

**TRANSACTIONS OF SOCIETY OF ACTUARIES  
1972 VOL. 24 PT. 1 NO. 69 AB**

MINUTES OF THE REGIONAL MEETING

*of the*

SOCIETY OF ACTUARIES

HELD AT THE DRAKE HOTEL  
CHICAGO, ILLINOIS  
JUNE 1-2, 1972

The meeting was called to order by the President, Mr. R. J. Myers, on Thursday, June 1, 1972, at 9:00 A.M. The following is a summary of the attendance at the meeting:

SUMMARY

Fellows.....	280
Associates.....	203
Guests.....	47
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Total.....	530

The President welcomed several visitors from overseas: Mr. Louis C. Jochelson, F.A.A., Consulting Actuary, Capetown, Union of South Africa; Mr. Taira Suekane, Manager, Actuarial Department, Dai-ichi Mutual Life Insurance Company, Tokyo, Japan; Mr. Morris J. Werner, F.I.A., A.S.A., Manager, Superannuation Department, Colonial Mutual Life Insurance Company, Melbourne, Australia, and President of the Institute of Actuaries of Australia and New Zealand.

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.

The President advised that the Society had received word of the death of seven members since the annual meeting in Toronto, November, 1971: Robert F. Preston, Henry Izard Bacon Rice, and LaRue S. Wagenseller, Fellows; and Saul S. Lipkind, Robert A. Richardson, Paul W. Stewart, and Robert Edward White, Associates. The members observed a moment of silence in respect for the memory of these members. Obituaries are printed in this volume of the *Transactions*.

The Secretary presented an oral summary of the major items of business transacted at the Board of Governors meeting held May 16, 1972, as follows:

1. The Board adopted rules and regulations proposed by the Committee on Elections for conducting the 1972 and subsequent elections by mail.
2. The Board approved the formation of an ad hoc committee with the American Academy of Actuaries, subject to approval by the Academy, to study the future staff and space needs of the two bodies.
3. The Board approved the recommendation of the Advisory Committee on Education and Examinations that the American Academy of Actuaries, the Canadian Institute of Actuaries, the Casualty Actuarial Society, the Conference of Actuaries in Public Practice, and the Fraternal Actuarial Association be extended invitations to appoint liaison delegates to the Advisory Committee on Education and Examinations, and that these delegates should be additional individuals appointed by the jointly sponsoring bodies specifically for that purpose.
4. The Board approved the joint recommendation of the General Officers of the Education and Examination Committee and the Advisory Committee on Education and Examinations that Part 4 be given twice per year and that the examination consist entirely of multiple-choice questions. The new arrangements will become effective in 1973.
5. The 1972 Occupation and Hazardous Sports Codes have been approved by the Committee on Mortality under Ordinary Insurance and Annuities and will be published in the 1971 *Reports* number. The Board agreed to make reprints of the codes available to interested companies and individuals through the office of the Society.
6. The Board approved the recommendation of the Committee on Mortality and Morbidity under Group and Self-administered Plans that the Supplementary Major Medical Expense Benefits Insurance Study be discontinued because of insufficient interest. The Comprehensive Major Medical Expense Benefits Insurance Study and the Sample of Group Hospital and Surgical Expense Insurance Study will be continued, although it may ultimately be necessary to discontinue the former if company commitments to increase the amount of data contributed are not realized.
7. The Board received reports from various committees with respect to their views and actions on the nineteen detailed recommendations contained in the Report of the Committee on Professional Development.

The President welcomed Mr. James Maine, President of the Fraternal Actuarial Association, and other members of the Fraternal Actuarial Association who were attending the meeting as guests.

The President then welcomed several guests who would be participating in the various concurrent sessions and workshops during the meeting: Dr. Irwin Jarett, Associate Dean for Health Care Planning, Southern Illinois School of Medicine; Mr. Fred Schonenberg, Aviation Underwriter, Prudential Insurance Company; Mr. Raymond Millan, Assistant Vice-President, Corporate Planning, Connecticut Mutual Life Insurance Company; Mr. J. T. Arenberg, Jr., C.P.A., of Arthur Anderson and Company; Mr. Stephen R. Wilcox, of Conning and Company; Mr. Robert G. Merritt, M.A.A.A., of Peat, Marwick and Mitchell; and Mr. Ronald K. Holmberg, M.A.A.A., Senior Vice-President and Actuary, Combined Insurance Company of America.

