

RECORD

**REORGANIZATION OF THE ACTUARIAL PROFESSION
IN NORTH AMERICA**

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HAROLD G. INGRAHAM**

A discussion of the organizational problems facing the actuarial profession and the way the ARC proposal has been designed to respond to these problems.

MR. GEOFFREY CROFTS: The purpose of this session is to explain the nature of the reorganization proposal of the Actuarial Restructuring Committee (ARC) or, as it is sometimes known, the Wooddy Committee. This session is designed to be expository rather than critical.

You have all received a copy of the proposal in the booklet entitled "1976 Annual Meeting Report" beginning on page 33. In its deliberations, ARC developed basic considerations affecting the design of a new structure for the actuarial profession in North America:

- A. Maintenance of high standards of competence and conduct in the actuarial profession.
- B. Preservation of internationalism, especially with regard to education and examinations, research, and communication of ideas.
- C. Preservation of Canadian autonomy.
- D. Preservation of credentials based on examinations of the Society of Actuaries and of the Casualty Actuarial Society.
- E. Provision for a satisfactory membership status with proper representation for all those recognized by the outside public as being actuaries for some bona fide purpose.
- F. Enhancement of the visibility of the profession and provision of a structure which will facilitate action on problems arising with outside publics, i.e., a structure which will enable actuaries to speak with a single voice within each nation.
 - 1. For relations with many outside publics, it is desirable for each national membership organization to be controlled by nationals and be predominantly national in membership.
 - 2. The structure must permit response to outside publics on a timely basis.
- G. Provision for different levels of professional qualification.
- H. Provision for each national body to set its own membership standards independently of the standards of the other national bodies.
- I. Provision of proper priority for the research function.
- J. Elimination of or reduction in overlapping membership organizations:

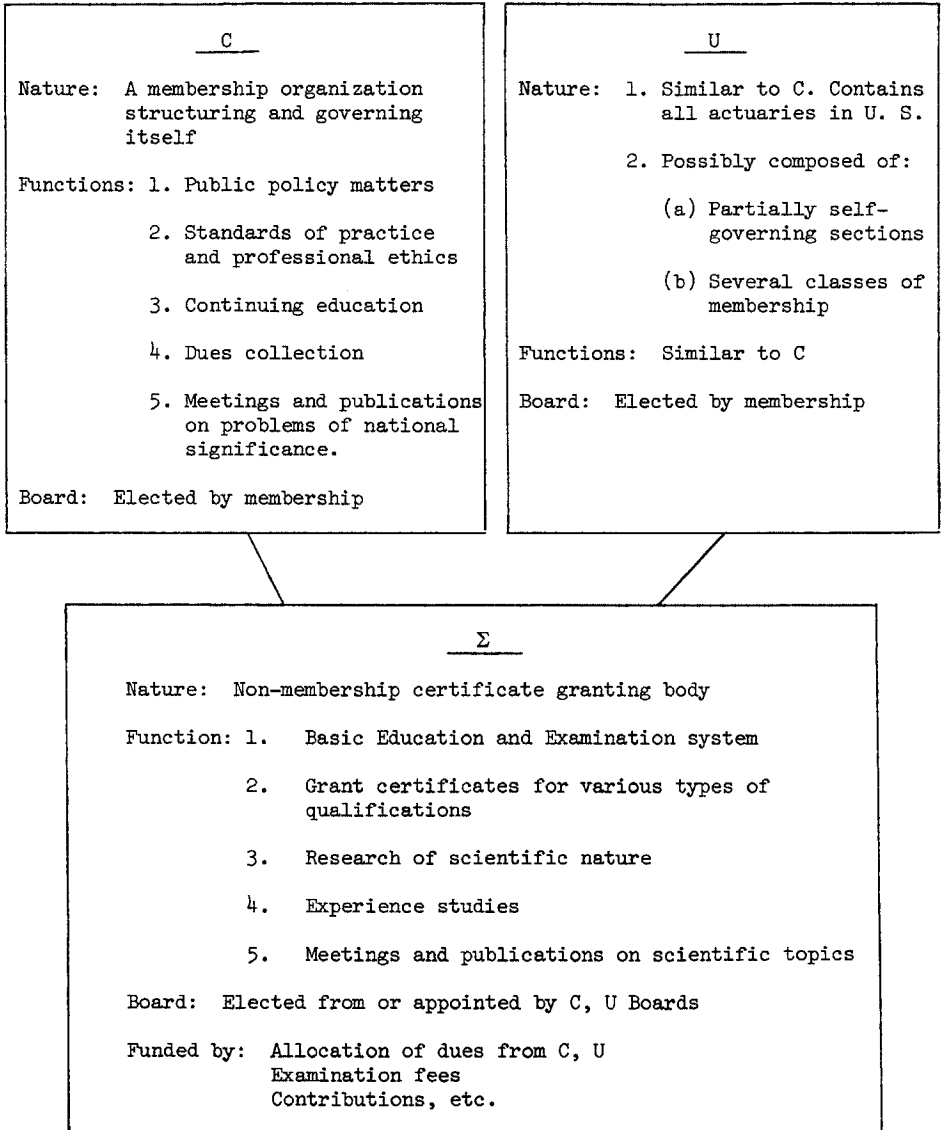
1. To minimize management conflicts.
 2. To minimize conflicts in responsibilities.
 3. To eliminate competition for dues dollars.
 4. To minimize disciplinary conflicts.
- K. Elimination of duplicate meetings and publications on same subject matter.
- L. Provision for flexibility by specialty (e.g., life and health, pension, casualty) for forums of discussion and for management structure, to assure the identity and the fulfillment of the needs of actuaries working in various specialities.
- M. Achievement of tax benefits for U. S. organizations.
- N. Provisions of an education-and-certification facility for non-North Americans.
- O. Selection of name of U. S. national body to facilitate retention of current state accreditation conferred by regulations and laws.
- P. Avoidance of unnecessarily large boards and officer structures.
- Q. Efficient transition from current structure to new structure.
- R. Establishment of enforceable actuarial principles and standards.

As a prelude to the topic, I will briefly run over the current structure of the profession. There are the six organizations whose names appear on the actuarial examination pass lists: American Academy of Actuaries (AAA), Casualty Actuarial Society (CAS), Fraternal Actuarial Association (FAA), Canadian Institute of Actuaries (CIA), Conference of Actuaries in Public Practice (CAPP), and Society of Actuaries (SA). The present structure failed to meet many of the criteria listed above.

A substantial number of you are members of at least two of these organizations. Each body has its own distinctive purposes, but even so, there are many overlapping functions and responsibilities. Have you ever struggled with the problem of explaining the functions of the various organizations to interested listeners?

There are two other groups who have some recognition as actuaries: members of the American Society of Pension Actuaries (ASPA), and those Enrolled Actuaries who belong to no other actuarial organization.

Against this complex organizational background we place the ARC proposal which appears in rough outline as follows:

General Structure

There are many implications and complexities of the proposal. In order to clarify it further, I will pose a few questions to the members of the panel.

First, do we need reorganization? What is wrong with the status quo?

MR. HAROLD G. INGRAHAM: Restructuring is an urgent necessity based on at least three primary considerations. First, in the United States, qualified actuaries are not able to speak with one voice. Second, a major purpose of reorganization must be a refocusing which will bring about improved perceptions of actuaries on the part of U. S. Federal Government officials and other outside publics. Third, a sizeable number of persons not fully qualified, at least by Society of Actuary standards, are now using the title of actuary and are regarded as actuaries in certain official quarters.

As secondary considerations, the present structure leads to management conflicts and duplication of meetings, dues and administration.

Dealing with these problems requires answers to many highly interrelated questions: Who is an actuary? What kind of an actuary is he? How well qualified is she? How do we convey our perception of the facts to outside publics, including governmental authorities?

