

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

*of the*

**SOCIETY OF ACTUARIES**

HELD AT THE SHERATON-DALLAS HOTEL

DALLAS, TEXAS

MAY 23-24, 1974

The meeting was called to order by the President, Mr. Edward A. Lew, on Thursday, May 23, 1974, at 9:00 A.M. The following is a summary of the attendance at the meeting:

SUMMARY

Fellows .....	232
Associates .....	158
Guests .....	22
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Total .....	412

President Lew recognized and introduced Mr. Paul V. Montgomery, F.S.A. 1913, who at the age of eighty-eight is still active as a consulting actuary in Dallas and is the oldest practicing actuary in North America.

The President welcomed the members of the Actuaries Club of the Southwest. He then welcomed and introduced Mr. Dean Sharp, Majority Counsel for the United States Senate Subcommittee on Antitrust and Monopoly, and Mr. Noel H. Taylor, a member of the Institute of Actuaries of Australia and New Zealand.

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

President Lew advised that the Society had received word of the deaths of twelve members since the annual meeting in New York City in October, 1973: Herbert H. Blakeman, Dorrance C. Bronson, John P. Dandy, John H. Evans, John C. Fraser, William Macfarlane, Charles A. McConaghy, H. Lewis Rietz, and Herbert Roy Stephenson, Fellows; and Robert Eagle, Fred William Hamm, and John Borthwick Neil, 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*.

President Lew 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 advised the members that there were key actuarial positions vacant in several areas of the United States federal government, including the Railroad Retirement Board, the Veterans Administration, and the pension area of the Internal Revenue Service. He expressed the desirability that these positions be filled by highly qualified actuaries and enlisted the aid of the membership in suggesting names of potential candidates.

The Executive Director announced that any United States member of the International Actuarial Association who wished to submit a paper for the Twentieth International Congress to be held in Japan in 1976 should submit his name to the Secretary of the United States Section, Mr. Fredrick E. Rathgeber, by February 1, 1975.

The President then introduced the authors of papers being presented at the meeting. Mr. William A. Bailey presented his paper "On Calculating Delta-ized Reserves—Actuarial Note." Mr. Howard J. Bolnick presented his paper "Experience-rating Group Life Insurance." Mr. James H. Hunt, author of "An Analysis of the 'Rule of 78'—Actuarial Note," was unable to be present; his paper was summarized by Mr. Ted Becker. Mr. Calvert A. Jared II presented his paper "Mathematical Analysis of 'The Life Insurance Company Income Tax Act of 1959' Revisited." Messrs. Donald A. Jones and Hans U. Gerber, a member of the Actuarial Society of Switzerland, coauthors of "Dividend Formulas in Group Insurance," were unable to be present; their paper was summarized by Mr. Charles E. Edwards. President Lew thanked the authors and presenters.

President Lew introduced Mr. Thomas P. Bowles, Jr., who addressed the membership on the subject "The Issues Facing the Actuarial Profession in the United States." After the presentation, the President thanked Mr. Bowles.

After a brief recess the meeting reconvened at 10:30 A.M. in three concurrent sessions and four workshops. Concurrent Session A, "Corporate Financial Management of Stock Life Insurance Companies," was moderated by Mr. James C. H. Anderson; panel members were Messrs. Paul A. Finkel and Leroy V. Botkin. Concurrent Session B, "Pension Funding Assumptions," was moderated by Mr. Peter E. Friedes; panel members were Messrs. Jerry L. Borckett, Thomas H. Dancy, and Darrell J. Croot. Concurrent Session C, "Directions and Goals of Actuarial Research," was moderated by Mr. Gene W. Buchter; panel members were Messrs. Robert L. Collett, John A. Mereu, and John M. Bragg. Work-

shop 1, "Group Topics," was moderated by Mr. Carlton Harker, assisted by Mr. David J. Bahn. Workshop 2, "Developments in Term Insurance," was moderated by Mr. Bennie W. Baucom, assisted by Mr. Robert C. Goggin. Workshop 3, "The Actuarial Role in Evaluating the EDP Resource," was moderated by Mr. Robert W. Johansen, assisted by Mr. John S. Fry. Workshop 4, "Individual Life Insurance Underwriting," was moderated by Mr. A. Anthony Autin, assisted by Mr. W. Thomas Chambers. These sessions adjourned at approximately 12:15 p.m.

