold here. The merger was a natural outcome of the close relationship and cooperation that had developed gradually over the forty years of the joint existence of the two actuarial organizations.

An appraisal is made of the merger results, with the conclusion that concerns expressed at the time of the merger—(1) number, time, place, and nature of meetings; (2) time and manner of elections; (3) privileges of Contributing Members of the Institute; and (4) approval of papers—did not prove to be problems in the single organization. The loss of a continuous history (it would have been eighty years for The Actuarial Society of America and sixty years for the American Institute of Actuaries) has been a very small price to pay for what has been accomplished.

The changes and developments during the twenty years of the Society are examined against the background of broad questions stemming from the purposes of the Society as stated in the Constitution:

1. How has the Society advanced the knowledge of actuarial science?
Papers printed in the *Transactions*, discussions at Society meetings, *Mortality and Morbidity Reports*, publishing of *The Actuary*, Committee on Research, Committee on New Recording Means.
2. How has the Society promoted the maintenance of high standards of competence?
Education and examination activities, publications, continuing education.
3. How has the Society promoted the maintenance of high standards of conduct within the actuarial profession?
Committee on Professional Conduct.

An extensive section covers "Other Society Activities and Developments," including Organization of the Society, Nominating Committee

and Election Procedures, Format and Frequency of Meetings, Membership Growth, Public Relations, Publication of Monetary Tables, Study of Pension Plan Problems, Consideration of Constitutional Amendment to Permit "Public Expression of Opinion," Accreditation of Actuaries, Fields of Activity Committee.

The final topic covers "Relations with Other Actuarial Organizations."

The paper concludes that the first twenty years have seen substantial progress by the Society in meeting the needs of an enlarged membership engaged in even wider and more complex activities. The growth in membership has been noteworthy, but, even so, the gap between the demand for and the supply of actuaries may well be widening. All augurs well, however, for further constructive growth and service.

IT IS twenty years since the Society of Actuaries was founded in 1949 as the successor organization to both The Actuarial Society of America, organized in 1889, and the American Institute of Actuaries, formed in 1909.

The *Transactions* of The Actuarial Society and *The Record* of the Institute include papers and presidential remarks on especially noteworthy occasions (usually quinquennial anniversaries). Following this precedent, the author was asked by the Program Committee to prepare a history of the first twenty years of the Society of Actuaries. The author perceives it as his assignment to set down the twenty-year history of the Society as such, without digressions into the history of actuarial science or insurance. Further, though fully appreciating that few organizations are any better or more effective than the individuals comprising the group, he will make no attempt to commemorate the many persons who contributed significantly to the growth and worth of the Society.

Though new in name and incorporation, the Society never underwent the trials which frequently afflict the early years of a wholly new organization. It consolidated existing memberships and physical assets, and it embraced the best of the time-tested activities, practices, and arrangements of the two predecessor bodies.

As one reads in their entirety the minutes of the meetings of the Board of Governors, of the Executive Committee, and of the Society itself covering the past twenty years, a good perspective is gained of the substantial and significant changes that have occurred in our Society within a comparatively short time. Each change was made, as would be expected, only after careful consideration by the Board of Governors of a thorough report, usually from a specially appointed committee to study

the particular problem. Actually, most of the changes and developments can be directly identified with the aims of the Society. In the final analysis, the remainder are, to some degree, similarly related.

For the purpose of organizing this wide-ranging and diverse material, it is proposed (1) to examine how the objectives of the Society, as set forth in the Constitution, have been met in terms of directly related activities; (2) to record other significant changes and developments; and (3) to close with some notes on the Society's relations with other actuarial organizations. Before this is done, it is appropriate to review the considerations involved at the time of the merger of The Actuarial Society and the American Institute. What was the origin of the merger? Have the benefits of merger then envisioned been realized? Did the concerns then expressed prove real?

THE ORIGIN OF THE SOCIETY OF ACTUARIES

The story of the origin of the Society is thoroughly and interestingly covered by R. A. Hohaus in his paper in Volume I of the *Transactions* and hence need not be retold here. The merger in 1949 of The Actuarial Society of America and the American Institute of Actuaries into the Society of Actuaries was a natural outcome of the close relationship and cooperation that had developed gradually over the forty years of their joint existence.

Perhaps the most significant single factor bringing the two bodies together was the increasing overlap in their membership. A compilation at the time of the merger considerations showed that two-thirds of those represented in The Actuarial Society or Institute were members of both organizations; that over 80 per cent of all Actuarial Society Fellows were members of the Institute; and that over 95 per cent of all Institute Fellows were members of the Society. This substantial common identity of membership was foreshadowed by the inauguration in 1929 of joint examinations for the first half of the Associateship. By 1938, all examinations had become joint. These joint examinations accelerated the overlap in membership in the two organizations which embraced common interests and purposes.

Final action by The Actuarial Society in merging with the Institute of Actuaries to form the Society of Actuaries was taken at its annual meeting held May 19 and 20, 1949, in New York City. Corresponding action on the part of the American Institute of Actuaries was taken at its annual meeting on June 3, 1949, in Chicago. Both actions were marked by special ceremonies in which a number of the most senior members of each organization participated.

APPRAISAL OF MERGER RESULTS

Perhaps the two organizations, had they continued, could have achieved the same degree of development as has the single Society. But there is little doubt that the merger succeeded admirably in eliminating an increasingly illogical situation caused by the continuation of two separate organizations with similar aims, common interests, and an increasing overlap in membership. Of importance, too, has been the expense saving which has resulted from the avoidance of otherwise unavoidable duplication of effort.

As brought out in the Hohaus paper, there were four areas of particular concern in considering the merger. These were (1) number, time, place, and nature of meetings; (2) time and manner of elections; (3) privileges for Contributing Members of the Institute; and (4) approval of papers.

As one small example of how time often disposes of the concerns of a given moment, it was strongly urged at the time of the merger that the office of the Society "should be located in a good railway center." This was a factor, though not the main one, in the selection of Chicago.

To make certain that these questions, among others, were being dealt with satisfactorily, the Board of Governors adopted a practice of periodic review by appointing in 1952 a committee to examine the Society's operations. This was responsive to the foresight of the merger committee in recommending that the "Constitution of the new organization stick to principles and avoid details which would handicap the adoption of desirable changes in procedures to meet changing conditions and attitudes."

This self-examination was performed again in 1956 and 1963 by Committees on Organization and Procedure. In 1967, the committee assignment, while in a sense constituting a continuation of the practice of reviewing the Society's operations, was enlarged to include consideration of the future course of the Society. Hence the committee was named the Committee on Future Course of the Society. Out of these reports emerged suggestions with respect to these areas of concern as well as other points that were implemented to ensure that the Society was being responsive to the needs of a steadily growing membership with many new, broader, and more diversified interests.

The subjects of Society meetings and elections and the changes therein will be covered later in this paper. As those comments will clearly indicate, the concerns expressed about these areas proved to be groundless.

With respect to Contributing Members, the Constitution of the Society made provision for the attendance of representatives of former Contributing Members of the American Institute of Actuaries at its meetings

for a period of fifteen years. The Actuarial Society did not have contributing members. Undoubtedly this specific guarantee, together with the willingness to add a Smaller Company Forum at western and midwestern meetings, served to forestall certain objections to the merger that might otherwise have developed. Although this statement cannot be documented in writing, older members who were closely identified with the merger efforts recall that the thought of adding a Smaller Company Forum placated certain merger dissidents. These individuals were emphasizing the value of the give-and-take discussions of the Institute meetings to the actuaries of smaller companies and especially their worth to Contributing Members.

