

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

of the

SOCIETY OF ACTUARIES

**HELD AT THE BELLEVUE-STRATFORD HOTEL
PHILADELPHIA, PENNSYLVANIA
APRIL 2-3, 1973**

The meeting was called to order by the President, Mr. T. P. Bowles, Jr., on Monday, April 2, 1973, at 9:00 A.M. The following is a summary of the attendance at the meeting:

SUMMARY

Fellows.....	385
Associates.....	100
Guests.....	69
Total.....	<u>554</u>

The President announced that fourteen guests from the field of marketing would be participating in the program and would be introduced at the various program sessions.

The President recognized Mr. James E. Hoskins, a Past President of the Society, who has been a Fellow for more than fifty years.

The President then introduced those who were responsible for the preparation of the program and thanked all of the meeting participants and those who planned the meeting.

The President advised that the Society had received word of the deaths of six members since the annual meeting in Bal Harbour, Florida, in October, 1972: M. Irwin Doxsee, James A. Hamilton, Morton Armstrong Laird, and Edward E. Scribner, Fellows; and David P. Eakins and S. Robert Hellig, Associates. The members observed a moment of silence in respect for the memory of these members. Obituaries are printed in this volume of the *Transactions*.

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

The President then introduced Mr. Walter N. Miller, who described a new procedure for recording and publishing a record of this special-purpose meeting on marketing, with the intent of publishing a separate

report of the meeting to be mailed to Society members within two months after the meeting.

The Secretary presented an oral summary of the major items of business transacted at the Board of Governors meeting held April 1, 1973, as follows:

1. The Board approved the appointment of Touche Ross and Company as auditors for the current fiscal year ending May 31, 1973, and for the two months transitory fiscal year starting June 1, 1973.
2. The Board approved a report prepared by John Woody on behalf of the Joint Committee on Theory of Risk, recommending that a study note be prepared which would serve as a guide for actuaries in determining the margin for adverse fluctuations in the calculation of adjusted earnings. This project was started at the request of the American Academy of Actuaries' Committee on Financial Reporting and must be completed by the fall of 1973 so that it will be available for the preparation of the 1973 annual reports on the GAAP basis. Toward this end, the Board authorized the expenditure of up to \$50,000 for the anticipated total cost of the project. It is intended that funds be obtained by requesting contributions from insurance companies and consulting firms in a manner similar to the funding of the Society's mortality studies.

The President then introduced Mr. Ian M. Rolland as moderator of the panel session on "Life Insurance Marketing of the Future." Panel members were Mr. R. Morton Darrow, Vice-President, Planning and Analysis, Prudential Insurance Company of America; Mr. William B. Lusk, National Director of Marketing and Agencies, Aetna Life & Casualty; and Mr. Robert C. Dowsett. Following the panel presentation, the President thanked the panelists.

After a brief recess, the meeting reconvened at 11:00 A.M. in two concurrent sessions. Concurrent Session A, "Marketing Problems as Viewed by Professional Agency Men," was moderated by Mr. Herbert L. DePrenger; panel members were Messrs. Darrell D. Eichhoff, Executive Vice-President, Metropolitan Life Insurance Company; Max Rosenbach, General Agent, New England Mutual Life Insurance Company; and Jack Peckinpugh, General Agent, Indianapolis Life Insurance Company. Concurrent Session B, "Organization of Marketing Operation," was moderated by Mr. John T. Birkenshaw; panel members were Messrs. Clement B. Penrose, Carey H. Hanlin, Jr., and J. Barrett Walker. 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 C, "The Life Insurance Marketing Environment and a Comparison between the Marketing of Life Insurance and Other Consumer Products," was moderated by Mrs. Anna M. Rappaport; panel members were Mr. Abram T. Collier, President, New England Mutual Life Insurance Company; Dr. Harold Edrich, Institute of Life Insurance; and Mr. William A. White. Concurrent Session D, "Distribution Systems for Both Group and Individual Products," was moderated by Mr. James A. Attwood; panel members were Messrs. James B. Ross, Phillip A. Turberg, and Michael B. Hutchison. Workshop 1A, "Persistency and Conservation of Business," was moderated by Mr. Charles W. Kraushaar, assisted by Mr. James P. Addiego. Workshop 1B, "Persistency and Conservation of Business," was moderated by Mr. Donald F. Clement, assisted by Mr. Harold G. Wiebke. Workshop 1C, "Persistency and Conservation of Business," was moderated by Mr. Ralph H. Goebel, assisted by Mr. John E. Oxley. Workshop 2A, "Special Problems of Marketing Tax Qualified Products except TSA," was moderated by Mr. Harold G. Ingraham, assisted by Mr. Robert D. Shapiro. Workshop 2B, "Special Problems of Marketing Tax Qualified Products except TSA," was moderated by Mr. Charles E. Probst, assisted by Mr. Harold D. Singh. These sessions adjourned at approximately 4:30 P.M.