Another reason was clearly expressed by Anna Rappaport writing in May 1976 to the chairman of ARC: "I feel that it is most important that the problem be viewed in terms of the needs of the profession in the future. The needs must be defined first and the organizational structure recommended should be such as to provide a means for meeting these needs... (The final structure) should be checked out against the needs of actuaries who are working in different product line areas; it should also be checked out against the needs of actuaries who have different types of employers, etc.... I believe that the needs of some of these groups may have been overlooked in the past, and point out three for particular consideration: consultants working with non-insured pension plans, government actuaries and university actuaries."

MR. M. DAVID R. BROWN: Canadians generally are fairly happy with the status quo. We have not been pushing very hard for reorganization. However, those of us who have had exposure to the problems that Harold has described believe that it is both necessary, and probably inevitable, that some restructuring of the present organization will be required. Thus, we have been participating in these discussions and are prepared to cooperate in any way we can.

MR. CROFTS: Let me ask the panel why we find that the Society of Actuaries (of all North American organizations) is taking the initiative?

MR. BROWN: Some history of the other proposals which received publicity in the past two or three years might be constructive. The Murrin Joint Committee, of which I was a member, had the title originally of Joint Committee on Organizational Coordination. It didn't deal with organizational coordination for very long. It soon found itself wrestling with the questions of structure. Two proposals were sent by that committee to the Council of Presidents, a body on which each of the six organizations is represented by its president and president-elect. It was apparent that there was so much detail and so much rigidity that the

Society, in particular, found the proposals difficult to accept. After that beginning, Jack Bragg, president of the Society, appointed the Actuarial Restructuring Committee charged with finding a proposal that would be acceptable, not only to the Society, but to the other organizations as well. Of course, since the Society has the largest membership and has overlapping members in practically all of the other organizations, it seemed like the logical organization to take the initiative.

MR. INGRAHAM: I want to underscore that. In terms of numbers, 75% of all the actuaries in North America belong to the Society. The Society has played a large role in discharging the various important professional responsibilities, such as education and examination, discipline and research. There are two reasons why the Society has taken the initiative. First, it has a concern for conserving its present strengths. These strengths are manifested by its committee structure, an important element of which is the Education and Examination Committee, and by its expertise in such areas as mortality and morbidity studies. The second concern is that of increasing and refocusing these strengths so that they would not become diffused, but rather would be retained so that they may directly serve all North American actuaries.

MR. CROFTS: The next question is, what are some of the considerations affecting the design of a new structure which are contained in the body of the ARC proposal?

MR. INGRAHAM: The first point which the report stressed heavily was the utmost importance of preserving during the transition to a new organization, the education and examination structures built by the Society and the CAS. This presumed that the examination route would be the only path to certification. The ARC report stated that any successful restructuring would come about only if it is approved by an overwhelming majority of the present members of each body affected thereby. Insofar as the present membership of the Society and the CAS are concerned, any new structure must provide for designations which will indicate that the holders have been rigorously tested by examinations in actuarial subjects. Designations not conferred by the Society or the CAS also must be taken into account. Furthermore, the designation "Enrolled Actuary", conferred by the U. S. Government, cannot be ignored. In this regard, and this is probably one of the key points of the report, the ARC proposal permits the U body to contain any number of classes. It makes provision for a satisfactory membership status with proper representation for all those recognized by the outside public as being actuaries for some bona fide purpose. The report also notes that the restructured profession must be able, not only to continue, but also to enlarge research into those subjects that are within the proper purview of actuarial activity. It states that there must be a mechanism to establish enforceable principles and standards which will provide technical guidance and also serve as measures of performance. And finally, it noted that the actuarial profession must, in the public interest, be able to enforce discipline on its members.