The fifteen-year constitutional provision on the privileges of Institute Contributing Members was reviewed by the 1963 Committee on Organization and Procedure. The committee reported that, although representatives of the former Contributing Members had been welcome at Society meetings throughout the period, they seldom participated in the discussions, though they had the right to do so. The committee concluded, and the Board of Governors concurred, that the guarantees extended to former Contributing Members should be permitted to expire with the understanding that the Society would continue to welcome the representatives of those members, under rules generally applicable to guests. This was communicated to the former Contributing Members through individual letters by the then President of the Society. Undoubtedly, the success of the Society's Smaller Company Forums was an important reason for the disappearance of any interest in the continuation of an attendance privilege for representatives of Contributing Members.

Another question about which great concern had been expressed previous to the merger was the ground rules to be used for the approval of papers. When there were two separate organizations, an adverse decision by the Committee on Papers of one could, in effect, be appealed by submitting the paper to the other. This concern was met at the outset by establishing a Committee on Papers composed of five members, with a submitted paper going to a subcommittee of three. If the decision of the subcommittee was not unanimous, the paper would be referred to the other two members of the committee.

The procedure for the consideration of papers was carefully reviewed by each of the Committees on Organization and Procedure, with the result that the Committee on Papers now consists of nine members, thereby permitting wide review of a paper within the committee. The author has always had the right of appeal to the President of the Society in case of a rejected paper. Such appeals have been rare, which suggests that the ac-

tions of the Committee on Papers have been accepted as fair. Even so, disappointment has been voiced from time to time at the low ratio of accepted papers.

In summary, the concerns expressed at the time of the merger did not prove to be problems in the single organization. That such may be said to be the case undoubtedly came about for two reasons: (1) The Society organization, as recommended by the merger committee, was based on principles with the avoidance of procedural details. (2) These periodic reviews of performance were carried out with great thoroughness, with the objective of the Society's being responsive to the needs of its members.

The price paid for the merger has been the loss of a much longer continuous history of a single actuarial organization. Had there been no merger, our Society would not be observing a twentieth anniversary. Instead, nearly all of us would be members of two organizations—one eighty years old and the other sixty. But those of us who were members of the two organizations would probably be in full accord that the loss of a continuous history has been a very small price to pay for what has been accomplished. In 1989, twenty years from now, we should observe not only the fortieth anniversary of the founding of our Society but, more significantly, the one hundredth anniversary of a formal actuarial organization on the North American Continent.

HOW HAS THE SOCIETY OF ACTUARIES SERVED ITS PURPOSES?

Possibly the best way to record the changes and developments within our Society is to examine them against the background of some broad questions stemming from the purposes of the Society as stated in its Constitution.

1. How has the Society advanced the knowledge of actuarial science?

a) *Papers as printed in the Transactions.*—Exclusive of the papers at the 1969 Annual Meeting, 266 papers have been presented at Society meetings and printed in the *Transactions*. These papers, and the discussions that they have stimulated, have done much to advance the knowledge of actuarial science during the twenty-year history of the Society. Perusal of the index in each volume of the *Transactions* shows the good balance and wide range of interests of our members in both theoretical and practical subjects. The original and pioneering concepts in many of these papers will continue to influence actuarial thinking and procedures for many years ahead.

b) *Discussions at Society meetings.*—Many and varied topics have been covered in the discussions, concurrent sessions, and workshops at our

meetings. For the most part, the emphasis has been on the practical aspects of the work of an actuary. Sharp differences of opinion, for example, on the proper role of equities in life insurance have been expressed on occasion, but probably none as forcefully as some of the premerger debates on social security when attendance was smaller and members knew each other more intimately.

Participation of members in these discussions has not been limited to a few. The contrary has been the case, as is pointed up by the observation (*TSA*, XI, 155) that five hundred different individuals had taken part in informal discussions in the first ten years of the Society.

The practices of the Actuarial Society and the American Institute differed in the recording of discussions. The former, except for a brief period—1928 and 1929, and then only for specified topics—did not preserve its informal discussions; the latter printed them in full in *The Record*.

It has been the practice of the Society of Actuaries to print condensations or summaries of the discussions presented. From time to time the thought has been expressed that the discussion of topics of only temporary interest should not be included in the *Transactions*, even in abbreviated form. Possibly because of lack of agreement on what constitutes transient topics, the *Transactions* are undoubtedly thicker than they need be. Yet many have found much of value in the printed discussions long after their presentation.

c) Mortality and Morbidity Reports.—Mortality and morbidity studies are carried out by the several committees concerned both with lives individually insured and with group-insured and self-administered plans.

The annual reports formerly published by The Actuarial Society of America have been extended and made even more comprehensive by the Society. The Society's committees have undergone a number of regroupings of responsibility so as to report their collected experience in the manner most helpful to the interests of the membership of the Society and the public.

In addition to the valuable year-by-year experience reported on mortality, including detailed aviation statistics, and morbidity with respect to individual lives, there are the regular periodic studies of large insurance amounts, annuities, and settlement options. There have been corresponding reports and studies on group life and annuity mortality, group accident and sickness insurance, group weekly indemnity insurance, and group hospitalization and surgical expense insurance. These reports have been of inestimable value to the sound conduct of the insurance business.

The mortality experience from 1950 to 1954 anniversaries under ordinary insurance policies was analyzed by a specially appointed Society

committee. The table resulting from this analysis, after adjustment by a committee of the National Association of Insurance Commissioners for geographical and underwriting variations and wars and epidemics not occurring in this period of observation, became the 1958 Commissioners Standard Ordinary (1958 CSO) Table. This table then became the valuation and nonforfeiture value basis for virtually all current issues of ordinary insurance in the United States. A number of Society members served on the above committee of the National Association of Insurance Commissioners.

Especially noteworthy were the *1951 Impairment Study*, the *1959 Build and Blood Pressure Study*, and the *1967 Occupational Study*. Before publication the findings in each of the first two studies were reviewed with the Mortality Committee of the Association of Life Insurance Medical Directors, continuing an actuarial-medical relationship that had existed for many years.

The *1959 Build and Blood Pressure Study* was an especially huge undertaking, involving over seven million punched cards. All these studies had significant effects on substandard insurance premiums (mainly downward). Widespread public attention through newspaper and magazine articles was given to the demonstrated fact that at middle and higher ages better-than-average mortality was associated with *lower*-than-average weights. For a period, at least, many may have been motivated by these findings toward better dietary and other habits that contribute to lower weight.

