

TRANSACTIONS

OCTOBER, 1974

REPORTS ON TOPICS OF CURRENT INTEREST

TWENTY-FIFTH ANNIVERSARY CELEBRATION

The 1974 annual meeting, held in New Orleans, October 28–30, 1974, marked the silver anniversary of the formation of the Society through the successful merger of The Actuarial Society of America and the American Institute of Actuaries. The Board of Governors believed that this significant occasion deserved special recognition and, at its May 23, 1973, meeting, authorized the appointment of a Twenty-fifth Anniversary Committee. Chaired by Morton D. Miller, the committee included Richard M. Fridley, vice-chairman, Robert H. Hoskins, Richard Humphrys, Wendell A. Milliman, Robert J. Myers, John K. Roberts, Richard S. Robertson, and Cecil G. White. The committee worked closely with the Program Committee, which was under the leadership of John C. Angle, and with the Public Relations Committee, chaired by Walter S. Rugland.

“Professions and Professionalism” was chosen as the unifying theme of the meeting. Several of the concurrent sessions and workshops were designed to develop various aspects of this theme—“Independence of the Actuary,” “Maintenance of High Standards in a Profession,” “The Actuary as a Professional,” “The Consulting Actuary as a Professional,” and “The Actuary as a Professional—Insurance.”

Participation in the program was purposely broad, with representatives from other professions, visitors from overseas, and non-Society actuarial organizations in Canada and the United States making contributions to the program. Specifically, the discussion of “Limits to Growth” was under the sponsorship of the World Dynamics Committee of the Canadian Institute of Actuaries; the concurrent session on “Accepted Actuarial Practices for Pension Plans” was sponsored by the American Academy of Actuaries and the Conference of Actuaries in Public Practice; and “Transition Problems Facing a Life Insurer Acquiring a Property and Casualty Insurance Company” was presented under the sponsorship of the Casualty Actuarial Society.

In order to give proper recognition not only to the actuarial profession's heritage but also to its growing present and future responsibilities and influence, the Twenty-fifth Anniversary Committee commissioned Robert B. Mitchell, former editor of the trade publication *The National Underwriter* (Life and Health Edition), to write a popular history of the profession. Mr. Mitchell responded with *From Actuarial to Actuary: The Growth of a Dynamic Profession in Canada and the United States*—a book which, as stated by the committee in the Foreword, "can become a valuable tool in the Society's aim to broaden knowledge and understanding of our profession among ever-widening audiences." A discussion by a panel of distinguished past presidents, as well as a review of this book, may be found elsewhere in this volume (pp. D405 and 641, respectively).

Copies of a special "silver"-covered anniversary edition of *From Actuarial to Actuary* were mailed in advance of the meeting to all members of the Society of Actuaries as well as to all non-Society members of the American Academy of Actuaries, the Canadian Institute of Actuaries, the Casualty Actuarial Society, the Conference of Actuaries in Public Practice, or the Fraternal Actuarial Association. In addition, a blue-covered edition was printed in volume to serve as a Society publication which will be available for continuing use in benefit of the profession. It was planned that this edition would be distributed by the Canadian Institute of Actuaries in Canada and by the American Academy of Actuaries in the United States to special interest groups such as leading business and financial editors, editors of the trade press and leading magazines, insurance commissioners, members of Parliament, and members of Congress.

In order to evaluate the prospects for the profession in Canada and the United States, the Anniversary Committee commissioned two papers, each with joint authors, one from Canada and the other from the United States. One was to deal with the insurance company actuary, and the other with the actuary in public practice. John M. Bragg and Cecil G. White collaborated on the first paper, "The Future of the Actuarial Profession as Viewed in A.D. 1974." Samuel B. Eckler and Wendell A. Milliman coauthored the second, "Consulting Actuaries in Canada and the United States—1974." These papers and a summary of the panel discussion which followed their presentation may be found elsewhere in this volume (pp. 335, D397).