The President introduced the authors of papers being presented. Mr. Francisco Bayo, author of "Mortality of the Aged," which had been discussed at the New Orleans meeting, was not able to be present at the meeting; his paper was summarized by President Myers. The paper "Adjusted Earnings for Mutual Life Insurance Companies," authored by Mr. Donald D. Cody, was summarized by Mr. Gary N. Sargent. The paper "A New Look at the Frequency of Pension Plan Actuarial Valuations" was summarized by Mr. William A. Dreher, who was coauthor of the paper with Mr. Neil R. Cronquist. The paper "Schedule for Amortization of Acquisition Costs versus Amortization of Acquisition Costs by Use of Natural Reserve Factors," authored by Mr. Joe B. Pharr, was summarized by Mr. Donald F. Clement. Mr. Irwin T. Vanderhoof, author of the paper "The Interest Rate Assumption and the Maturity Structure of the Assets of a Life Insurance Company," was not able to be present at the session.

The President then introduced Mr. Morris J. Werner, who described the activities of the Institute of Actuaries of Australia and New Zealand, of which he is President. Mr. Werner extended greetings from the Institute to the Society. President Myers thanked Mr. Werner for his informative speech and extended greetings and best wishes from the Society to the Institute.

The President then introduced Mr. Ernest J. Moorhead, who presented a lecture on the forthcoming sequel to the 1966-67 Future Outlook Study of the Institute of Life Insurance. Following the presentation, the President thanked Mr. Moorhead.

The President thanked all of the meeting participants and those who had helped plan the meeting.

After a brief recess, the meeting reconvened at 11:00 A.M. in three concurrent sessions and four workshops. Concurrent Session A, "Health Insurance in Transition," was moderated by Mr. John C. Angle; panel

members were Mr. S. Martin Hickman, Dr. Irwin Jarett, and Mr. Ronald L. W. Till. Concurrent Session B, "Fulfilling Stockholders' Objectives," was moderated by Mr. Herbert L. DePrenger; panel members were Messrs. William A. Halvorson, C. David Silletto, and Henry C. Unruh. Concurrent Session C, "Life Insurance Product Development," was moderated by Mr. Norman F. Buck; panel members were Messrs. James C. H. Anderson, Irving R. Burling, and Harold G. Ingraham, Jr. Workshop 1, "Substandard Life and Health," was moderated by Mr. Charles N. Walker, assisted by Mr. Jerome M. Stein. Workshop 2, "Adjusted Earnings," was moderated by Mr. Jack M. Turnquist, assisted by Mr. Robert G. Merritt. Workshop 3, "State Taxation," was moderated by Mr. Raymond A. Bierschbach, assisted by Mr. Gary N. See. Workshop 4, "Financial Outlook for Group Life and Health Insurance," was moderated by Mr. Dean E. Williams, assisted by Mr. David E. Sunderland. These sessions adjourned at approximately 12:30 P.M.

The meeting reconvened that afternoon at 2:00 P.M. in two concurrent sessions and five workshops. Concurrent Session D, "A Critical Look at the Standard Nonforfeiture and Valuation Laws," was moderated by Mr. Robert L. Pawelko, assisted by Mr. Thomas F. Eason, Mrs. Linda B. Emory, and Mr. J. Ross Hanson. Concurrent Session E, "Participation in Society Activities," was moderated by Mr. John M. Bragg, with representatives of various Society committees explaining the functions of the committees and answering questions from the audience. Workshop 5, "Individual Health Insurance," was moderated by Mr. Monte J. Hopper, assisted by Mr. David S. Cox. Workshop 6, "Variable Annuities," was moderated by Mr. Thomas M. West, assisted by Mr. John W. Paddon. Workshop 7, "Trends in Marketing Group Life and Health Insurance," was moderated by Mr. Brock L. Stackhouse, assisted by Mr. Ethan Stroh. Workshop 8A, "Federal Income Taxation (United States)," was moderated by Mr. Neal N. Stanley, assisted by Mr. William Shinkwin. Workshop 9, "Canadian Taxation," was moderated by Mr. Raymond L. Whaley, assisted by Mr. Graham R. McDonald. These sessions adjourned at approximately 4:30 P.M.

