

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

of the

SOCIETY OF ACTUARIES

HELD AT THE QUEEN ELIZABETH HOTEL

MONTREAL, QUEBEC

JUNE 6-7, 1974

The meeting was called to order by the President, Mr. Edward A. Lew, on Thursday, June 6, at 9:00 A.M. The following is a summary of the attendance at the meeting:

SUMMARY

Fellows.....	458
Associates.....	403
Guests.....	32
Total.....	<hr/> 893

The portion of the meeting held on June 6 was a joint meeting of the Society and the Canadian Institute of Actuaries, and President Lew welcomed the members of both bodies in English and in French.

The President then welcomed and introduced Mr. Dean Sharp, Majority Counsel for the United States Senate Subcommittee on Antitrust and Monopoly; Ms. Elizabeth Hernandez, Actuary of General de Seguros y Reaseguros, Caracas, Venezuela; and Mr. Saturo Ohashi, Nippon Life Insurance Company, Osaka, Japan.

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 thirteen 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, Armour Haines, 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 the attendance of nearly 900 persons made this meeting the largest spring meeting ever held.

The Executive Director also 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 presented his paper "An Analysis of the 'Rule of 78'—Actuarial Note." Mr. Calvert A. Jared II presented his paper "Mathematical Analysis of 'The Life Insurance Company Income Tax Act of 1959' Revisited." Mr. Donald A. Jones presented the paper "Dividend Formulas in Group Insurance," which he coauthored with Mr. Hans U. Gerber, a member of the Actuarial Society of Switzerland. President Lew thanked the authors.

President Lew introduced Mr. Cecil G. White, President of the Canadian Institute of Actuaries. Mr. White brought greetings from the Canadian Institute of Actuaries and then presented a summary of the discussion held the preceding day at the meeting of the Institute on the subject "Roles of the Canadian Institute of Actuaries." After the presentation, the President thanked Mr. White.

After a brief recess, the meeting reconvened at 10:30 A.M. in three concurrent sessions and eight workshops. Concurrent Session I, "Corporate Financial Management of Mutual Life Insurance Companies," was moderated by Mr. Robin B. Leckie; panel members were Messrs. Allan K. Archer, Henry B. Ramsey, and Donald D. Cody. Concurrent Session B, "Pension Funding Assumptions," was moderated by Mr. Yves G. Guérard; panel members were Messrs. Dudley Funnell, Alexander C.

McCallum, and John R. Williams; Concurrent Session C, "Directions and Goals of Actuarial Research," was moderated by Mr. Irwin T. Vanderhoof; panel members were Messrs. Thomas S. Bell, John E. Bailey, and William K. Krisher. Workshops 1A and 1B were held on the subject "Group Topics"; Workshop 1A was moderated by Mr. Orest T. Dackow, assisted by Mr. Owen A. Reed; Workshop 1B was moderated by Mr. David S. Williams, assisted by Mr. Howard J. Bolnick. Workshops 2A and 2B were held on the subject "Developments in Canadian Taxes"; Workshop 2A was moderated by Mr. François Vachon, assisted by Mr. William J. Fox; Workshop 2B was moderated by Mr. Alexandre Langlois, assisted by Mr. Claude R. Lamoureux. Workshops 3A and 3B were held on the subject "The Actuarial Role in Evaluating the EDP Resource"; Workshop 3A was moderated by Mr. Jacques Cloutier, assisted by Mr. William T. Spock; Workshop 3B was moderated by Mr. Hugh G. Johnston, assisted by Mr. Jean-Jacques Deschènes. Workshops 4A and 4B were held on the subject "Individual Life Insurance Underwriting"; Workshop 4A was moderated by Mr. J. Donald McFarlane, assisted by Mr. Claude J. Trudel; Workshop 4B was moderated by Mr. W. Bryce Walker, assisted by Mr. Charles C. Black. These sessions adjourned at approximately 12:15 p.m.

The meeting reconvened at 2:00 p.m. in three concurrent sessions and ten workshops. Concurrent Session D, "Variable Life Developments," was moderated by Mr. Jerome S. Golden; panel members were Messrs. Richard W. Kling, Raymond J. Nacin, Jr., and Frank W. Speed. Concurrent Session E, "Life Insurance and Consumerism," was moderated by Mr. John C. Maynard; panel members were Mrs. Daphne D. Bartlett, Mr. Charles T. P. Galloway, and Mr. Frank E. Rooke. Concurrent Session F, "The Actuary's Responsibilities—Pensions," was moderated by Mr. George W. Poznanski; panel members were Messrs. John G. Ireland, William A. Dreher, and D'Alton S. Rudd. Workshops 5A and 5B were held on the subject "Self-insurance and HMO's as Alternatives to Group Insurance"; Workshop 5A was moderated by Mr. John C. Antliff, assisted by Mr. Stanley L. Olds; Workshop 5B was moderated by Mr. Albert H. Forsythe, Jr., assisted by Mr. William H. Leslie; Workshops 12A and 12B were held on the subject "Mutual Insurer Corporate Financial Management"; Workshop 12A was moderated by Mr. Jack V. Masterman, assisted by Mr. Edward H. Colton; Workshop 12B was moderated by Mr. Arthur E. Erickson, Jr., assisted by Mr. Roger A. Haslegrave. Workshops 7A, 7B, and 7C were held on the subject "United States Federal Taxation"; Workshop 7A was moderated by Mr. Charles D. Friedstat, assisted by Mr. William Shinkwin; Workshop 7B was