The meeting was privileged to have as its keynote speaker Dr. Malcolm Moos, recently elected president of the Fund for the Republic and chief executive officer of the prestigious Center for the Study of Democratic

Institutions, Santa Barbara, California. Dr. Moos addressed himself to "Citizenship as a Profession: The Crisis and an Educational Response." In his talk he commented on the troubled times now facing the United States and the need for change in our values and goals if we as citizens are to bring about "a balanced and harmonious relationship between man and his physical, emotional, aesthetic, intellectual, social, and environmental needs." Dr. Moos closed his address by saying:

We must . . . recognize that restoring civic health to our nation requires that we educate adults on a scale never before dreamed of. . . . The vision of a nation in which a majority of adult citizens shared their experience with the young and participated fully in the learning society would be an example of a people fulfilling their civic duty in a republic.

And if, in addition to that, we would recognize that politics is a healing art, . . . we would regain our confidence and witness a rebirth of the dignity as well as the restoration of its rightful place among free man of man's second oldest profession—that of citizenship!"¹

An exhibit depicting highlights of actuarial history in Canada and the United States, which was set up in the registration area, added much luster to the occasion. Items of interest for this exhibit were solicited from a number of Canadian and United States insurance companies, the officers of the six actuarial organizations, individuals in government, the Library of Congress, and various historical societies. A considerable mass of material was received and catalogued. After extensive research, a representative group of items was selected to be used in the exhibit. Among the items on display were a reproduction of Benjamin Franklin's letter supporting an old age pension bill before Parliament; a facsimile of a policy for fire insurance on a barn at Mount Vernon issued to Bushrod Washington, nephew of the first President of the United States; special insurance policies for individuals joining the gold rush to California; photographs and biographies of the founders of actuarial science in Canada and the United States; material on mortality dating back to the 1800's, including Canada's first mortality study; and documents relating to the development of group insurance, pension plans, and social security.

A catalogue entitled *Highlights of Actuarial History*, which described, and in some cases amplified the backgrounds of, the various items on display, was available to those who viewed the exhibit. Arrangements have been made for the exhibit to be shown at the 1975 spring meetings

¹ The full text of Dr. Moos's address appears in the February 1, 1975, issue of *Vital Speeches of the Day*.



Viewing the exhibit

of the Society, after which it will be made available to actuarial clubs and other interested groups.

About three times as much historical material as could be included in the exhibit had been collected. This fact, together with the realization that, because of the problems of shipping, assembly, and frangibility, the exhibit would have, at best, limited use, led to the development of a 35-mm slide presentation with taped narration by a professional voice. This pictorial mini-history of the actuarial profession in Canada and the United States undoubtedly will prove of tremendous value to actuarial clubs, company recruiters, and colleges with actuarial courses, as well as for general public relations use.

An initial version of the presentation which drew principally upon the exhibit and related to the anniversary celebration was shown at the dinner meeting of the Senior Actuaries Club and again at the meeting of the committee chairman with the members of the Board. [As a result of these showings, many constructive suggestions for improving this first effort were made, and both the slides and the narrative were revised. The final version, which consists of seventy-nine slides and runs for approximately thirty minutes, draws upon both the historical material and *From Actuarinus to Actuary* and is independent of the twenty-fifth anniversary celebration. It relates to all phases of actuarial work, including property and casualty insurance, as well as to government involvement and is designed to help answer many of the questions which arise regarding the role of the actuary and the future of the profession.]

SOCIAL ARRANGEMENTS

As usual, a hospitality room was reserved where guests and spouses could have breakfast, meet their friends, and obtain information about independent sightseeing and other activities in New Orleans. As many as four hundred people participated in the exciting and interesting pre-arranged sightseeing tours, which included the following: breakfast at a well-known local restaurant noted for its gastronomic delicacies, followed by a guided walking tour through the old French Quarter; a tour of the garden district, with visits to four majestic antebellum homes not ordinarily open to the public and lunch at a famous uptown restaurant, returning to the hotel by streetcar on the last remaining city route; and a tour of the fashionable suburb of Metairie through the Spanish courts and Mediterranean gardens of the private estate of Longue View Gardens, returning by way of scenic Lake Pontchartrain with its bordering mansions.