MR. CROFTS: You are probably aware that considerable publicity was given to other proposals: the Three Body Proposal, the Two Body Proposal, the Bragg Proposal, and the Trowbridge Proposal. Why are those proposals pushed in the background while the ARC proposal is brought forward?

MR. BROWN: Planning for organizations to go out of existence is an extremely sensitive matter. What exactly is going to replace them and how the interests of the various parts of the profession will be served and represented are questions on which it is difficult to achieve broad agreement as to the answers. The authors of the earlier proposals were well-intentioned, but it became apparent that they assumed more consensus than there really was. They ran into some very strong opposition in a number of areas such as membership status, how the governing structures would be formed, elected or appointed, and even the names of the organizations. It is interesting to see how ARC has either dealt with, or not dealt with, some of these very difficult questions. In the report itself, there is great emphasis on flexibility and generality. But it is important to note that what that means, in part, is that many of these very difficult questions have not really been answered. The implementation of the proposal is going to require extensive negotiation and serious compromise.

MR. CROFTS: We will discuss several specific ARC-developed basic considerations affecting the organization structure listed earlier. Two of them are important and are related to each other. They are E (the provision for a satisfactory membership status with proper representation for all those recognized by the outside public as being actuaries for some bona fide purpose) and G (the provision for different levels of professional qualification). How does the ARC proposal provide for these two things?

MR. BROWN: This is one of the areas that I had in mind when I was speaking a moment ago about the greater amount of flexibility that is in the proposal. The Σ organization is non-membership, so the question of membership status in Σ does not arise. The question of membership status then is strictly a matter for concern in each of the two national bodies.

The specifics of the proposal are not detailed. If one has membership status in any of the present organizations, he will have a place in the national organizations. There will be some who will have a place in both.

MR. INGRAHAM: Each national body, C and U, would use certificate designations of Σ to set several levels of membership qualifications which then could be used by regulatory bodies for purposes of accreditation at various levels of responsibility.

Let me illustrate a specific case to demonstrate what this means. Let us consider ASPA. If at some future date, it might be deemed appropriate to embrace ASPA within the proposed structure contemplated by ARC, then its members could enter as another specific membership category bringing with them whatever credentials they already have. The educational body would then begin rigorously administering the ASPA examinations for the ASPA designation. Similarly, groups that we have not even contemplated could be embraced, if appropriate, under this flexible structure in the future.

MR. CROFTS: Now let us consider basic consideration L (provision for flexibility by specialty). How does the ARC proposal meet this provision? During the ARC deliberations, a reorganization proposal was prepared by Peter Plumley and Anna Rappaport which, because of its timing, did not

receive wide distribution. I believe that ARC received inspiration on this point from the Plumley-Rappaport proposal. I quote the following from that proposal.

"The problem as we see it is that the interest of members varies in different ways according to the function or type of service being performed by the Society. For example, in the area of professional ethics, consulting actuaries have one type of problem, while insurance company actuaries have another. In regard to governmental relations, pension actuaries work primarily with federal agencies, while insurance actuaries work more with state insurance departments.

"Similarly, with regard to experience studies, those involved with life and health insurance are concerned with mortality and morbidity of insured lives, while those concerned with pensions need other information such as studies of mortality before and after retirement, termination rates, salary scales and disability rates....

"It is the contention of the authors that private pension practice is substantially different from life insurance company employment, both with regard to scientific and technical matters, and with regard to differences arising from management of a private practice, as compared with working for an insurance company.

"We believe that the needs of the profession can best be met if certain of the Society's committees, ... are subdivided according to differing needs with respect to the particular function involved. Thus, the Committee on Professional Conduct should be subdivided primarily to recognize the type of public being served. It should focus on the consulting actuary serving many clients and insurance company actuaries who work for one client. The Mortality and Morbidity Committee should be subdivided to recognize forms of coverage, and to recognize the differing needs of insured and uninsured plans.

