

TRANSACTIONS

OCTOBER, 1972

REPORTS ON TOPICS OF CURRENT INTEREST

NINETEENTH INTERNATIONAL CONGRESS OF ACTUARIES

The Nineteenth International Congress of Actuaries was organized by the Norwegian Society of Actuaries and was held in Oslo from June 19 to June 24, 1972. The Congress was under the patronage of His Majesty Olav V, and the participants were tendered an official welcome by three representatives of the Norwegian government: Odd Højdal, Minister of Social Affairs; Ragnar Christiansen, Minister of Finance; and Brynjulf Bull, the Mayor of Oslo.

The opening ceremony took place on June 19 in an impressive modern auditorium known as the Colosseum. Brief addresses were delivered by Professor Édouard Franckx, president of the International Actuarial Association, and by Paul Qvale, one of the deans of the Norwegian actuarial profession, who was elected president of the Congress.

Over 900 actuaries from forty-one countries attended the Congress, including 109 from the United States and 60 from Canada. The limited hotel and other facilities in Oslo made it necessary to restrict the number of full participants to some 800, and this required the setting of national quotas; only Norwegian actuaries were admitted as "business members" with circumscribed privileges.

The Congress first received a series of reports from twenty-six countries dealing with governmental control and supervision of the private insurance industry. These reports were intended to document the facts and principles relating to governmental control. They convey the impression that the United States ranks about average with respect to the scope of governmental regulation of life insurance and pensions and that the controls in Canada are distinctly less rigid than in many countries.

The Congress then proceeded to discuss the following four subjects on which papers had been submitted by individual members.

1. Life and pension insurance with variable sums insured or variable premiums.
2. Methods of forecasting the development of an insurance company during the next ten years.
3. Private pension schemes and social insurance.
4. Problems connected with the actuarial treatment of the risk process of an insurance company.

Among the ninety-one papers contributed were twenty by actuaries from the United States and Canada, listed below.

SUBJECT 1

JOHN M. BRAGG (U.S.A.)

“Life Insurance with Guarantees against Inflation”

SIDNEY H. COOPER (Canada)

“Equity-linked Life Insurance with Variable Premiums”

CHARLES GREELEY (U.S.A.)

“The Life Insurance Product in an Inflationary Economy”

H. R. LAWSON and CHARLES T. P. GALLOWAY (Canada)

“Variable Annuities Utilizing an Outside Investment Fund”

JACQUES ROY (Canada)

“L'Assurance-vie et l'assurance retraite liées à des investissements—une étude des contrats émis au Canada durant la décennie 1960-1970”

JOSEPH S. SIBIGTROT (U.S.A.)

“The New York Life Approach to Variable Life Insurance”

HARRY WALKER (U.S.A.)

“Some Reflections on the Development of Variable Life Insurance in the United States”

SUBJECT 2

GARNETT E. CANNON and RONALD E. TIMPE (U.S.A.)

“Methods of Forecasting the Development of an Insurance Company during the Next Ten Years”

REUBEN I. JACOBSON (U.S.A.)

“Projection of Life Insurance Business under Various Conditions and with Various Product Strategies”

THOMAS B. MURPHY (U.S.A.)

“Forecasting for the Seventies”

FRANK P. DI PAOLO and GORDON G. MYER (Canada)

“A Method for Forecasting Expense Rates for Corporate Planning Projections”

ALAN E. ROFFEY and ARTHUR G. WEAVER (Canada)

“The Planned Development of an Insurance Company”

SUBJECT 3

J. FREDERICK BITZER (U.S.A.)

“Uniform Company Pension Plan Objectives for International Use; Adaptation Required by Social Insurance”

EDWARD H. FRIEND (U.S.A.)

"The Coordination of Survivor Benefits between Private Pension/Insurance Plans and U.S. Social Security"

BLACKBURN H. HAZLEHURST (U.S.A.)

"Extending the Role of Private Pensions as a Supplement to Social Security in the U.S.A."