Inasmuch as the Society has no budget for this purpose, note should be taken of the means of covering the cost of collecting and assembling the data for these reports. Contributing companies are not reimbursed for the considerable expense involved in preparing the data. The company which acts as the "central bureau" for the particular study, however, incurs considerable machine and clerical costs. These expenses, excluding the professional time of those assembling the data, are underwritten by over three hundred companies and consulting firms, whether contributors or not, and are assessed through the Society's office based on formulas recognizing the type of data involved in the particular study.

d) A new Society publication: The Actuary.—The first issue of the informal publication called *The Actuary* was published in March, 1967. Featuring news of special significance to actuaries, articles of current interest, and letters from readers, it has filled a long expressed need. The success of the "Newsletter of the Society of Actuaries" is evidenced by the fact that contributions have increased so that current issues are eight

pages in length—double the original issue. The publication schedule calls for monthly issues, omitting July and August.

e) *Committee on Research*.—In April, 1964, the Board of Governors authorized the appointment of a Committee on Research, charged with the development of research activities of interest to the actuarial profession. Among the activities of this committee has been the cosponsoring with the Casualty Actuarial Society of several seminars on risk theory, operations research, and similar topics on new methods of statistical analysis.

This committee has also organized special sessions at Society meetings on such subjects as “Mortality Measurement and Risk Theory Aspects of Mortality” and “Claim Fluctuations.” These single-topic, specialized meetings extend the influence of the Society beyond the interests of those of our own members for whom these particular areas have special appeal, thereby contributing to the advancement of actuarial science.

f) *Committee on New Recording Means*.—In these days of sophisticated “third generation” computers, it is difficult to realize that as recently as 1952, when the Committee on New Recording Means and Computing Devices made its first report, the following were among its observations:

The use of electronic machines may revolutionize the present company organization and reverse the trend of departmentalization and specialization which has existed in the past.

Actuaries are peculiarly fitted to organize the work for these machines because of their knowledge of all the operations of life insurance.

A special committee, with that imposing name, had been appointed just before the merger to study the possible application to insurance work of the electronic computing machines that had been constructed for World War II work.

In September, 1952, the Society held a special meeting at which the committee presented the results of its studies. As a point of interest, this is the only meeting of the Society given over to a single subject. Many nonmembers of the Society attended, because interest in the subject had spread far beyond the limits of the actuarial profession. The presentations and supplemental material were printed and distributed by the Society.

The Society published two subsequent reports of the committee—June, 1955, and October, 1957. These three reports, together with discussions at Society meetings, had a marked influence on the early acceptance and extensive application of electronic equipment by life insurance companies. It is no exaggeration to state that the pioneering work of this committee gave the life insurance companies a head start on most businesses in the

utilization of electronic equipment. Not until the early 1960's did other organizations become active in disseminating information about uses of electronic computing devices.

Having served a most valuable purpose, the Society's committee was not renewed in the 1964 appointments. The committee had developed the particular point, among others, that actuaries were now in possession of the most powerful tool yet available for advancement of actuarial knowledge.

2. How has the Society promoted the maintenance of high standards of competence?

a) *Education and examination activities.*—Maintenance of high standards among the new members of the Society is the responsibility of our Education and Examination Committee, its consultants, and its related but separate Advisory Committee.

Fellowship status is achieved by passing the required examinations. The Constitution of the Society, however, permits the admission without examination of "a person not resident in the United States or Canada who has gained outstanding recognition and distinction in actuarial work." Two distinguished actuaries, Sir George Maddex and Kenneth K. Weatherhead, have been the only individuals admitted as Fellows under that provision. The former, who as President of the Institute of Actuaries had led the delegation from that organization to the first Society meeting in 1949, was unanimously elected a Fellow by the Society at its meeting of March, 1950. Mr. Weatherhead, President of the Faculty of Actuaries in 1956 when the Faculty observed its centenary, was elected a Fellow of the Society in that year.

Comments in the *Transactions* clearly show that the subject of education and examination within the Society is one on which more of our members regard themselves as qualified to speak than any other. Many firm and completely opposite opinions have been expressed with respect to the curriculum; for example, the need for including knowledge and utilization of electronic computers, operations research, and other advanced management techniques. Sharp differences have been recorded over the worth of the early mathematics examinations and whether the multiple-choice type of question is a sound method of testing in any or all of the examinations.

It may be of interest to chronicle the changes that have occurred in the twenty-year period leading to the present syllabus as printed in the *1969 Year Book*. Since 1950 there has been a great deal of rearranging and change in the syllabus, the length of the examinations, the types of questions asked, and the manner of scheduling examinations.

In 1950, the language aptitude test (then Part 1) was changed from a three-hour to a one-hour examination. Beginning with the 1960 examinations, the language aptitude test was dropped. Its concept was incorporated into an Actuarial Aptitude Test developed by the Society for use by employers, colleges, and other career counselors. Studies of this test indicate that it has value in that students doing poorly have usually not done well on the actuarial examinations. However, a high score on the aptitude test does not assure comparable success on the examinations. (A case of "a necessary, but not a sufficient condition.")

At about the same time it was also determined that the passing standards for the first mathematical examination could be relaxed somewhat. This made it easier for young graduates to enter the actuarial profession without lowering the standards for Fellowship, since these are determined by the later examinations.

Individual accident and sickness insurance was introduced into the examinations for the first time in 1955 as a part of the then Part 8. Coincident with this, the examination of life insurance law and actuarial phases of agency problems was shifted from Part 8 to Part 6. To solve a transitional problem, partial examination credits were allowed for a three-year period for candidates who had passed only one of these two parts before the change.

Since 1958, a satisfactory score on the Graduate Record Advanced Mathematics Test has been accepted as credit for Part 1.

In 1959, finite differences was transferred from the then Part 3 and combined with compound interest to comprise a new examination designated Part 4A. The remainder of Part 4, life contingencies, was made a separate examination and called Part 4B. Also, the scope of the statistics remaining in Part 3 was extended.

In response to the needs of its members and students, the Society re-studied the entire education and examination structure thoroughly during 1957-59. This resulted in one of the most far-reaching and significant changes made during the entire history of the Society and its predecessor organizations. The dramatic growth in the number and complexity of employee benefit plans strongly indicated that Associates and students intending to specialize in those areas should be examined in depth on relevant subjects as a prerequisite to Fellowship (the "E" route). Similarly, it was concluded that those directing their studies and interests toward the individual policy area should achieve their Fellowship by means of material and examinations appropriate to that area (the "I" route). These alternate routes to Fellowship solved the problem caused by the steadily increasing quantity of study material, much of it in fields of limited usefulness to the individual student. These changes

were introduced in the fall of 1963 after extensive revision of the educational material had been completed.

Under this new arrangement, the Associateship continued to be granted upon completion of the first five examinations, although the material covered under the new syllabus was somewhat different. The first three Fellowship examinations were classified as "basic," in contrast to the two "specialized" examinations in each of the employee benefit plans and individual insurance areas. The amount of educational material was not increased. Even though the number of Fellowship examination hours was increased from eighteen to twenty-five, the result has been a reduction in the time required to achieve Fellowship.

Coincident with the adoption of the present pattern of examinations in the fall of 1963, the current schedule of examinations was begun. The practice of giving the first three examinations in both spring and fall was started. For subsequent examinations, the even-numbered of the remaining examinations were offered in the spring and the odd-numbered in the fall. The once-a-year examination practice had been in effect since 1951. This sequence assists the student in shortening his examination period.

Beginning in 1964, after careful review by the Education and Examination Committee and intensive analysis of our examinations by the Educational Testing Service, multiple-choice questions were gradually introduced for appropriate portions of Parts 5-8.