"At the same time, we believe that it is in the long-range interests of the membership to have specialty conferences, and for these conferences to sponsor specialized meetings and literature, with members being permitted to request the literature of more than one speciality and to attend the meetings of more than one specialty, if they so desire. Only by doing this, will it be possible for the profession to fully meet the continuing education needs of each segment of its membership....

"We believe that the general recommendations contained herein with respect to the handling of specialty interests can be developed in a manner sufficient to protect the CAS, or any other specialty group, from losing its identity in a unified actuarial organization. While we are strongly opposed to specialty designations for FSA's (which might restrict career opportunities), we strongly support mechanisms, such as specialty conferences, senatorial-type elections, specialty meetings, subcommittees for specific specialty groups, etc., which preserve the identity of the several specialties and make it unnecessary for them to form or continue their own separate organizations."

MR. INGRAHAM: An analogy that comes to mind on this and related subjects is the way the U. S. itself emerged in the late 18th century and the early part of the 19th century as a government of states -- states which jealously guarded their own prerogatives. If you look at the history of the U. S. in the first 100 years, you find it replete with all kinds of representations which stress the fact that the states jealously guarded their own rights. But as time passed, the states became more comfortable under the umbrella of a central, national organization. This is what was being alluded to in the following sentence from the Plumley-Rappaport report: "We believe that the general recommendations contained herein with respect to the handling of specialty interests can be developed in a manner sufficient to protect the CAS or any other specialty group from losing its identity in a unified actuarial organization."

You can make distinctions here. For example, you can establish committees on a functional basis and also on a basis which would meet the needs of the different sections. An example would be a professional conduct committee divided by type of practice, company versus public. On the other hand, you could have a government relations committee divided by specialty. A consulting actuary, in writing his comments about the restructuring matter, very cogently hit on this particular need for flexibility when he drew attention to the fact the responsibilities and potential liabilities of an Enrolled Actuary differ significantly from those of an insurance company actuary. Also, the mental set, views, and sincerely held convictions of consulting actuaries working for fees typically differ fundamentally from those of insurance company actuaries. But that does not mean that we can not be comfortable within this whole universe of actuaries as we are contemplating it.

MR. BROWN: In the past, specialized needs not being met by existing institutions led to the creation of separate organizations such as the Conference and the Fraternal Actuarial Association. The question of satisfactorily meeting the specialty needs is the key to making the restructuring work.

An example of the flexibility in the ARC proposal is that specialization does not have to be dealt with in the same way in the United States as it is in Canada. One of the things that has always troubled me about the earlier reports was the enforced symmetry that seemed to be there. For example, we would have, whether we liked it or not, a specialization in Canada for the handful of casualty actuaries. It just did not make sense. It has been a struggle at times, but we have managed in the Canadian Institute of Actuaries to embrace specialty interests. It is gratifying to see that ARC felt that this could be done.

MR. CROFTS: Another basic consideration on which I would like to obtain the panel's views is item F (enhancement of the visibility of the profession and provision of a structure which will facilitate action on problems arising with outside publics, i.e., a structure which will enable actuaries to speak with a single voice within each nation.) What does "speaking with a single voice" mean with regard to organization structure?

MR. BROWN: It has been suggested that there is a possible problem in having actuaries speak with one voice. It is obvious that actuaries do not agree about everything, and that there will always be differences of opinion. Surely that is healthy. You will never force everyone to have the same opinion. There are occasions when it is very important that there be unity and that there be only a single expression. You may have to water that expression down to get a lowest common denominator to which everyone can agree. It is this kind of unity of voice that ARC has in mind.

MR. INGRAHAM: Last summer one of the best letters that was received from the actuaries commenting on the restructuring, was from Rowland Cross. Rowland wrote that at a recent hearing on some proposed revisions in the bar associations standards regarding the unauthorized practice of law, ASPA testified on invitation, independent of the Academy. Afterwards he was asked by a member of the panel, which organization, ASPA or the Academy, really represented the actuarial profession. This type of confusion in the minds of the outside public will hopefully be eliminated if we have one voice on matters of critical importance to the profession, whether it be accreditation, or a posture which represents the profession's point of view on matters such as enrollment or pension regulations.