On Friday, June 2, the meeting convened at 9:00 A.M. in three concurrent sessions and four workshops. Concurrent Session F, "Current Developments in Group Life and Health Insurance," was moderated by Mr. James P. Smith; panel members were Messrs. Stephen T. Carter, E. Paul Barnhart, and Harry L. Sutton, Jr. Concurrent Session G, "Actuarial Principles and Practices for Pension Plans (Committee to Study

Pension Plan Problems),” was moderated by Mr. James A. Attwood; panel members were Messrs. Preston C. Bassett and Blackburn H. Hazlehurst. Concurrent Session H, “Underwriting the Catastrophe Accident Hazard,” was moderated by Mr. Courtland C. Smith; panel members were Messrs. Fred Schonenberg and Gordon D. Shellard. Workshop 10A, “Marketing,” was moderated by Mr. R. Wesley Shope, assisted by Mr. Donald F. Clement. Workshop 11, “Adjusted Earnings (Health Insurance),” was moderated by Mr. Anthony J. Houghton, assisted by Mr. Ronald K. Holmberg. Workshop 12, “Variable Life Insurance,” was moderated by Mr. James A. Anderson, assisted by Mr. James J. Murphy. Workshop 13, “Expense Control,” was moderated by Mr. Wilbur H. Odell, Jr., assisted by Mr. Ralph H. Goebel. These sessions adjourned at approximately 10:45 A.M.

After a brief recess, the meeting reconvened at 11:00 A.M. in four concurrent sessions and three workshops. Concurrent Session F was continued from the 9:00 A.M. session. Concurrent Session I, “Consumerism,” was moderated by Mr. Walter S. Rugland; panel members were Messrs. Raymond A. Bierschbach, Robert N. Houser, and Raymond Millan. Concurrent Session J, “Investment of Assets—the Other Half of the Balance Sheet,” was moderated by Mr. Irwin T. Vanderhoof; panel members were Messrs. Christopher D. Chapman and Leroy B. Parks, Jr. Concurrent Session K, “Adjusted Earnings,” was moderated by Mr. Joseph C. Noback; panel members were Messrs. J. T. Arenberg, Jr., Norman E. Hill, W. James MacGinnitie, and Stephen R. Wilcox. Workshop 14A, “Individual Life Product Design,” was moderated by Mr. John K. Roberts, assisted by Mr. John S. Eckert. Workshop 15, “Individual Life Mortality and Underwriting,” was moderated by Mr. John H. Elken, assisted by Mr. Michael A. Hale. Workshop 16, “Pensions (Taft-Hartley Situations),” was moderated by Mr. Raymond E. Pinczkowski, Jr., assisted by Mr. Thomas D. Levy. Concurrent Session K adjourned at 1:30 P.M.; the other sessions adjourned at approximately 12:30 P.M.

The meeting reconvened at 2:00 P.M. in seven workshops. Workshop 8B, “Federal Income Taxation (United States),” was moderated by Mr. Willis J. Lutz, assisted by Mr. James H. Sartain. Workshop 10B, “Marketing,” was moderated by Mr. Clair A. Lewis, assisted by Mr. Chandler L. McKelvey. Workshop 14B, “Individual Life Product Design,” was moderated by Mr. D’Alton S. Rudd, assisted by Mr. Wilbur M. Bolton. Workshop 17, “Pensions (Non-Taft-Hartley Situations),” was moderated by Mr. Charles L. Walls, assisted by Mr. John Hanson. Workshop 18A,

“The Actuary as a Professional,” was moderated by Mr. Richard S. Robertson, assisted by Mr. Jeffrey S. Skinner. Workshop 18B, “The Actuary as a Professional,” was moderated by Mr. Robert D. Shapiro, assisted by Mr. David W. Pray. Workshop 18C, “The Actuary as a Professional,” was moderated by Mr. Bruce E. Nickerson, assisted by Mr. Harold G. Ingraham, Jr. These sessions adjourned at approximately 4:30 P.M.