The many visitors from overseas made this meeting the largest gathering of foreign actuaries to take place in North America since the 1957 International Congress in New York. Overseas guests numbered about thirty, many accompanied by their ladies. In all, thirteen overseas actuarial organizations (including IAA and ASTIN) were represented, for the most part by their presidents—a clear indication of the ever strengthening bonds of professional interest and good fellowship that unite actuaries throughout the world. In addition, there was a sizable number of official representatives from insurance-related and professional organizations as well as from government. A list of guests and program participants appears on pages D395–D396.

Among the social functions arranged for guests were a reception and dinner given by the Senior Actuaries Club for the presidents and certain other officers of overseas actuarial organizations, the traditional annual reception given by the President, and the dinner given by the Board of Governors for all official representatives of actuarial and nonactuarial organizations. The Board also hosted a special reception, preceding the Twenty-fifth Anniversary Banquet, in honor of guests and program participants.

Local actuarial clubs in Canada and the United States had been invited to assist in the entertainment of guests, and eighteen responded by designating members to serve as official hosts. All guests who did not attend a formal dinner were entertained by one of these clubs.

THE TWENTY-FIFTH ANNIVERSARY BANQUET

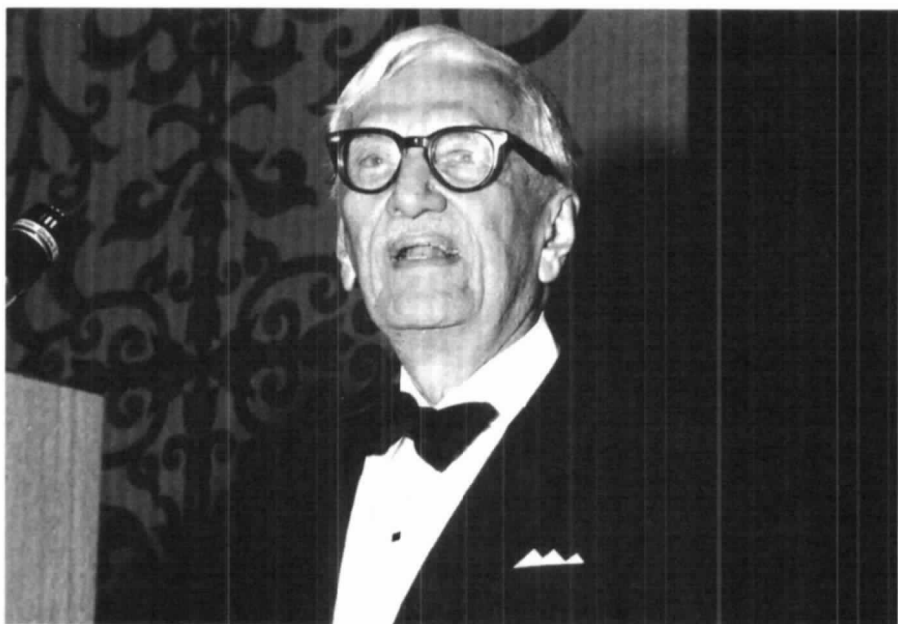
Without question, the high point of the social activities was the Twenty-fifth Anniversary Banquet. A record attendance of 920 filled the Grand Ballroom and surrounding balconies of the Marriott Hotel to capacity. The evening's festivities were foretold in the introduction of the banquet program, which contained a quotation from Samuel Taylor Coleridge's "Rime of the Ancient Mariner": "The guests are met, the feast is set; May'st hear the merry din."

As chairman of the Twenty-fifth Anniversary Committee, Morton D. Miller presided over the banquet. After welcoming all present and introducing the various representatives and guests, he turned to Dick Fridley, senior vice-president of Pan American Life, the on-scene host, for his words of greeting and comment on the delights of New Orleans. Dinner was then served.