ERISA is not the only area of concern. Dealings with the American Institute of Certified Public Accountants have certainly underscored the need for actuaries speaking with one voice representing the profession. Also, there is an emerging need for qualified health actuaries at the federal level since various national health insurance bills provide for determining actuarial equivalence.

When we are dealing with these portions of the outside publics, we clearly have to speak with one voice. But this does not mean that within our own ranks we have to speak with one voice. There is always room for informed dissent. However, on matters of particular concern to our profession involving outside publics, we should be able to speak as a unified group rather than creating the confusion that we have in the past.

MR. CROFTS: The question of speaking with one voice is one that we argued about among ourselves. Suppose, for instance, that a legislator, or regulator wanted to speak to actuaries about some actuarial aspects of National Health Insurance. To whom should he go at the present time? Should he go to the Society, the Academy, or the CAS? Having one source to approach does not necessarily mean that we must have unanimity. The representatives of the profession being approached can point out various points of view and give names of members best able to present them. Mechanisms for presenting minority views will be necessary just as they are at the present time. But at least, the actuarial profession has a single body where one can go for the views of the profession.

Having examined the ARC proposal, let us see exactly what it was that the Board of Governors approved. On page 40 of the previously mentioned book-let you will find:

"Recommendations

1. That the Board of Governors go on record in favor of communication, discussion, and negotiation with the other actuarial bodies for the purpose of restructuring the actuarial profession in North America in accordance with the principles of the ARC proposal.
2. That the Board of Governors establish a steering committee, members to be appointed by the president, to oversee communications discussions, negotiations, and the preparations therefor. That the steering committee would direct an array of task forces, which, among other things, would undertake the following:
 - (a) Research into the necessary constitutional and by-law changes and the legal steps that would be required to effect the proposed restructuring. (It is envisioned that something similar to the present Society of Actuaries' election process would be incorporated into the Constitution and by-laws of U.)
 - (b) Publicizing the project to members.
 - (c) Developing communications with other actuarial bodies.
 - (d) Analysis of the committee structures of existing actuarial organizations and development of a table of committees called for by the new structure, with particular emphasis on Education and Examinations;
 - (e) Development of background material for bilateral discussions.
 - (f) Detecting and filling gaps in the ARC proposal.
3. That the steering committee be charged to carry out the development and negotiation of detailed and specific proposals."

My final question to the panel is, what is happening currently?

Following the recommendations approved by the Board of Governors at the Toronto meeting, the president has appointed a steering committee headed by Julius Vogel. The Vogel committee has met and has assigned tasks to the various members. In addition, the Casualty Actuarial Society has formed a counterpart to ARC which is to make recommendations to its board in November.

Perhaps, Dave, you could tell us what is happening with the CIA.

MR. BROWN: When the president of the Society informed me about the appointment of the Vogel Committee, the CIA appointed a counterpart committee to discuss implementation when all the other bodies are ready. We are ready and willing to participate in negotiations and discussions regarding the implementation of the proposals.

MR. DWIGHT K. BARTLETT: Would it not be awkward to have one organization

which deals primarily with education, examination, and certification, and another organization primarily concerned with accreditation. It seems to me that theoretically it would be possible for somebody to get the certification from one body and to find out he had not met the standards for accreditation by the other body. How does the proposed structure intend to deal with that?

MR. INGRAHAM: One way to analogize this is to consider Σ as a college of actuaries. The CLU's have successfully separated the education and examination function from the accreditation function. In the actuarial profession there will be various levels of examinations administered by Σ - those comparable to the present Society and the CAS examinations, perhaps those of the Joint Board, and possibly in the future, those of ASPA. In any event, the passing of examinations would be a necessary but not necessarily sufficient condition for accreditation in that there may also be experience requirements or other conditions to fulfill. All this is compatible within the scope of the ARC proposal. The education and examination function would be clearly the responsibility of Σ .