ROBERT J. MYERS (U.S.A.)

"The Role of Private Pension Schemes"

B. RUSSELL THOMAS (U.S.A.)

"Correlation of Private Pension Benefits with the United States Social Security"

SUBJECT 4

RUSSELL M. COLLINS, JR., (U.S.A.)

"A Non-proportional (Spread-Loss) Reinsurance Pool"

JOHN H. MILLER (U.S.A.)

"Actuarial Treatment of the Risk Process on Disability Insurance"

CHARLES L. TROWBRIDGE (U.S.A.)

"A Non-proportional (Stop-Loss) Reinsurance Pool"

There was a great deal of spirited discussion of these and other papers, but the points made rarely focused on the same issues.

A separate session was devoted to proposed changes in actuarial notation, designed to make it more adaptable for computer use. A discussion paper setting forth specific proposals for an international publication language was referred to a subcommittee consisting of Professor J. Engelfriet and myself. In addition, four lectures were given on special topics featuring theoretical analyses, as follows:

"The Insurance and the Theory of Finance Markets," by KARL BORCH

"Claims Frequency and Risk Premium Rate as Function of Size," by GUNNAR BENKTANDER

"Multiple and Stepwise Statistical Procedures and Their Applications in Actuarial Science," by ERLING SVERDRUP

"Mathematical Models of Permanent Health Insurance," by OVE LUNDBERG

Among the other innovations featured at the Congress was a series of informal seminars on subjects not covered in the regular program. These ran the gamut from scientific management of an insurance company, dynamics of an insurance portfolio, investment calculus, better actuarial forecasts, and models of the mortality among substandard risks, to discussion of certain technical aspects of risk theory.

A short meeting of ASTIN (Actuarial Studies in Non-life Insurance) was held in the afternoon of June 22, at which it was announced that the next ASTIN colloquium would be held at Essex University in England, September 4-9, 1973.

All the business sessions of the Congress were held in the spacious new buildings of the University of Oslo. Simultaneous translations into English, French, and German were provided. Participants had the opportunity to lunch together each day. Such informal gatherings and the remarkable fluency of Scandinavian actuaries in several languages promoted many valuable exchanges of views outside the formal proceedings of the Congress.

The social functions included a reception by the city of Oslo at the magnificent Town Hall, a symphony concert at the University Aula, folklore performances at the National Theatre, and open-house receptions by several Norwegian companies. Visits for the wives were arranged to the Viking ships, the Kon-Tiki museum, the Fram Polar exploration ship, the Munch museum, the Vigeland park, the Holmenkollen ski jump, and other points of interest in Oslo and the surrounding countryside. The longer bus trips to Norefjell and Tyrifjord, which unfortunately were scheduled for the only rainy day of the week, enabled participants and their wives to savor something of the unspoiled freshness and beauty of the Norwegian landscape—a harmonious blend of gay flowers, gently rolling pasture land, and cool green forests. The social functions were climaxed by a banquet and dance, memorable for their elegance and the absence of after-dinner speeches, held at the Grand and Bristol hotels.

A sparkling performance by the band of the King's Guards provided a felicitous note for the closing ceremonial, which signified that a highly enjoyable and professionally instructive Congress had been crowned with success. Our Norwegian hosts had labored resolutely in the face of many obstacles to reap this triumph. Congratulations on this score are due particularly to the Organizing Committee, which consisted of Paul Qvale (chairman), Finn Alexander, Ragnar Gaarder, Georg Harbitz, Arne Knudsen, Gunnar Trier, Lars Wilhelmsen, and Halvor Løken (secretary), each of whom was personally responsible for some major activity of the Congress.

At the meeting of the Council of the International Actuarial Association, held just before the opening of the Congress, the invitation offered by Japan to hold the next International Congress in that country in 1976 was formally accepted. The Japanese actuaries face a worthy challenge to meet the standards and the congeniality achieved at the Oslo Congress.

EDWARD A. LEW

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