Further changes in the syllabus have been approved by the Board to become effective as soon as satisfactory educational material is available. Risk theory will be moved from Part 10I to Part 5 after some reduction in the study material for Part 5 has been made. Also, numerical analysis will replace finite differences in Part 3.

b) Publications.—Though intended primarily for the education of students, the Society publications listed in the examination syllabus are of inestimable value to all members of the Society in the development and maintenance of high standards of competence and also in the advancement of actuarial science. The following textbooks, all authored by Fellows of the Society, have been published by the Society during its twenty years of existence, particularly for the Associateship examinations:

Life Contingencies, by C. W. Jordan. Basic textbook for Part 4 of the examinations. First edition was published in 1952, the second in 1967.

Introduction to Demography, by Mortimer Spiegelman. First edition of this basic reference for the demography section of Part 5 was published by the Society in 1955. Revised edition of 1968 was published by the Harvard University Press.

Population Statistics and Their Compilation, by H. H. Wolfenden. A more advanced reference on demography, published by the Society in 1954.

Measurement of Mortality, by Harry Gershenson. Another Part 5 reference, published in 1961.

Other books published by the Society and used as references in the Fellowship Parts include the following:

Selection of Risks, by Pearce Shepherd and Andrew C. Webster. Published in 1957, this was an outgrowth of study notes by the same authors.

Health Insurance Provided through Individual Policies, by E. L. Bartleson. First edition was published in 1963, second in 1968. Replaced the earlier *Individual Accident and Sickness Insurance* text, published in 1956, to which John H. Miller was the principal contributor.

Distribution of Surplus, by J. B. Maclean and E. W. Marshall. "Actuarial Study No. 6." Originally published by The Actuarial Society of America; reprinted by the Society in 1965.

In addition to these listed texts, the Society publishes an elaborate series of continuously up-to-date *Study Notes* primarily for the use of its students in preparing themselves for the examinations. Increasingly, members who have long since obtained their Fellowship find these *Study Notes* a source of current information helpful in carrying out their responsibilities.

c) *Emphasis on continuing education.*—One of the recommendations of the 1967 Committee on Future Course of the Society was the appointment of a new Committee on Continuing Education to be charged with responsibility for furthering education, primarily beyond the Fellowship. Such a committee has been appointed. Initially, it is concentrating on fact-finding, from which recommendations will later emerge.

3. How has the Society promoted the maintenance of high standards of conduct within the actuarial profession?

a) *Committee on Professional Conduct.*—By failing to provide in its Constitution for the upholding of professional standards of conduct in relation to the public, the Society of Actuaries, as first set up, did not fulfill, in this respect, the requirements of a professional body. The first step toward meeting this shortcoming was authorization by the Board of Governors in October, 1954, for the appointment of a standing Committee on Professional Conduct. It made its first report in November, 1956 (*TSA*, IX, 302). The thinking of the committee had been aided by two presidential addresses in 1955 and 1956. Legal advisers to the committee recommended that Article II of the Constitution (Origin and Purpose) be broadened and that Article VII (Resignation, Expulsion, or Suspension of

Members) be amended to provide for improved disciplinary procedures. These amendments were approved in October, 1957.

The outcome of the thorough study of the committee was the adoption by the Board of Governors in December, 1957, of a set of "Guides to Professional Conduct," printed each year since in the Society *Year Book*. As now stated in the *Year Book*, this committee has been assigned the following responsibilities:

. . . continuous oversight over the guides to professional conduct, recommending revision or repeal of specific guides, and also new guides. The Committee answers inquiries in regard to professional conduct, including both general inquiries and those relating to particular situations, but not named members.

The committee does not handle individual cases; these are considered by a special committee from the Board named by the President. Happily, the occasions for considering complaints have been infrequent and disciplinary action even rarer.

The committee is now in the course of preparing initial releases in a planned series of interpretative opinions on the "Guides to Professional Conduct." Also under consideration by the committee is the possibility of having uniform guides for the various actuarial bodies on this continent.

OTHER SOCIETY ACTIVITIES AND DEVELOPMENTS

Many other significant developments have been accomplished in this twenty-year period. Some have been organizational, leading to more efficient management or administration of Society affairs. Others have aimed to improve the number, place, and content of our meetings. Such changes may in the first instance touch the interests of students, or members, or the corporate body, but in the end they also further the Society's broad purposes.

1. *Organization of the Society*

a) Executive Committee.—To contribute to smoother functioning of the Society's affairs during the intervals between meetings of the Board of Governors, and to reduce the detail going to the Board itself, an Executive Committee was created on October 19, 1954, by a Board of Governors' resolution. This has worked well.

b) President-Elect; separate officers for Secretary and Treasurer.—In October, 1958, the Nominating Committee recommended the appointment of a committee to study the duties of the Secretary-Treasurer because of the increasingly heavy demands that office placed on a single person. The Board, in adopting this recommendation, enlarged on it by appointing a special Committee to Study the Duties of All the Officers. The com-

mittee's report of December, 1959, included a recommendation that a new office of President-Elect be created. It was recognized that the President, under the then election system, had too short a time after his election to appoint committees for the coming year and that it was desirable to have a method of automatic substitution for the President in the event of his inability to serve.

Amendments to the Constitution and By-Laws, adopted by the membership in 1960, implemented this recommendation. The President-Elect, after serving one year, automatically becomes President. In the event of the death or disability of the President, the President-Elect automatically fills that post. The 1960 amendments also created the separate offices of Secretary and Treasurer.

The creation of the position of President-Elect has not only been of great advantage to each individual coming into that position but has made for better continuity of office and thus a better functioning Society.

c) Executive Director.—When the Society was organized, the merits of having a Fellow in the Chicago Office of the Society were recognized. This staffing did not then materialize. But as the activities of the Society broadened, increasing the work load in the Society Office as well as placing heavier demands on many individual members and greater strain upon continuity, it became more apparent that additional staffing of the Office of the Society was essential.

One of the prime recommendations of the 1967 Committee on Future Course of the Society was that an actuary be appointed to head the Chicago Office. This recommendation was acted upon when the position of Executive Director of the Society was created and filled in October, 1968. The significance and importance of this development to the Society can hardly be overstated. It is anticipated that this new staffing of the Office of the Society will provide needed assistance to officers and key committee members. It should prove especially helpful to the Education and Examination Committee. Other committees of the Society—Program, Public Relations, Fields of Activity, the new Committee on Continuing Education—will also be materially assisted.

The Executive Director reports directly to the Board of Governors.

2. *Nominating Committee and Election Procedures*

From the outset of the Society, the Board of Governors has provided for nominees for Vice-Presidents and other Board members presented by a Nominating Committee consisting of "the two immediate past-Presidents and three other Fellows selected by the two past-Presidents, with at least one resident from (1) the northeastern states; (2) elsewhere in the United

States; and (3) Canada." It has been the desire of the Board throughout the history of the Society to obtain a reasonably representative distribution of the total Board (officers and elected Board members) by residence and professional activity. This matter has had the attention of the several Procedural Committees.

Probably no organization has a more thoroughly democratic process for choosing its President-Elect (prior to 1961, its President). There are no nominees. On the first ballot, each Fellow present at the annual meeting writes the name of an eligible Fellow (past-Presidents not eligible). Although service as a Vice-President is not a prerequisite to becoming President-Elect, no significant number of votes has been cast at any election for anyone not a current or former Vice-President. It is the practice to distribute a list of the eligible Vice-Presidents before the first ballot for President-Elect. The four or five who receive the most votes become, in effect, the nominees. Only occasionally have there been suggestions for adopting any other procedure for nominating the President-Elect.

