

**TRANSACTIONS OF SOCIETY OF ACTUARIES
1974 VOL. 26 PT. 1 NO. 75 AB**

MINUTES OF THE REGIONAL MEETING

of the

SOCIETY OF ACTUARIES

HELD AT THE STATLER-HILTON HOTEL

BOSTON, MASSACHUSETTS

MARCH 25-26, 1974

The meeting was called to order by the President-Elect, Mr. Charles Lambert Trowbridge, on Monday, March 25, 1974, at 9:00 A.M. The following is a summary of the attendance at the meeting:

SUMMARY

Fellows.....	316
Associates.....	151
Guests.....	97
	<hr/>
Total.....	564

President-Elect Trowbridge announced that President Edward A. Lew was unable to attend the meeting because of illness. On behalf of the membership, the Secretary was asked to send a message to Mr. Lew expressing their sorrow for his illness and best wishes for an early recovery.

President-Elect Trowbridge then recognized those who were responsible for the preparation of this special-purpose meeting on health care and health insurance. He then thanked all the member participants, as well as the nonmembers who had been invited to participate in the program. He also welcomed other invited guests from industry, academia, and government.

The President-Elect then welcomed and introduced the following visitors from overseas: Mr. Sidney Benjamin, A.S.A., Bacon and Woodrow, London, England; Mr. Brian R. Bricknell, British United Provident Association, London, England; Mr. Joseph Hamilton-Jones, Mercantile and General Reinsurance Company, London, England; Mr. Edward J. Jones, A.S.A., John Eriksen and Company, Wellington, New Zealand; Mr. Ove Lundberg, Editor of *Skandinavisk Aktuarietidskrift*, Sweden; Mr. Masakazu Masaki, Meiji Mutual Life Insurance Company, Tokyo, Japan; and Mr. Ian L. Salmon, Australian Mutual Provident Society, Wellington, New Zealand.

The President-Elect advised that the Society had received word of the deaths of eight members since the annual meeting in New York City in October, 1973: John P. Dandy, John H. Evans, John C. Fraser, William Macfarlane, Charles A. McConaghy, and Herbert Roy Stephenson, Fellows; and Robert Eagle and Fred William Hamm, 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 March 24, 1974, as follows:

1. With respect to examinations, the Board approved the joint administration of Part 3 with the Casualty Actuarial Society starting in May, 1975.

The Board was informed that the restructuring of the Fellowship examinations is under way, and the new syllabus is scheduled to be implemented for the May, 1976, examinations. Under the new arrangement, Part 9 will have separate Canadian and United States sections.

2. The Board voted that henceforth all Interpretive Opinions on the Guides to Professional Conduct must be approved by the Board before they are published. Heretofore Board approval was not required, although in practice Opinions were reviewed by the Board before being published.
3. The Board approved for publication Interpretive Opinion S-6 on the Guides to Professional Conduct, dealing with actuarial principles and practices in connection with financial reporting of life insurance companies in the United States. A copy of the Opinion will be mailed to all members. It is essentially the same as Opinion A-6 recently published by the American Academy of Actuaries.
4. The Board approved the following recommendations from the Career Consultation Committee:
 - a) A bulletin service concerning listed job opportunities to be distributed to members subscribing for this service. Under this service, bulletins describing those job opportunities which are listed with the Society by prospective employers will be sent to members of the Society subscribing for this service. Both members who wish to receive these bulletins and employers wishing to have job opportunity bulletins circulated will be required to pay appropriate fees so that the proposed program will be self-supporting.
 - b) A career consultation service. Under this service, any member of the Society can arrange to discuss his career problems on a confi-

dential basis with an experienced and objective member outside his own organization. Members using this service will be required to pay appropriate fees so that the service will be self-supporting. Both services have been approved on an experimental basis subject to review by the Board at its annual meeting in 1975.

The Career Consultation Committee was established as a special committee and, upon approval of these recommendations, has been discharged. The President has been authorized to appoint a standing committee to implement these recommendations. The operation and details for both of these new services will be under the jurisdiction of the new standing committee. Information as to when these services will first be available, how members can take advantage of them, and the fees involved will be announced as soon as the new committee is able to determine these matters.