In opening the formal part of the program, Mr. Miller reminded the audience of the steps that had led to the merger of the two Societies under the skillful guidance of Reinhard A. Hohaus, who was chairman of

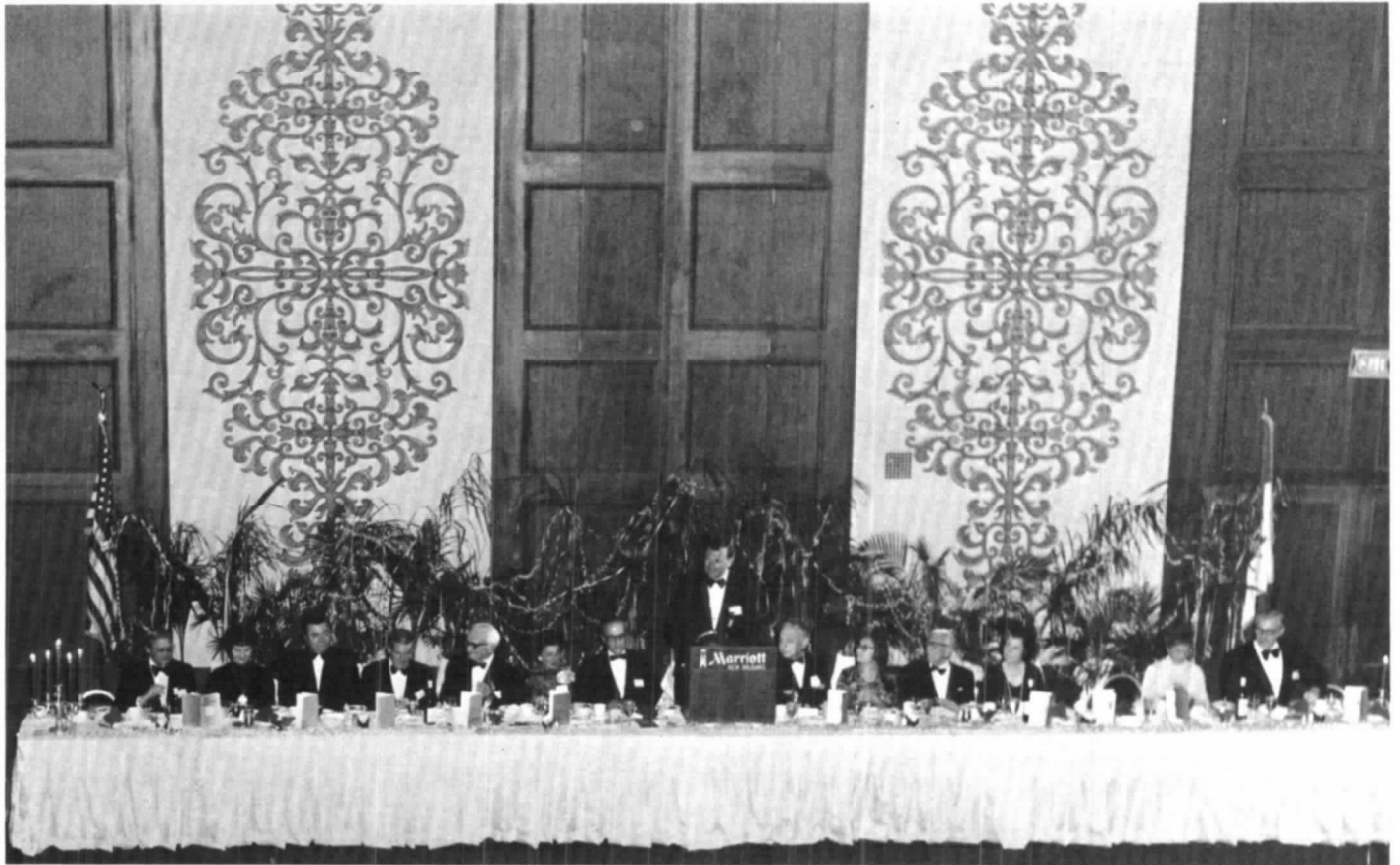


J. Gordon Beatty, President of the Institute of Actuaries at the time of the merger, greeting banquet guests.



Reminiscences from the first President of the Society of Actuaries, Edmund M. McConney

Viewing the exhibit



The head table. *From left to right:* Robert H. Taylor, Doris Fridley, Cecil G. White, Daniel J. McNamara, J. Gordon Beatty, Ann L. Lew, Morton D. Miller, Richard M. Fridley at the podium, Edward A. Lew, Florence L. Miller, Edmund M. McConney, Patricia White, Mary Taylor, and Paul