The meeting reconvened at 2:00 p.m. in three concurrent sessions and five workshops. Concurrent Session D, "Variable Life Developments," was moderated by Mr. Richard E. Swager; panel members were Messrs. Ian M. Charlton, Henry K. Knowlton, and Wilson H. Scott. Concurrent Session E, "Life Insurance and Consumerism," was moderated by Mr. Charles N. Walker; panel members were Messrs. Orlo L. Karsten, George L. Hill, George F. McNamara, and C. Norman Peacor. Concurrent Session F, "The Actuary's Responsibilities—Pensions," was moderated by Mr. Paul R. Hudek; panel members were Messrs. Daniel F. McGinn, Richard Daskais, and Carl W. Voss. Workshop 5, "Self-insurance and HMO's as Alternatives to Group Insurance," was moderated by Mr. David W. Krueger, assisted by Mr. Raymond F. Houseman. Workshops 6A and 6B were held on the subject "Corporate Management—Stock"; Workshop 6A was moderated by Mr. Robert P. Brady, assisted by Mr. William K. Nicol; Workshop 6B was moderated by Mr. Richard S. Miller, assisted by Mr. Oscar R. Klein. Workshop 7, "United States Federal Taxation," was moderated by Mr. William E. Masterson, assisted by Mr. Robert E. Craig. Workshop 8, "Management of Actuaries," was moderated by Mr. Steve P. Cooperstein, assisted by Mr. Robert D. Shapiro. These sessions adjourned at approximately 4:30 p.m.

On Friday, May 24, the meeting reconvened at 9:00 a.m. in three concurrent sessions and five workshops. Concurrent Session G, "The Policy Loan Problem," was moderated by Mr. James F. Reiskytl; panel members were Messrs. Joseph A. Krenz, Jerome M. Stein, and Christian L. Strom. Concurrent Session H, "New Forms of Group Insurance," was moderated by Mr. Thomas A. Beckert; panel members were Messrs. Jack A. Rollier, Edward W. Marconi, Ted I. Dunn, and Robert C. Benedict. Concurrent Session I, "Corporate Financial Management of Mutual Life Insurance Companies," was moderated by Mr. Ardian C. Gill; panel members were Messrs. Frank S. Irish, John H. Biggs and Robert N. Houser. Workshop 9, "Variable Life Developments," was moderated by Mr. Paul R. Fleischacker, assisted by Mr. James R. DuPuy. Workshops 10A, 10B, and 10C were held on the subject "Pension

Plan Design"; Workshop 10A was moderated by Mr. V. Clark Beard, assisted by Mr. Raymond Pinczkowski; Workshop 10B was moderated by Mr. Russell W. Thureau, assisted by Mr. James E. Glasgow; Workshop 10C was moderated by Mr. Harold V. Lyons, assisted by Mr. Fenton R. Isaacson. Workshop 11, "Cost Comparison Method Analysis," was moderated by Mr. C. Norman Peacor, assisted by Mr. Ian M. Rolland. These sessions adjourned at approximately 10:30 A.M.

After a brief recess, the meeting reconvened at 10:45 A.M. in three concurrent sessions and five workshops. Concurrent Session J, "Consequences of Adjusted Earnings," was moderated by Mr. Joe B. Pharr; panel members were Messrs. Barry L. Blazer, Bob J. Bolin, and Norman E. Hill. Concurrent Session K, "The Actuary's Role in Marketing," was moderated by Mr. Donald F. Clement; panel members were Messrs. C. David Silletto, Walter S. Rugland, and Martin L. Zeffert. Concurrent Session L, "Pension Legislation—United States," was moderated by Mr. Henry Bright; panel members were Messrs. Frank D. Repp, Richard S. Raskin, and Maurice O. Simmons. Workshop 12, "Mutual Insurer Corporate Financial Management," was moderated by Mr. John D. Morrison, assisted by Mr. C. Norman Peacor. Workshops 13A and 13B were held on the subject "Individual Disability Income"; Workshop 13A was moderated by Mr. Peter J. Hepokoski, assisted by Mr. Gayle E. Emmert; Workshop 13B was moderated by Mr. John W. Keller, assisted by Mr. James John Olsen. Workshops 14A and 14B were held on the subject "Management—Consulting"; Workshop 14A was moderated by Mr. James W. Kemble, assisted by Mr. William A. Ferguson; Workshop 14B was moderated by Mr. Donald B. Warren, assisted by Mr. Joseph F. Saulon. These sessions adjourned at approximately 12:15 P.M.

The meeting reconvened at 2:00 P.M. in a teaching session, "EDP—Current State of the Art," which had as lecturers Mr. Waid J. Davidson, Jr.; Mr. Karl Manchester; Mr. Don Henderson, International Business Machines, Inc.; and Mr. Glen Fisher, Texas Instruments, Inc. This session adjourned at 4:30 P.M.