MR. CROFTS: I want to underscore the concept of considering Σ as a college. It will give degrees. It will have alumni. There may be appropriate circumstances, where one would receive the certificate from Σ , but would not become a member of U or C.

MR. PETER F. CHAPMAN: The idea of speaking with one voice that both Dave and Harold have referred, concerns me to some degree. What mechanism is there for dissent? Suppose that a point of view has to be diluted to the point that it requires supplementation or suppose there are differences, either individual or corporate within a sub-group. In speaking with one voice, what provision would be made for emphasizing certain points or for individuals who did not feel that their views were adequately represented?

MR. INGRAHAM: Let me give you an example. The Department of Labor and the IRS recently held a hearing concerning the administrative class exemption which, among other things, would set forth some of the ground rules under which agents and multiple service providers could be compensated for selling and servicing pension plans. At the hearing, testimony was given by certain actuaries - some in the insurance industry, some representing consulting firms - which was 180 degrees apart. The regulatory people will make a decision favoring one point of view or the other or possibly embracing a compromise position. I see nothing incompatible, in this instance, with the one voice concept as we are enunciating it. There are areas where there can exist conflicting points of view among actuaries who have different perspectives - insurance company versus consulting, for example. On the other hand, when the matter of accreditation for ERISA has been considered, there has been confusion in the minds of the public because both ASPA and the Academy have attempted to speak on behalf of the actuarial profession and have espoused different points of view.

This is not to say that in many other instances actuaries could not properly disagree. In fact, as an example, we have different points of view on what would be a proper scope of U. S. National Health Care or Social Insurance. I hope we are never precluded from having different points of view.

As issues come up, if we have the ARC proposal implemented, it will become clearer that we will indeed be able to eliminate much confusion in dealing with regulatory bodies. Dealing with the NAIC is another area where having a more unified structure would be very helpful.

MR. BROWN: The by-laws of the Society have provisions dealing with public pronouncements and there are safeguards there for expressions of dissent. These safeguards are not dealt with in any detail by the ARC Committee, but they will have to be there.

MR. CROFTS: The issue of public expressions of opinion is one we are confusing with the issue of organizational structure. I am sure that there is probably as much difference of opinion among members of the Society of Actuaries on some matters as there might be between members of the Conference of Actuaries in Public Practice on the one hand and members of the Society on the other hand. Is it an advantage to have both a CAPP and a SA in order to obtain diverse expressions of opinion? I do not think it necessarily is.

MR. ARTHUR E. TEILER: I am concerned that, by inviting other groups to join with us, the unified profession will lose some of its stature, and the Society members will lose control through a numbers game.

Persons working in fields related to pensions such as programming, law, accounting, sales and administration could not both practice in their primary field and become Society actuaries by serious study. Many can, however, cram for and pass the one Enrolled Actuary exam in order to enhance themselves with an actuarial title and practice in that area. The panel anticipates similar situations will arise, creating other new special categories of actuaries. Thus, persons working in related fields can almost casually obtain a designation of actuary. With a larger number of persons qualifying more easily and quickly these casual actuaries would gain the majority. What will happen when those "one exam actuaries" become more numerous than the serious Society actuaries who have met stiffer qualifications and for whom being an actuary is the primary occupational concern? As in any democratic organization, we will be under the rule of the majority. It would elect its popular members to run the profession, be its president and hold other board positions. Under the ARC proposal, I do not see how we can give the casual actuary the degree of recognition he deserves without also diluting the U body.

MR. INGRAHAM: There will be different layers of examination that will be administered by Σ . The Joint Board exams, which we presume are going to be administered by Σ , would be just one kind of a layer. The Enrolled Actuaries will be specifically identified as possessing certain competence measured by examination and gained by experience and study. That will certainly never be confused with the vast scope of knowledge that is imputed to an FSA. In other words, the designation will be specifically descriptive of the individual's credentials and level of competence in the area of specialty.