The meeting reconvened at 4:30 P.M. in a special session, "Career Consultation for Actuaries," moderated by Mr. Walter W. Steffen. This session adjourned at 5:45 P.M.

On Tuesday, April 3, the meeting convened at 9:00 A.M. in two concurrent sessions and five workshops. Concurrent Session E, "The Use of Price Comparisons and Cost Illustrations in the Sale of Life Insurance," was moderated by Mr. Robert C. Winters; panel members were Messrs. Ardian C. Gill, Paul J. Overberg, and Norman Levine, General Agent, Aetna Life & Casualty. Concurrent Session F, "Agent Recruiting and Retention," was moderated by Mr. Howard D. Allen; panel members were Dr. Paul Thayer, Senior Vice-President, Life Insurance Agency Management Association; Mr. Randall Proctor, Vice-President, Equitable Life Assurance Society; and Mr. Ralph Simmons, Regional Manager, London Life Insurance Company. Workshop 3A, "Sponsored Markets—TSA, Salary Savings," was moderated by Mr. George R. Chadwick, assisted by Mr. Martin S. Huey. Workshop 3B, "Sponsored Markets—TSA, Salary Savings," was moderated by Mr. Lynd T. Blatchford, assisted by Mr. William E. Easterly. Workshop 4A, "The Effective Use of Ordinary Products," was moderated by Mr. Leonard R. Cargill, assisted by Mr. Paul W. Moore. Workshop 4B, "The Effective

Use of Ordinary Products," was moderated by Mr. Arthur C. Cragoe, assisted by Mr. John A. Stedman. Workshop 4C, "The Effective Use of Ordinary Products," was moderated by Mr. Christopher H. Wain, assisted by Mr. Robert H. Dreyer. These sessions adjourned at approximately 10:45 A.M.

The meeting reconvened at 11:00 A.M. in a lecture, one concurrent session, and eight workshops. The lecture, "Implications of Demographic, Social, and Other Changes on Marketing," was presented by Mr. Lionel S. Wishneff, Assistant Vice-President and Director of Market Research, Metropolitan Life Insurance Company. Concurrent Session G, "Trends in Agents' Compensation," was moderated by Mr. David G. Hurlbut; panel members were Messrs. Paul A. Campbell and Burton D. Jay and Mrs. Elizabeth Tovia, Director of Financial Research, Life Insurance Agency Management Association. Workshop 5A, "Planning and Developing the Product," was moderated by Mr. Rodney R. Rohda, assisted by Mr. Gerald M. Brown. Workshop 5B, "Planning and Developing the Product," was moderated by Mr. Robert P. Ryan, assisted by Mr. William F. Sutton. Workshop 5C, "Planning and Developing the Product," was moderated by Mr. Bennie W. Baucom, assisted by Mr. William J. Bryan. Workshop 5D, "Planning and Developing the Product," was moderated by Mr. Wilfred A. Kraegel, assisted by Mr. Robert K. Dickson. Workshop 5E, "Planning and Developing the Product," was moderated by Mr. John E. Elken, assisted by Mr. Howard J. Bolnick. Workshop 5F, "Planning and Developing the Product," was moderated by Mr. Jay M. Jaffe, assisted by Mr. Daniel J. Gross. Workshop 5G, "Planning and Developing the Product," was moderated by Mr. Jack R. Dykhouse, assisted by Mr. Robert D. Shapiro. Workshop 6, "Agents' Recruiting and Retention," was moderated by Mr. Charles F. Pestal, assisted by Mr. Fredrick E. Raach. These sessions adjourned at approximately 12:30 P.M.

The meeting reconvened at 2:00 P.M. in two concurrent sessions, a teaching session, and four workshops. Concurrent Session H, "Combined Sales," was moderated by Mr. James W. Kemble; panel members were Mr. James B. Ross; Mr. Gordon Olinger, Agency Vice-President, Eastern Connecticut General; and Mr. Roy R. Anderson. Concurrent Session I, "The Marketing Implications Involved in Section 213 of the New York Insurance Law," was moderated by Mr. Daton Gilbert; panel members were Messrs. Richard H. Fitzpatrick, James H. Sartain, and C. David Silletto. The Teaching Session, "Agency Profitability," was conducted by Mr. William J. Taylor and Mr. Frank Zaret. Workshop 7A, "Marketing of Minimum Deposit Business," was moderated by Mr. C. Norman

Peacor, assisted by Mr. Arthur E. Erickson. Workshop 7B, "Marketing of Minimum Deposit Business," was moderated by Mr. Thomas J. Leary, assisted by Mr. W. Duane Kidwell. Workshop 7C, "Marketing of Minimum Deposit Business," was moderated by Mr. Jerome M. Stein, assisted by Mr. John E. Hearst. Workshop 7D, "Marketing of Minimum Deposit Business," was moderated by Mr. Walter N. Miller, assisted by Mr. Edward A. Higgins. These sessions adjourned at approximately 4:30 P.M.