The Nominating Committee has followed the practice of presenting a list of approximately three times as many nominees as there are positions to be filled, that is, six to seven nominees for Vice-President and eighteen or more for elected Board members. This is in contrast to the practice in many organizations of having a single slate proposed by the Nominating Committee. The selection of nominees takes cognizance of the distribution of the carry-over officers and elected Board members by residence and professional activity. Additional nominations may be, and have been, made from the floor.

For Secretary, Treasurer, and Editor, because of the nature of their duties, it has been customary to select candidates who are able and willing to serve for approximately three successive years; hence the committee presents only one name for each of these offices at the yearly election.

Starting in 1955, the ballots distributed at the annual meeting containing the names of the nominees presented by the Nominating Committee have included the area, state of residence, and an asterisk to indicate those not employed by life insurance companies.

Particularly because of expressed concern over the considerable portion of the annual meeting required for the elections, the 1963 Procedural Committee sought means to shorten the time required and to make certain that the entire election would be completed before the close of the meeting. A significant change first tried experimentally in the 1963 elections was adopted in April, 1964, as a regular procedure in the voting for non-officer Board members. Under the new method, the voter was provided only one ballot on which to indicate not only his original choices but also

several alternative choices, ranked according to his preference. This preferential or multiple single ballot reduced the election time substantially. The method was found to be so successful that it was extended to the election of Vice-Presidents in 1964.

Since 1966, ballots have been distributed by mail to all Fellows for their study in advance of the vote by those present at the annual meeting. Accompanying the ballots is a set of election notes, including a tabulation showing the state of residence of carry-over officers and elected Board members and the areas from which there should be elections to achieve proportionate geographical representation and, starting in 1969, type of employment.

For the 1966 annual meeting, the preferential form of ballot was extended to the office of President-Elect. This has been done on the second ballot, drawing on a tabulation of the four top names on the first ballot as previously explained. This fuller use of the preferential form of ballot has reduced election time to a minimum while preserving the nominating procedures that generally have worked so well. Undoubtedly nominees are drawn from those who have served the Society in one way or another.

3. Meetings

a) Format of meetings.—To maximize the interest and usefulness of Society meetings, the Program Committee has, especially in recent years, introduced many innovations in the format of meetings in which there has been considerable experimentation throughout the years. Concurrent sessions and workshops which have characterized only recent meetings have fostered the free and informal discussions of American Institute days that older members like to recall with nostalgia. Before these changes in meeting format, the attendance at a so-called Informal Discussion—a euphemism carried over from premerger days—was becoming so large that such a session was anything but informal. Undoubtedly, other than in the general sessions there is now greater informality in the smaller meeting group; this has better met the needs of the members and hence represents a commendable change.

Participants from outside the Society membership have been brought into our meetings, particularly in panel presentations. The first time this was done was in March, 1953, in a "Forum on Economic Trends and Life Insurance." Subsequently, medical directors, economists, demographers, epidemiologists, and investment experts have been among outside speakers contributing to our meetings, thereby broadening the exposure of the members.

As has been stated previously, a feature of the spring meetings held

outside the eastern states has been the Smaller Company Forum, always with some uncertainty about what constituted a "smaller" company. Recently this forum has been added to spring meetings held in the East. The attendance—even representatives of the largest companies have on occasion been observed in the "shadows"—and degree of participation in these forums are good evidence of their value.

Recognizing the growing numbers of Society members engaged in consulting work, separate sessions for consulting actuaries have been held at most Society meetings, beginning with those of the 1965 regional meetings.

The now popular receptions, financed by a registration fee, were begun with the fall, 1963, meeting. Prior thereto such affairs were held only occasionally and were dependent upon the generosity of companies domiciled in the meeting area. The recently adopted practice of having a dinner at the fall meeting recalls the regular banquets of the Actuarial Society in its earlier days.

b) Frequency of meetings.—The fall meeting is the annual meeting of the Society. With one exception these have been three-day sessions. The exception occurred in 1957, when the Society meeting was reduced to a one-day meeting immediately preceding the XVth International Congress of Actuaries held in New York City.

Until five years ago, fall meetings were frequently held at The Greenbrier, White Sulphur Springs, West Virginia. Attendance has now outgrown those facilities. Rather than limit attendance, the Board of Governors in 1964 approved a recommendation of a special Committee to Study Sites for Annual Meetings that the annual meetings be held in the larger cities under a four-year rotation plan, among the following areas: (1) Boston, Philadelphia, New York; (2) Washington, D.C., Florida; (3) Montreal, Toronto; and (4) Chicago (with Colorado a "special" possibility).

During the early years of the Society, there were two spring meetings—one in the East in March or April, the other in May or June in the Midwest. The present arrangement of three regional meetings in the spring was begun in 1964 following a special committee study of number, time, and place of meetings. There are only minor variations in the three meetings. The committee suggested that two of the meetings be held within four weeks prior to the spring examinations and one within the week after, with the following pattern: (1) one on the Northeast Seaboard; (2) one in the Midwestern states (including Toronto); and (3) one alternating among the Far West, Canada (again including Toronto), and the South.

In recent years the timing of the spring meetings has deviated considerably from these suggestions. Before 1964, there was a period in which four meetings were held—two in March or April with identical programs,

followed by another identical pair in late May or early June. With the growth of the Society, the attendance was virtually as large at the eastern spring meeting as it was at the fall meeting. The experiment with four spring meetings, prior to the adoption of the present schedule of three meetings, was aimed at a better distribution of attendance. This did not materialize. The present schedule appears to have been generally satisfactory.

4. Growth in Membership

The following tabulation shows the growth of Society membership by type of employment from the date of merger to July 1, 1969:

TYPE OF EMPLOYMENT	FELLOWS				ASSOCIATES			
	November, 1949	July, 1969	Increase		November, 1949	July, 1969	Increase	
			No.	Per Cent			No.	Per Cent
Life insurance companies.....	556	1,282	726	131%	295	967	672	228%
Consulting actuaries...	40	326	286	715	29	290	261	900
Government.....	7	7	.....	.....	10	32	22	220
Fraternal companies...	3	10	7	233	1	9	8	800
Insurance departments.	8	23	15	188	11	15	4	36
Organizations serving life insurance business	7	6	-1	-14	.....	3	3	.....
Academic institutions..	2	18	16	800	7	25	18	257
Other.....	8	37	29	363	12	60	48	400
Retired or not known..	42	157	115	274	36	168	132	367
Total.....	673	1,866	1,193	177%	401	1,569	1,168	291%

The growth in the consulting field has been most dramatic, both in number and per cent. The relative growth among Fellows affiliated with academic institutions is no less significant. Hopefully, the members involved in teaching will prove to be good multipliers in attracting students to their classes as a start to actuarial careers. Surely the growth among Fellows and Associates in state insurance departments falls short of the needs when cognizance is taken of the far heavier demands on the departments, both in work volume and complexity.