With respect to the ruling hierarchy of the U body, and this is something to be ironed out in the implementation procedures, I am sure there will be a

way of obtaining representation on the Board of U which will not be seriously distorted because there is a top heavy body of people in one specialty.

MR. CROFTS: The present structure provides for different certificate levels. One can become an ASA much more easily than an FSA. There could be a great many ASA's. In the present structure they do not have a vote. It is possible that the new structure will be designed in such a way that the serious actuaries would be the ones that have the vote. If we see fit to do it in this particular fashion, it can be done within the framework of the ARC proposal. At the moment, we find that most actuaries still try to achieve the higher qualification. I hope that that would still continue.

MR. TEILER: While I do not agree that excluding the associate vote is proper, I am not here to attack the status quo. From an associate's point of view, his not having the vote is an old tradition established in less militant times. He is too busy studying and is not very interested in fighting for such a secondary goal that he can do without. He probably works for an FSA and knows that the FSA went through that no-vote period. He wants to become an FSA and he generally has the same goals for the Society as the FSA's. None of that is likely to be true for new categories of actuaries.

MR. ARDIAN C. GILL: What is to prevent a new ASPA from springing up after the reorganization?

MR. CROFTS: The ARC proposal addresses that problem by saying that we should have enough flexibility to recognize needs and respond to them. In the past there seems to have been needs that were not met by the existing organizations, so new ones were formed. The ARC proposal anticipates different categories of membership and the possibility of different sectioning within each national body. While the ARC proposal does not directly address this question, it does not ignore the issue completely.

MR. BROWN: You may be familiar with our experience in Canada. We have, in effect, a single organization and we have recognition under statute. It seems to me that one of the major purposes of the restructuring is to provide something similar in the United States. Unless this is accomplished, the ASPA experience will be repeated over and over again.

MR. RICHARD V. MINCK: I have been listening to the presentation on the assumption that I am a member of the American Society of Pension Actuaries. What I have heard so far is that there will be several classes in the proposed new organization, some of which may have votes. Also the proposed organization will ensure that no one will be confused as to who are the good actuaries, FSA's, and who are the casual actuaries. Thus, if I were a member of ASPA and this new organization were to speak on my behalf, in one voice, on matters of accreditation, why would I want to join it?

MR. INGRAHAM: If we can presume that there will come a day when ASPA will be under this roof, then it becomes a nonquestion. So the key is how will it come under our roof? It comes under our roof by being willing to accept the conditions of Σ . This is the critical control factor in the whole arrangement. What Σ is controlling is the level of education

required, the level of examinations, and the testing under comparable standards. I do think that there will be successive integration and splintering on and on in the future. New groups can come into the fold if they accept the conditions of control through Σ . Then, we can all feel reasonably comfortable with bringing them in as identified specialties within the U body. There will not be "good" actuary, "bad" actuary designations if they are willing to accept comparable standards.

MR. WILLIAM A. DREHER: I would like to comment on what seems to be a fear of contamination of the standards which are dear to us all and which are honored by the Society and the Casualty Actuarial Society. It is important to take some comfort from history. If we look at the history of the Conference, we see that today, and for some considerable time past, its policies and its power have been exercised by men who sprang from the Society. If we look at the Academy, we see that the leaders of the Society and the CAS are the dominant voices in that group. Our profession does not have to be insecure in its outlook toward the future. The qualities which the Society has honored and will honor are going to be fully effective in the power structure which emerges from ARC.

I might also suggest that "grandfathering" which was part of the basis upon which the Academy was created, has in no way diminished the aggregate of efforts to serve the public interest. Those persons who might not have had a full credential and became members of the Academy, have been inspired to honor the higher standard, a standard which as we know has been rising.

MR. CROFTS: This is an inspiring note on which to end the discussion.