moderated by Mr. Quincy S. Abbot, assisted by Mr. Harry D. Garber; Workshop 7C was moderated by Mr. Charles A. Jared, assisted by Mr. Partha M. Chakrabarti. Workshops 8A, 8B, and 8C were held on the subject "Management of Actuaries"; Workshop 8A was moderated by Mr. Ian A. D. Holden, assisted by Mr. William R. Britton; Workshop 8B was moderated by Mr. Harold J. Brownlee, assisted by Mr. William H. Bowman; Workshop 8C was moderated by Mr. Sherwood Z. Smith, assisted by Mr. Thomas C. Sutton. These sessions adjourned at approximately 4:30 P.M.

On Friday, June 7, the meeting reconvened at 9:00 A.M. in three concurrent sessions and seven workshops. Concurrent Session G, "The Policy Loan Problem," was moderated by Mr. Robert T. Jackson; panel members were Messrs. Arthur C. Cragoe, Harold G. Ingraham, Jr., and Claude J. Martineau. Concurrent Session H, "New Forms of Group Insurance," was moderated by Mr. Lloyd G. Rollerson; panel members were Messrs. Jean-Pierre Provencher, E. John Woolsey, and William M. Roth. Concurrent Session A, "Corporate Financial Management of Stock Life Insurance Companies," was moderated by Mr. John J. Byrne; panel members were Messrs. Howard T. Cohn and Joseph H. Dowling. Workshops 9A and 9B were held on the subject "Variable Life Developments"; Workshop 9A was moderated by Mr. Dale F. Ethington, assisted by Mr. Michael L. Smith; Workshop 9B was moderated by Mr. Peter T. LeClair, assisted by Mr. Bruce E. Nickerson. Workshops 10A, 10B, and 10C were held on the subject "Pension Plan Design"; Workshop 10A was moderated by Mr. Yvan G. Pouliot; Workshop 10B was moderated by Mr. Edwin T. Bryant, assisted by Mr. William D. McKinnie; Workshop 10C was moderated by Mr. Robert T. Tipping, assisted by Mr. William W. Fellers. Workshops 11A and 11B were held on the subject "Investment Year Method"; Workshop 11A was moderated by Mr. Charles A. Peirce, assisted by Mr. Stewart G. Nagler; Workshop 11B was moderated by Mr. Jerry R. McAllister, assisted by Mr. Edwin H. Tebbetts. 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 nine workshops. Concurrent Session J, "Consequences of Adjusted Earnings," was moderated by Mr. Michael B. Hutchison; panel members were Messrs. Robert M. Astley, James D. Lamb, and Charles B. H. Watson. Concurrent Session K, "The Actuary's Role in Marketing," was moderated by Mr. Richard B. Sieben; panel members were Mr. George Alexander, Mr. Christopher S. Moore, and Mrs. Anna Maria Rappaport. Concurrent Session L, "Pension Legislation—United States," was moderated by Mr. Douglas C. Borton;

panel members were Messrs. Jack M. Elkin and Stanley R. Freilich. Workshops 6A, 6B, and 6C were held on the subject "Corporate Management—Stock"; Workshop 6A was moderated by Mr. John S. Moyses, assisted by Mr. J. C. Alan MacDonald; Workshop 6B was moderated by Mr. George R. Dinney, assisted by Mr. Joseph Fafian, Jr.; Workshop 6C was moderated by Mr. Kenneth P. Hinsdale, assisted by Mr. Kenneth T. Clark. Workshops 13A, 13B, and 13C were held on the subject "Individual Disability Income"; Workshop 13A was moderated by Mr. Thomas C. Copeland III, assisted by Mr. Richard D. Fink; Workshop 13B was moderated by Mr. W. Duane Kidwell, assisted by Mr. Peter F. Chapman; Workshop 13C was moderated by Mr. David A. Nield, assisted by Mr. John B. Cumming. Workshops 14A, 14B, and 14C were held on the subject "Management—Consulting"; Workshop 14A was moderated by Mr. Frank Livsey, assisted by Mr. Cyril J. Woods; Workshop 14B was moderated by Mr. Leonard Mactas, assisted by Mr. Donald A. Lockwood; Workshop 14C was moderated by Mr. Milton F. Chauner, assisted by Mr. J. Bruce MacDonald. These sessions adjourned at approximately 12:15 P.M.

The meeting reconvened at 2:00 P.M. in one teaching session and one workshop. The teaching session, "EDP—Current State of the Art," had as lecturers Mr. David R. W. Jamieson; Mr. Brock Maxwell, International Business Machines, Inc.; and Mr. S. F. Trask, Sun Life Assurance Company of Canada. Workshop 15, "Cost Comparison Method Analysis," was moderated by Mrs. Daphne D. Bartlett, assisted by Mr. Lee H. Kemper. These sessions adjourned at approximately 4:30 P.M.