It is interesting to compare the actual numbers of Fellows and Associates and their fields of employment with the results of a questionnaire designed to estimate the future needs for actuaries reported in March, 1959 (*TSA*, XI, 146), by a special Committee to Review Membership Re-

quirements. The actual increase to 1,866 Fellows as of July 1, 1969, falls far short of an estimated 2,000–2,300 Fellows in 1968. Looking at areas of employment, it is noteworthy that the actual number of Fellows and Associates presently engaged in consulting work is larger than the estimated requirements. The areas of government and state insurance departments are especially short in comparison with the estimated needs for 1968. A comparison of the estimated total membership needed in 1968 with our present total membership may unhappily be a fair indication of the shortage of actuaries that persists today despite the marked increase of both new Fellows and Associates in recent years.

An effort was made to assess the increase in the number of students as an indication of likely growth in new Associates and Fellows in the near future. Various factors have caused reductions in the number of students in recent years. Comparisons with 1949 become clouded because of different examination content, schedules, and the extent of taking multiple examinations. However, there were 527 students writing Part 5 in 1968 (not yet given in 1969), compared with 184 in 1949—an increase of 343, or 186 per cent. In the case of Part 4, there were 562 candidates in 1969, compared with 217 in 1949—an increase of 345, or 159 per cent. This is encouraging, but even larger increases are needed in the years ahead.

5. *Actuarial Clubs*

A subject considered by several of the Committees on Organization and Procedure, and also commented upon frequently in presidential addresses, has been that of the relations of the Society and its officers with local actuarial clubs. It has been observed that, though these relations involve no official ties with local actuarial clubs, the Society has—especially through its President—lent encouragement to the founding and continuation of local clubs to supplement the Society's activities and to round out the actuary's professional life. Beginning in 1953, the *Society Year Book* has listed the actuarial clubs with the names of their officers and the contact address.

6. *Public Relations*

The Public Relations Committee is charged with giving the public a better understanding of the work of the actuary, to promote interest in the actuarial profession among students, and to maintain liaison and cooperation between the Society and other organizations as required.

This committee was first appointed in 1956. It was the outcome of a recommendation by the Advisory Committee that the Society should operate on a broader scale to help solve the recruiting problem. Sugges-

tions included the development of career material for distribution to high school seniors and cooperation in sponsoring a national mathematical contest at the secondary-school level.

The committee has been responsible for the Society's cooperation, beginning in 1957, with the Mathematical Association of America in its National High School Mathematics Contest. Pamphlets designed to stimulate interest in mathematics and to call attention to teaching and actuarial careers are sent to the contestants. This distribution is supplemented by publicity and activity at local levels by Society members. Contest participation now involves nearly 300,000 students from almost 7,000 secondary schools in the United States and Canada.

This committee has been instrumental in the preparation and distribution of the Actuarial Aptitude Test for use of prospective employers of actuarial students and college guidance officials.

In addition to the pamphlets for high school students, the committee has prepared a booklet that is sent to placement officers and mathematics department chairmen of colleges to further recruiting in the actuarial field.

Recently the committee has begun a program to enlist representatives of local actuarial clubs to speak about the actuarial profession at summer institutes for secondary-school teachers, conducted at various colleges by the National Science Foundation.

The activities of the Public Relations Committee directed toward the recruiting of actuarial students may be regarded by some as not a natural function of a professional organization. But, in doing this, the Society is making a contribution not only in ensuring that actuarial work will be carried on into the future but in serving the public through the continued sound operation of plans offering protection against life and other contingencies.

7. *Library*

It is of interest to note the following comment about a library in the 1909 inaugural address of the first President of the American Institute of Actuaries:

We also have a class of contributing members, consisting of such Life Companies as are willing to pay a small sum yearly towards the establishment and maintenance of a Library of Actuarial Works.

The response to this appeal has been prompt and generous, so that we have reason to anticipate the formation of an excellent and valuable library for the use of our members.

A library had also been maintained by The Actuarial Society of America. The two libraries were brought together in Chicago at the time of the merger.

Although the library was of great value to the members of our predecessor organizations, usage of the Society library became minimal. A report of the Library Committee, September, 1960, stated that borrowing from the library had averaged less than one hundred copies annually during a three-year period, most of the requests being for copies of the *Transactions* of The Actuarial Society of America or *The Record* of the American Institute of Actuaries. Further, available space and proper supervision were becoming problems.

The future of the Society library was considered by a special committee. The conclusion, approved by the Board of Governors in June, 1961, was that the library be transferred to the Library of the Insurance Society of New York. The library remains the property of the Society but is administered by the professional staff of the Insurance Society. Fellows and Associates of the Society have free access to the entire Library of the Insurance Society. The Insurance Society reports greater usage of the Society part of the library by Society members, supporting the view of the special committee that the transfer would result in greater utilization.

8. *Reviews*

A regular and useful part of the *Transactions* has been that of reviews covering "books, reports, and other literature of direct interest to actuaries and students. . . ." Looking to the future, the value of this section could be enhanced by a wider, more general scope, thereby providing another means for the continuing education of actuaries.

9. *Legal Notes*

It had been the practice for The Actuarial Society of America to include in its *Transactions* a Legal Notes section that summarized the cases deemed to be of paramount importance to actuaries. This was carried over into the *Transactions* of the Society of Actuaries.

This practice was reviewed in 1963 as part of a consideration of the problem of the great increase in the amount of material being printed in the *Transactions*. Because information regarding legal cases was readily available elsewhere, the Board of Governors in October, 1963, voted to discontinue publishing Legal Notes. They last appeared in Volume XVI (1964) of the *Transactions*. Not all members endorsed this change.

10. *Publication of Monetary Tables*

Through a Committee for The Preparation of Monetary Tables, the Society in 1961 published a total of forty-four volumes containing values

on the 1958 CSO and 1958 CET Mortality Tables. This was a huge undertaking and represented a great contribution to all life insurance companies, state insurance departments, and others needing these values.

Consistent with the practice in ordinary insurance throughout its history in North America, these 1958 CSO values were calculated on an age nearest birthday basis. Because some companies had adopted age last birthday in their premiums, nonforfeiture values, and reserves, a desire had been expressed for the publication of 1958 CSO Mortality Tables on that basis. However, prepublication orders fell far short of covering costs, so no monetary tables were published by the Society, although age last birthday mortality tables were published as a part of the basic values volume of the age nearest birthday tables.

A complete listing of the monetary tables published by the Society is as follows:

- a*-1949 Table and Projected Annuity Tables (1952)
- Monetary Values for Ordinary Disability Benefits (2 vols.; 1954)
- Disability Benefits, Mean Reserves (Vol. II; 1957)
- 1958 CSO Basic Values (10 vols.; 1961)
- 1958 CSO Derived Values (34 vols.; 1961)
- Monetary Tables for Disability Benefits—1958 CSO (1962)
- Monetary Tables for Accidental Death Benefits—1958 CSO (1962)

The Society also reprinted various tables, such as 1941 CSO Values, that had originally been published by The Actuarial Society of America.

11. *Study of Pension Plan Problems*

What should be the role and responsibility of actuaries in the sound operation of pension plans which have had such a phenomenal growth during the past twenty years? What obligation or responsibility does the Society, as such, have with respect to this complex field?

In an effort to answer these and related questions in the interests of both the general public and the members of the Society, the Executive Committee in November, 1964, appointed a special Committee to Study Pension Plan Problems. Its main project has been the preparation of a manual of actuarial principles and practices for private pension plans. This is now in the draft stage. An unresolved question is its publication, particularly because the constitutional prohibition against expression of opinion may be interpreted as relating to a committee report.