Grand procession of the royal court



Their Majesties the King and Queen of Thoth and members of their court, Mardi Gras Ball Pageant

the Joint Merger Committee. Although Reinie regretfully could not attend, he sent his sincere good wishes and congratulations. Banquet guests were fortunate, however, in having present two of the actuarial greats who had played such a prominent part in the success that was being celebrated—J. Gordon Beatty, President of the American Institute at the time of the merger, and Edmund M. McConney, first President of the Society of Actuaries. Each in his own way, with his accustomed and exceptional wit, reminisced about the merger, applauded the activities of the Society, and expressed his pride of membership in the organization.

Mr. Miller then enumerated the new and demanding challenges facing the actuarial profession today and emphasized the urgent need for further coordination among actuarial organizations and for greater unity within the profession. The presidents of the various actuarial bodies were then called upon to extend anniversary greetings: Robert H. Taylor, President of the Conference of Actuaries in Public Practice, commented on the need for greater credibility on the part of actuaries, as well as for a readiness to accommodate more fully the concept of generally accepted principles; he concluded, "Finally, let us all promote the cause of unity within the profession, eliminate unnecessary duplication of effort among the actuarial organizations, and support any reasonable approach to a consolidation of the actuarial profession."

Paul Liscord, President of the Casualty Actuarial Society, referred to the entrance of life insurance companies into the property and casualty business, including the probable introduction of automobile no-fault problems to accident and health insurers by virtue of the primary issue with respect to hospital and medical benefits. He went on to say: "We, in the casualty field, certainly want to face those challenges to our profession and over the total spectrum of risk, and we welcome the opportunity to work with the Society of Actuaries, its committees, and its individual members toward their solution."

The President of the Fraternal Actuarial Association, Eugene F. Porter, was unable to make the trip to New Orleans but sent a telegram of congratulations which read in part: "I am optimistic that this meeting, already historically steeped in the concept of unity, will serve as another stepping-stone to the identification and cooperative implementation of those interests and concerns common to the six North American actuarial organizations. Such coordinated effort is essential if the actuaries are to be truly effective in the ever broadening social, economic, and political areas in which we are being asked to function."

Daniel J. McNamara, President of the youngest actuarial organization in the United States, the American Academy of Actuaries, brought the

congratulations and good wishes of his members to the Society, and went on to say: "While the wise do not try to hurry history, I know that you will not ignore the increasing signs that it is incumbent upon all of us to create an even stronger and more unified actuarial profession in order to enhance the public we serve and the profession we love."

President Cecil G. White of the Canadian Institute of Actuaries commented on the special relationship between members of the Society and the Institute: "We look upon the Society as our actuarial alma mater, and our allegiance to the Society is very strong, indeed. It is as a child to a parent this evening that the Institute joins in the celebration, and I am very pleased to extend many happy returns on the Society's twenty-fifth anniversary and all good wishes for the future."

As anchorman, President Edward A. Lew expressed his appreciation for the warm greetings and concluded: "We are not too far from being able to speak in one voice. It is extremely important that our profession have an authoritative mandate from the government, and for that purpose we must have internal solidarity. It will take some time before we can amalgamate our joint purposes so that we can be a truly unified profession. We count on all of you to speak freely and let us know how much more we might do toward becoming one professional organization in the near future."

Through the good offices of friends at Pan American Life, arrangements were made for a pageant to be performed at the banquet by one of New Orleans' traditional Mardi Gras groups, the Krewe of Thoth. The tableaux re-created in fantasy the story of bygone days—kings and queens, crowns and sceptres, royalty and the courts of the past. The tale was told by a narrator, Norris Fitzmorris, vice-president of Pan American and a member of the troupe. To the accompaniment of appropriate music, the court assembled—handsome maids escorted by their dukes, all costumed in resplendent raiment. Gold and silver doubloons and colorful favors were tossed to the audience in the process. King Thoth XXVII and his beautiful queen arrived, and their majesties commanded that the royal dancers entertain.