5. Article X of the Constitution provides for the public expression of professional opinion by, or on behalf of, the Society. The Article provides that it will remain in effect only until December 31, 1974. The Board voted to recommend to the membership that the Constitution be amended to provide for the continuation of Article X on a permanent basis. Toward that end, a vote will be conducted by mail among all Fellows prior to the annual meeting this fall.
6. There has been a change in the dates of the meeting which is scheduled to be held next spring at the Americana Hotel in New York City. The dates shown in the *Year Book* are Thursday and Friday, April 10 and 11, 1975. The hotel has asked that we change our meeting to the following week in order to eliminate a conflict with another large meeting to be held in New York City at that time. Accordingly, the Board approved a change in the dates to Thursday and Friday, April 17 and 18, 1975.

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

The President-Elect then introduced the authors of papers being presented at the meeting: Mr. William A. Bailey, author of "A Method for Pricing Return of Premium Benefit under Disability Income Policies"; and Dr. Simon Courant and Mr. John Haynes Miller, coauthors of "A Mathematical Model of the Incidence of Disability." Both papers will be presented in Concurrent Session B and will be discussed in Workshop 4.

The President-Elect then introduced Vice-President Daniel W. Petten-gill, who moderated the keynote panel discussion "Which Health Care

System(s) for the United States?" Panel members were Dr. Kerr White, Professor, The Johns Hopkins University, School of Hygiene and Public Health, Department of Medical Care and Hospitals; Dr. Leonard W. Cronkhite, Jr., Executive Vice-President, Children's Hospital and Medical Center, Boston; and Professor Herbert E. Klarman, Graduate Public Administration, University of New York. Following the panel presentation, the President-Elect thanked the panelists.

After a brief recess, the meeting reconvened at 11:15 A.M. in two concurrent sessions and six workshops. Concurrent Session A, "Can Hospital Costs Be Controlled? A View from Within and Without," was moderated by Mr. S. Martin Hickman; panel members were Mr. William C. Hsiao; Mr. Louis A. Orsini, Vice-President and Director, Health Insurance Council; and Dr. T. Stewart Hamilton, President and General Director, Hartford Hospital. Concurrent Session B, "Disability Insurance—the Long and the Short of It," was moderated by Mr. Frank J. Bush; panel members were Messrs. W. Duane Kidwell, Simone Matteodo, Jr., and John Haynes Miller. Workshops 1A and 1B were held on the subject "Individual Health Insurance for Special Markets"; Workshop 1A was moderated by Mr. Sanford W. Scott, Jr., assisted by Mr. Lawrence Lindstrom; Workshop 1B was moderated by Mr. Gerald J. Rankin, assisted by M. Robert P. Irvan. Workshops 2A and 2B were held on the subject "Dental, Vision, and Other Special Group Coverages"; Workshop 2A was moderated by Mr. William H. Leslie, assisted by Mr. Jeffrey L. Gathers; Workshop 2B was moderated by Mr. Richard S. Wolf, assisted by Mr. Stephen T. Carter. Workshops 3A and 3B were held on the subject "Small-Group Experience and Packaging Problems"; Workshop 3A was moderated by Mr. Neil Parmenter, assisted by Mr. Richard Ostuw; Workshop 3B was moderated by Mr. Stephen L. Smith, assisted by Mr. Bruce Butler. These sessions adjourned at approximately 12:30 P.M.

The meeting reconvened at 2:15 P.M. in three concurrent sessions and eight workshops. Concurrent Session C, "Claim Cost Control—Its Effect, Cost, and Prospects," was moderated by Mr. J. Martin Dickler; panel members were Messrs. James L. Purdy, John Mahder, and Harry L. Sutton, Jr. Concurrent Session D, "Consumerism's Effect on Health Insurance," was moderated by Mr. George L. Hogeman; panel members were Senator Daniel J. Foley, Massachusetts State Senate; the Honorable Samuel H. Weese, Insurance Commissioner of West Virginia; and Mr. E. Paul Barnhart. Concurrent Session E, "Mortality and Morbidity Statistics—Availability, Usage, and Dependability," was moderated by President-Elect Charles L. Trowbridge; panel members were Mr. Richard H. Hoffman; Professor Paul M. Densen, Howard School of Public