12. *Consideration of Constitutional Amendment to Permit "Public Expression of Opinion"*

At the 1967 Annual Meeting, a proposed new article to be included in the Constitution, "Public Expression of Professional Opinion," failed by

a narrow margin to gain approval by the required two-thirds of the Fellows voting. The proposed amendment was the outcome of a recommendation by the Committee on Future Course of the Society. The Board of Governors approved the view that the Society should under certain conditions have a collective voice on public questions. It was proposed that the last sentence of Article II of the Constitution (Origin and Purpose), which reads, "No resolution expressive of opinion shall be entertained at any meeting of the Society of Actuaries," be deleted. A new article was to be added, as follows:

No opinion with respect to questions of public interest shall be publicly expressed by, or on behalf of, the Society of Actuaries, the Board of Governors, or any committee except on matters within the special professional competence of actuaries and then only in accordance with authority given and procedures determined in each instance by the Board of Governors, and the following conditions:

- (i) An opinion of the Society shall require advance approval by an affirmative vote of at least two-thirds of the Fellows who vote in a mail ballot.
- (ii) An opinion of the Board of Governors or a committee authorized by the Board to express an opinion shall indicate that it does not purport to represent the views of the Society of Actuaries, but only of the Board or the committee, as the case may be.

The prohibition with respect to expression of opinion had been a part of the Constitution of The Actuarial Society of America from its founding in 1889. Its objective was to prevent the use of that organization as a forum to criticize any individual company or individual plans of business (*TSA*, XVIII, 332-35). That particular argument hardly appears relevant to today's situation.

The proposed amendment was discussed at the 1966 Annual Meeting of the Society (*TSA*, XVIII, D691-D699) and again at the 1967 spring meetings (*TSA*, XIX, D291-D306). The "Letters" section of *The Actuary* (1, No. 5 [September, 1967], 3-4) includes comments for and against the amendment.

The failure of the proposed amendment marks the only instance of the membership's not approving a change to the Constitution recommended by the Board of Governors. Subsequent Minutes of the Board of Governors record the desire of some Board members that an opinion amendment again be considered after the lapse of a few years. It was also suggested that a mail vote on this controversial question would be appropriate. Perhaps note should be taken that the Casualty Actuarial Society adopted the exact language that our Society did not accept.

13. *Accreditation of Actuaries*

a) *United States—Academy of Actuaries.*—What is the responsibility of the Society in safeguarding the public from unqualified actuaries? What guides should be developed for a definition of “qualified actuary”? Should qualified actuaries be licensed or otherwise recognized by statute?

These questions were being propounded particularly because of the tremendous growth in private pension plans in the 1950's. To seek possible answers, the Board of Governors in June, 1958, authorized the appointment of a Committee to Investigate Possible Certification or Licensing of Actuaries. As a result of the report of this committee, supported by the 1958 presidential address, a standing Committee on Professional Status was appointed in 1961 and was authorized to work with committees of the Casualty Actuarial Society, the Conference of Actuaries in Public Practice, and the Fraternal Actuarial Association to explore the problems of professional status.

In November, 1961, a special panel discussion was held on “The Actuarial Profession,” with participants having membership in each of the four actuarial organizations.

In October, 1962, the Board approved a recommendation of the Society's committee that the actuarial organizations jointly attempt to establish some type of official accreditation in the field of private pension and other employee benefit plans. The governing bodies of the other groups took similar action. In June, 1963, the Joint Committee on Organization of the Actuarial Profession reported to the Board that one area being studied was that of a federal charter for a proposed national association.

In February, 1964, the Board met to consider plans for the proposed new actuarial body, the American Academy of Actuaries. The Board authorized the mailing to members of a proposed charter and bylaws for discussion at meetings of the local actuarial clubs.

The organizational meeting of the American Academy of Actuaries, an unincorporated association, was held in Montreal on October 25, 1965, during which a charter and bylaws were adopted and officers and directors were elected.

Attempts to obtain a federal charter were unsuccessful. As a result, in the spring of 1966 the Academy was dissolved as an unincorporated association and on April 29, 1966, became a corporation under the Illinois General Not For Profit Corporation Act. Reports at subsequent Society meetings have described the efforts to obtain accreditation for members of the Academy. Appropriate legislation has been passed in the state of Indiana. In June, 1968, the National Association of Insurance Commis-

sioners adopted a recommendation for the signing of the Life Annual Statement which will be helpful in obtaining recognition for members of the Academy. Efforts at the state level are now directed toward obtaining action by insurance commissioners in various states, in the form of administrative orders or regulations, which would recognize the need for qualified actuaries to calculate the reserve liabilities included in life insurance company statements.

b) *Canada—Canadian Institute of Actuaries.*—The *Transactions* of the Society (XVII, 83–84) contains a brief statement with respect to the Canadian Institute of Actuaries, incorporated by Act of Parliament in Canada in March, 1965. One of the objectives of the Canadian Institute, like that of the American Academy of Actuaries in the United States, has been to define “an actuary in public practice” in Canada.

14. *Advisory Activities of Society Members*

The Society, through many of its members, has provided invaluable advisory service to various governmental bodies, committees, and councils. In some instances the particular member was appointed by the President of the Society in direct response to a specific request; in others, the selection was made without consultation with Society officers.

A complete listing of the bodies on which Society members have served is not possible, because official records are deficient in this respect, particularly for service at state and provincial levels. However, note should be made of the following instances of advisory assistance in the United States: councils on social security, Veterans Administration, Railroad Retirement Board, Civil Service Retirement System, Retired Serviceman’s Family Protection Plan, employee welfare and pension benefit plans, the Census and resulting tables. In Canada, examples of advisory committee activities include: Canada Pension Plan, unemployment insurance, Public Service Superannuation Act, Group Surgical Medical Insurance Plan for Public Service.

Of special significance to the conduct of the life insurance business has been the service to various NAIC committees, particularly in the development of mortality tables for regulatory purposes.

15. *Fields of Activity Committee*

It seems most appropriate, in any listing of the various and numerous ways in which the Society serves the interests of its members, to refer to the Fields of Activity Committee as the last subject because of its significance to the future of the Society. This committee was appointed in 1957, pursuant to a recommendation of the 1956 Committee on Organization

and Procedure to make certain that the Society was responding to the needs of a greatly increased membership with many new and diverse interests. The function of the Fields of Activity Committee has been greatly enlarged after periodic review. Its function, as stated in the *1969 Year Book*, is

to assist the Society in seeing that all phases of Society work are adequate for, and attractive to, the members in the various actuarial fields, and, through the Chairman, to participate directly in the work of the Program Committee by assisting in the design and planning of the Society's programs.

As a result of the report of the 1967 Committee on Future Course of the Society, the Fields of Activity Committee has been given greater responsibility, especially in the development of Society programs. Its membership has been increased by the appointment of a greater proportion of younger members.

It is no overstatement to say that the desired growth and development of the Society in the years ahead will be substantially influenced by the Fields of Activity Committee, for with its representative makeup it can not only respond to the needs of the members but even anticipate them.

RELATIONS WITH OTHER ACTUARIAL ORGANIZATIONS

The final topic in this account of the first twenty years of the Society is that of relations with other actuarial organizations.