Then there ensued the presentation of honored guests at court. Ann and Ed Lew and Florence and Mort Miller had the pleasure of being called upon in this way. Both couples received certificates appointing them honorary citizens of New Orleans, gold keys to the city, and special Thoth doubloons. This was followed by a call-out dance with ladies in the audience chosen to participate. Finally, in a grand procession, the Krewe left and the pageant concluded. This novel and

delightful entertainment turned the evening into an unforgettable event for all present.

THE MEMBERS' RECEPTION

The customary Members' Reception was held on the evening of October 29 in the Grand Ballroom with 2,300 people in attendance—the largest gathering of this type ever held at the hotel.

At the reception, gifts which had been brought by a number of actuarial organizations in honor of the occasion were presented and put on display. Gordon Bayley, President of the Institute of Actuaries, acted as spokesman for all. In his brief remarks and as he presented the Institute's gift, he mentioned that the occasion was a happy birthday party at which the overseas and the other actuarial organizations were pleased to be participants and to have the opportunity to bring congratulations and good wishes to the Society on behalf of their members.

The representative of each organization then gave the name of his organization and a brief description in his native tongue (except for Dr. Hans Ammeter, who by his own admission spoke in "Swiss Tourist English") of the gift he was presenting. The beautiful gifts made an impressive picture on a display table at the front of the hall. A list of gifts and the organizations that presented them may be found at the end of this report (p. D396).

The Olympia Brass Band, an eight-man ensemble of exceptional jazz musicians with a national reputation, provided a lively accompaniment as they paraded around the ballroom during the evening.

The success of the meeting and the related anniversary celebration was the result of the concerted efforts of many people—the members of the Twenty-fifth Anniversary, Program, and Public Relations Committees; the many program participants; and the authors and those who discussed the papers presented. The Anniversary Committee is especially indebted to Adrienne M. Rihouey, assistant to Morton D. Miller, for her dedicated help in developing and executing many of the special features of the anniversary celebration, and to the many people in the host city who contributed so much to make our stay in New Orleans thoroughly enjoyable.

MORTON D. MILLER



Musicians and walker, the Olympia Brass Band at the Members' Reception

GUESTS AND PROGRAM PARTICIPANTS

Actuarial Association of Finland	Dr. Viljo A. Keinanen	President
Actuarieel Genootschap (The Netherlands)	Jan H. C. Jansen	President
American Academy of Actuaries (U.S.A.)	*Daniel J. McNamara	President
American Bar Association (U.S.A.)	John W. Clark, Jr.	Representative
American Institute of Certified Public Accountants (U.S.A.)	Wallace E. Olson	President
American Life Insurance Association (U.S.A.)	J. Henry Smith	Chairman
American Medical Association (U.S.A.)	*Edwin J. Holman, <i>Secretary, Judicial Council</i>	Guest
American Statistical Association (U.S.A.)	Dr. Lester R. Frankel	President
Association des Actuaire Diplômés de l'Institut de Science Financière et d'Assurances (France)	Dominique de Comeiras	Representative
Association des Actuaire Suisses (Switzerland)	Dr. Hans Ammeter	President
ASTIN (Actuarial Studies in Non-Life Insurance, Section of International Actuarial Association)	*LeRoy Simon	Representative
Canadian Institute of Actuaries	*Cecil G. White	President
Canadian Institute of Chartered Accountants	Harold A. Renouf	Representative
Casualty Actuarial Society (U.S.A.)	Ronald L. Bornhuetter	Representative
	*Charles Hewitt	Past President
	*Paul S. Liscord	President
Center for Population Studies, Harvard University	*Dr. Nathan Keyfitz	Guest
Cleary, Gottlieb, Steen & Hamilton (U.S.A.)	*Lyman M. Tondel, Jr., <i>Member of the Firm</i>	Guest
Conference of Actuaries in Public Practice (U.S.A.)	M. Curtis Schimpff	Past President
	*Robert H. Taylor	President
Danske Aktuarforening (Denmark)	Erik Rosendahl	President
Department of External Affairs (Canada)	*Richard Burkhardt	Guest
Deutsche Gesellschaft für Versicherungsmathematik (Germany)	Dr. Helmut Th. Kracke	President
Environmental Protection Agency (U.S.A.)	*John A. Busterud	Guest
Faculty of Actuaries (Scotland)	*Andrew U. Lyburn	Guest
	*G. Malcolm Murray	Guest
	Maxwell D. Thornton	Representative
	John G. Wallace	President
	*George F. Westwater	Guest
Fund for the Republic, Center for the Study of Democratic Institutions	*Dr. Malcolm Moos	President and Chief Executive
Guardian Life Insurance Company of America	*Ashby Bladen, <i>Senior Vice-President, Investments</i>	Guest
Institute of Actuaries (England)	Gordon V. Bayley	President
	*Sidney Benjamin	Guest
	Dennis F. Gilley	Guest
	*Francis Guaschi	Guest
	*John G. Haalam	Guest
	*Geoffrey Heywood	Past President
	*Charles M. O'Brien	Guest
	Norman J. Page	Guest
	*James B. H. Pegler	Past President
	Arthur J. Steeda	Guest