Health and Director of the Center for Community Health and Medical Care; and Professor Jack Elinson, Division of Socio-medical Sciences, Columbia University. Workshops 4A, 4B, and 4C were held on the subject "The Individual Income Policy—Design, Rates, and Reserves"; Workshop 4A was moderated by Mr. W. Duane Kidwell, assisted by Mr. Richard S. Robertson; Workshop 4B was moderated by Mr. Ben J. Helphand, assisted by Mr. Monte J. Hopper; Workshop 4C was moderated by Mr. Donald M. Pearsall, assisted by Mr. Robert W. Ascher. Workshops 5A and 5B were held on the subject "Recent Changes in the Law and Their Effect on the Group Actuary"; Workshop 5A was moderated by Mr. James P. Smith, assisted by Mr. Robert A. Nikels; Workshop 5B was moderated by Mr. Robert D. Carpenter, assisted by Mrs. Barbara V. Scheil. Workshops 6A, 6B, and 6C were held on the subject "Group Long-Term Disability"; Workshop 6A was moderated by Mr. Simone Matteodo, Jr., assisted by Mr. Owen J. Garfield; Workshop 6B was moderated by Mr. Robert A. Hall, assisted by Mr. Robert F. Carbone; Workshop 6C was moderated by Mr. Gerold W. Frey, assisted by Mr. Ernest A. Arvanitis. These sessions adjourned at approximately 4:30 P.M.

A speech by United States Congressman William R. Roy, on the subject "Federal Government—Its Impact on Tomorrow's Health Care," had been scheduled for Tuesday, March 26, at 9:00 A.M. but had to be canceled because Congressman Roy was unavoidably detained in Washington on official business.

Accordingly, the meeting reconvened on Tuesday, March 26, at 10:00 A.M. in three concurrent sessions and seven workshops. Concurrent Session F, "Group Health Insurance Marketing Problems," was moderated by Mr. Don F. Fackler; panel members were Messrs. Kenneth J. Duffy, Ted L. Dunn, and Raymond F. McCaskey. Concurrent Session G, "Government Health Care Problems," was moderated by Mr. Robert J. Myers; panel members were Mr. Gordon R. Trapnell; Dr. A. Peter Ruderman, Center for Health Administration Studies, School of Hygiene, University of Toronto; and Dr. Odin W. Anderson, Director, Center for Health Administration Studies, University of Chicago. Concurrent Session H, "Outlook for Individual Medical Insurance," was moderated by Mr. Niels H. Fischer; panel members were Messrs. James J. Olsen and Robert E. DeGeeter. Workshops 7A, 7B, and 7C were held on the subject "GAAP Accounting for Individual Health"; Workshop 7A was moderated by Mr. R. Terry Nelson, assisted by Mr. Paul L. Engstrom; Workshop 7B was moderated by Mr. Joe B. Pharr, assisted by Mr. Howard L. Wachspress; Workshop 7C was moderated by Mr. Spencer Koppel, assisted by Mr. James W. Pilgrim. Workshop 8, "HMO Sta-

tistical Data—Supply and Usage Problems,” was moderated by Mr. Harry L. Sutton, assisted by Mr. Matt B. Jones. Workshops 9A, 9B, and 9C were held on the subject “Group Management Information Systems—Plans and Uses”; Workshop 9A was moderated by Mr. Gary D. McDonald, assisted by Mr. Frank J. Alpert; Workshop 9B was moderated by Mr. Robert B. Koch, assisted by Mr. Albert M. Foster; Workshop 9C was moderated by Mr. Laurence M. Swerdlow, assisted by Mrs. Barbara V. Scheil. These sessions adjourned at approximately 11:45 A.M.

The meeting reconvened at 12:00 noon with a wrap-up panel consisting of Messrs. John Haynes Miller, Wendell A. Milliman, and Robert J. Myers. The session closed at 12:30 P.M.

The meeting reconvened at 2:15 P.M. in Concurrent Session I, “A Consultant’s Evaluation of a Health Insurance Plan Proposal,” moderated by Mr. William A. Halvorson; panel members were Messrs. Norman R. Minor, James E. Nelson, Richard M. Wenner, and Arnold M. Malasky. The meeting adjourned at 4:00 P.M.