1. *First Meeting of the Society*

Amid considerable ceremony, the first meeting of the Society of Actuaries was held November 14, 15, and 16, 1949. The last President of The Actuarial Society of America and the last President of the American Institute of Actuaries each presented to the President of the Society of Actuaries a book containing the names of Fellows and Associates of each organization whose memberships were transferred to the Society of Actuaries.

Representatives were present from the Institute of Actuaries, the Faculty of Actuaries, the Spanish Institute of Actuaries, and the Actuarial Society of the Netherlands, each of whom brought greetings from their organizations and presented gifts to the Society. Greetings were also received from other actuarial groups throughout the world.

2. *Waiver of Associateship Examinations*

At its first meeting, the Board of Governors concluded that Fellows (by examination) of the Institute of Actuaries or the Faculty of Actuaries would "be deemed to have passed examinations equivalent to the exami-

nations required by the Society of Actuaries for associateship standing." In October, 1963, the Board approved the waiving of the first five Society examinations to an Associate of the Institute of Actuaries but made admission as an Associate of the Society contingent upon passing one of its Fellowship examinations. (Note: The Faculty does not have an Associateship class of members comparable to that of the Society or the Institute.)

3. *Meetings of European Actuarial Organizations*

The Society has given special recognition to significant anniversaries of European actuarial organizations through greetings from the Society conveyed in person by the then President or by deputized Society members. These occasions have included fiftieth anniversary observances of the Danish Society of Actuaries (1952), the Norwegian Society of Actuaries (1954), the Swedish Actuarial Society (1954), the Association of Swiss Actuaries (1955), and the Institute of French Actuaries (1949, deferred from 1940; also seventy-fifth in 1965), and the special meeting of the Institute of Actuaries (1962) commemorating the bicentenary of scientific life assurance.

Undoubtedly one of the most significant occasions, in which our President participated, was the special ceremony on September 22, 1955, marking the return of the Institute of Actuaries to its old home, Staple Inn Hall. Because of the historic ties to the Institute, all North American actuaries had been saddened by the destruction of this ancient and revered building by a flying bomb in August, 1944. The Hall was restored in 1954–55. The refurnishing was aided by gifts that had been made by The Actuarial Society of America and the American Institute of Actuaries, as well as by individual members at the time of the centenary of the Institute in 1948. These funds were used to furnish the reading room, providing the oak bookcases, the chairs, and the desks (*TSA*, VI, 654–56; also *TSA*, VII, 333 and 340).

In June, 1956, the then President of the Society, along with several other members, was present at the centenary of the Faculty of Actuaries. The Society made a gift of a presidential chair and two companion chairs.

4. *International Congresses of Actuaries*

The XVth International Congress of Actuaries was held in New York City, October 15–18, 1957, followed by an Electronics Seminar on October 24 and 25. The intervening period provided an opportunity for guests to make planned visits to Washington, D.C., and Toronto, Canada, all as part of the Congress activities. The Society organized the Congress and co-operated in various ways to make it a success.

The Society held a one-day meeting preceding the convening of the Congress in lieu of its normal three-day annual meeting. The Society reconvened for a few minutes during the final session of the Congress to adopt a resolution of appreciation for the presence of over 1,200 actuaries at the Congress from some thirty countries throughout the world.

The Society's Committee on New Recording Means and Computing Devices took the leading role in the organization of the Electronics Seminar and in the presentations made. In fact, Part I of Volume III of the *Transactions* of the Congress became a separate publication of the Society.

Society members have, of course, participated extensively in the three subsequent Congresses by attendance, presentation of papers, and membership on the Council of the Permanent Committee.

5. *Joint Committee on Review of Education and Examinations*

In October, 1967, the Board of Governors authorized the appointment of three members of the Society to serve on the Joint Committee on Review of Education and Examinations. The purpose of this joint committee, composed of members from each of the recognized professional actuarial organizations in the United States and Canada, is to make a continuing review of policy matters relating to the education and examination of actuaries and to make recommendations concerning these matters to the governing bodies of the organizations represented on the joint committee.

The following actuarial organizations are represented on this committee:

- American Academy of Actuaries
- Canadian Institute of Actuaries
- Casualty Actuarial Society
- Conference of Actuaries in Public Practice
- Fraternal Actuarial Association
- Society of Actuaries

It is to be noted that beginning in May, 1963, the first examination of the Society was jointly sponsored by the Society and the Casualty Actuarial Society; this was extended to the first two examinations in May, 1966. The practice of joint examinations among the various actuarial organizations will undoubtedly be extended in the future, thereby bringing them all closer together.

6. *Canadian Institute of Actuaries*

Not fully settled is the relationship of the new Canadian Institute of Actuaries with the Society, particularly with respect to the appropriate

examination and educational requirements. A committee of the Canadian Institute has reviewed the syllabus of the Society from the standpoint of Canadian students. Their report and consultation with the Society's Education and Examination Committee will be of assistance in making certain that the Society will be responsive to the needs of the Society's Canadian members as well as its United States members.

CONCLUSION

Though this paper deals with history, the author hardly fancies himself to be a historian in the proper use of that term. Nonetheless, he found it worthwhile to muse with some writers on the subject, such as Edward H. Carr does in his book entitled *What Is History?* One of the author's pertinent comments follows:

History consists of a corpus of ascertained facts. The facts are available to the historian in documents, inscriptions, and so on, like fish on the fish monger's slab. The historian collects them, takes them home, and cooks and serves them in whatever style appeals to him.¹

It is hoped that the cooking and serving style of the facts of the first twenty years of the Society will appeal to both present and future members.

Writing, of course, with a broad view of history, Carr devotes a full chapter to "History as Progress." Among his observations is the following thought: "History is progress through the transmission of acquired skills from one generation to another."²

Have the first twenty years of the Society been years of progress? Except possibly on one count—sufficient growth in members—a fair appraisal, at least by this observer, is that these past twenty years have indeed been years of progress for the Society. The many changes have served to meet the needs of our enlarged membership, engaged as they are in far wider and more complex activities than could possibly have been envisioned in 1949 when The Actuarial Society of America and the American Institute of Actuaries merged into the Society of Actuaries. The developments and changes have been most significant.

What are the challenges of the future which the Society must aid its present and future members in meeting? Among these surely will be the actuary's concern with inflation, his relation to computers, growing involvement in tax problems, even greater roles for consulting actuaries, and professional management problems.

¹ Edward H. Carr, *What Is History?* Reprinted by permission of Alfred A. Knopf, Inc.

² *Ibid.*

As has been suggested, the Society is unique among professional organizations in assuming responsibility for a growth in its own membership. Note has been taken of the efforts made by the Society in recruiting and training of students for actuarial careers. The growth has been noteworthy, but, even so, the gap between the demand for and the supply of actuaries may well be widening. Despite this problem, however, the present state of our Society, drawing as it does upon its heritages, is excellent. All augurs well for further constructive growth and service in the future, irrespective of what that future may bring.

ACKNOWLEDGMENT

My thanks are extended to the Program Committee for the privilege of preparing this paper and their acceptance of it. I am also most appreciative of the helpful and constructive comments received from older members of the Society who were asked to read the paper in a draft stage. My special thanks are due Walter Klem, who has been especially active in Society affairs throughout its history, for his invaluable counsel and suggestions.