* Denotes a program participant.

Institute of Actuaries of Japan, Inc.	Tomasaburo Ishihara	Guest
	Eiichi Sasaki	Guest
	Keizo Teranishi	Guest
	Masanori Yamanouchi	Past President
Institute of Life Insurance (U.S.A.)	William E. Kingsley	Guest
International Actuarial Association	Dr. Helmut Th. Kracke	Representative
International Association of Consulting Actuaries (The Netherlands)	Jan C. Hoogteijling	Representative
International Business Machines	*William M. Peloso, <i>Productivity, Marketing and Requirements Manager</i>	Guest
Louisiana State University, Department of Economics	*Professor Herman E. Daly	Guest
Mathematical Association of Actuaries	Richard D. Anderson	President
<i>National Underwriter</i>	*Robert B. Mitchell, <i>former editor, Life and Health edition</i>	Guest
Norske Aktuarforening (Norway)	Gunnar Benktander	Guest
	Halvor Løken	Representative
Operations Research Society of America	David B. Hertz	President
Peat, Marwick, Mitchell and Company	*Clifford E. Graese, <i>Partner</i>	Guest
Prudential Insurance Company of America	*R. Morton Darrow, <i>Vice- President, Planning and Analysis</i>	Guest
Society of Actuaries	William F. Mullin, <i>Counsel</i>	Representative
Svenska Aktuarieföreningen (Sweden)	Harald E. Bohman	President
United States General Accounting Office	Fred D. Layton	Representative
United States Railroad Retirement Board	James L. Cowen	Chairman
United States Treasury Department	Cedric W. Kroll	Representative
Wisconsin Insurance Department	Marvin Van Cleave	Representative

TWENTY-FIFTH ANNIVERSARY GIFTS

		<i>Presented by</i>
Actuarial Association of Finland	Low crystal bowl	Dr. Viljo A. Keinanen
Actuariel Genootschap (The Netherlands)	Delft blue plate	Jan H. C. Jansen
Association des Actuaire Diplômés de l'Institut de Science Financière et d'Assurances (France)	Limoges vase	Dominique de Comeiras
Association des Actuaire Suisses (Switzerland)	Brass cowbell	Dr. Hans Ammeter
ASTIN (Actuarial Studies in Non-Life Insurance, Section of International Actuarial Association)	Plaque	LeRoy Simon
Casualty Actuarial Society (U.S.A.)	Inscribed silver tray	Paul S. Liscord
Danske Aktuarforening (Denmark)	Porcelain vase	Erik Rosendahl
Deutsche Gesellschaft für Versicherungsmathematik (Germany)	Inscribed silver tray	Dr. Helmut Th. Kracke
Faculty of Actuaries (Scotland)	Tooled leather-bound <i>Transactions of the Faculty of Actuaries</i>	John G. Wallace
Institute of Actuaries (England)	Inscribed silver bowl	Gordon V. Bayley
Institute of Actuaries of Japan, Inc.	Cloisonné vase	Masanori Yamanouchi
Norske Aktuarforening (Norway)	Tall crystal vase	Halvor Løken
Svenska Aktuarieföreningen (Sweden)	Inscribed brass medallion	Harald E. Bohman

* Denotes a program participant.