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## REORGANIZATION OF THE PROFESSION

Moderator: DAPHNE D. BARTLETT. Panelists: WARREN R. ADAMS,  
FREDERICK J. KNOX, ROBERT B. LIKINS

MRS. DAPHNE D. BARTLETT: The purpose of this session is to find out from you and the panelists (none of whom has been directly involved with re-organization efforts to date) how the membership of the Society of Actuaries feels about reorganization of the actuarial profession. Hopefully, the input received here will provide new insights into the difficult problems faced by the reorganization committees of the various actuarial organizations.

In order to air possibly controversial opinions, each question on the program will first be addressed in the form of a sketch involving three unnamed actuaries. The panelists will then express their own opinions on the question, and then members of the audience will be invited to express their opinions. The responses to the questionnaire handed out at the beginning of this session will be tabulated and summarized in The Record.

The first question reads: "What do you consider to be the 'needs' for re-organization, if any? What should be the objectives of any reorganization process?" The needs for reorganization have been described as:

1. The actuarial profession is becoming increasingly "public". Our publics need a single place to go to be assured of qualified actuarial services, with consistent standards of education and professional conduct. Currently, the multiplicity of actuarial organizations makes this difficult.
2. Actuaries should speak out more on issues within their competence. It is confusing to the public when several groups, each calling themselves actuaries, do this.
3. There is considerable duplication and overlap among the functions performed by the various organizations, with respect to such items as meetings, publications, committees, guides to professional conduct, etc. Since most of the efforts are voluntary, this is wasteful.

In our first sketch, this question is discussed by Actuary Pro, Actuary Con, and Actuary Middle-of-the-Road.

ACTUARY CON: That thing about the public needing a single place to go to find qualified actuaries is ridiculous. Qualified actuaries already exist. They are FSA's and FCAS's. All these other people are just calling themselves actuaries, and, in the long run, I'll bet that people will get so badly burned by these amateurs that they will come around, and start using the true professionals.

ACTUARY PRO: I am sure you meant to include the Canadian Institute

in your list of qualified actuaries, Con, but that is not really the point. The actuarial profession should not allow this situation you talk about to happen. Surely the Society has a responsibility to make sure immediately that as many actuaries as possible are qualified. After all, if we delay, maybe we will get a bad name along with everybody else. Isn't it better for us to cooperate with the public, such as is being considered for the Enrolled Actuary exam?

ACTUARY MIDDLE-OF-THE-ROAD: I agree with you, Pro, but there are a couple of things that bother me about reorganization. The first is that I am concerned about other groups getting started who may call themselves actuaries after we turn ourselves inside out and end up with fewer organizations. That will create a situation where the public again will not have a single place to go. The other thing that worries me is that I am not sure that all the organizations that are currently being considered as partners in the reorganization process really should be there. After all, there are many actuarial clubs around the country whose members perhaps could consider themselves to be qualified actuaries. We are not considering them in the reorganization process.

ACTUARY CON: You are absolutely right, Middle-of-the-Road. That is why reorganization will not work. As soon as we get everything put together, we will create a whole new set of problems, and the new, bigger organization will have a tougher time than ever trying to satisfy the needs of its special interest groups. As far as actuaries speaking out on issues within their competence, I think that the Society should speak out more. We get attention! A bigger organization would only slow down our response.

ACTUARY PRO: That gets into another reason for reorganization. Nobody really knows who should speak out, or when. A lot of people think that the Academy should always be the one to speak out. You seem to think that the Society should be the one who speaks out for life and pension issues. I suppose you also would expect the Casualty Society to do it on casualty issues. I happen to think that the Society should stay out of this whole business, and leave it all to the Academy.

ACTUARY MIDDLE-OF-THE-ROAD: I certainly agree with Pro when he says that a single organization should speak out, but I wonder whether it should always be the Academy. After all, if they are speaking out on a life insurance issue, maybe people will think that casualty actuaries are also involved in that opinion. Perhaps it is better if the more specialized bodies do the speaking out when an issue is in their particular area of expertise. It certainly is confusing.

ACTUARY PRO: But then you would have two kinds of actuaries talking about things and that will confuse the public. It is just another illustration of why reorganization maybe will solve the "who does what" problem. Just think of the wasted effort of having all of the different committees on professional conduct. Look at the duplicate dues we pay.

ACTUARY CON: Well, I don't care about dues. My company pays them for me anyway!

MRS. BARTLETT: Panelists, please turn into real people now, and tell me what you really think about this question.

MR. FREDERICK J. KNOX: Reorganization of the actuarial profession will not solve the problems of the profession. However, the various actuarial bodies do need to come up with some way to work together solving our common problems. I think we can accomplish a great deal by clarifying common issues, identifying our roles in dealing with them and then working together.

If we take this approach, reorganization--if it is needed--will develop naturally and gradually over time.

MR. ROBERT B. LIKINS: I think there are three important things that could be satisfied through reorganization, and perhaps they can be satisfied without much reorganization because we seem to be headed very strongly in this direction now. One of these things which I feel very strongly about is the need to identify for the public qualified actuaries. By "the public", I do not mean the man in the street so much as government and legislators. The second thing I would like to see is one recognized body to set standards for actuarial work and actuaries and then to enforce those standards. The third item would be a body to speak for actuaries.

MR. WARREN R. ADAMS: As I see this question from my perspective, particularly in the last year, it seems to me the present system of organization has contributed to the uncertainty as to who is responsible for what.

A good example is the situation in connection with the Manhart case last year where the Academy had not done anything to express an opinion and there were members of the Society who felt the voice of the actuary should be heard in connection with that issue. I feel reorganization could accomplish clarification of these lines of responsibility for various actuarial organizations, regardless of how many there are, not only for the public but, more importantly, for the staff and leadership of these organizations, who often are not sure who is doing what in connection with what issue. More importantly than that, perhaps, is the likelihood of cutting out duplication of effort, expense, and achieving a more effective, more efficient use of what really are very limited resources.

MRS. BARTLETT: Walter Grace is Chairman of the Joint Committee on Committees. I believe he can tell us of some of the plans under study to reduce duplication of effort between the various actuarial bodies.

MR. WALTER L. GRACE: When I first heard there was going to be a Committee on Committees, I thought that was pretty funny. When I was appointed to the Committee, I suddenly decided that it wasn't so funny. As I worked on the Committee, I have had new insights on just how complex our organization and structure really are in our profession. We have six organizations, each with its own board, officers and committee structures. The purpose of our Committee is to develop a plan for a coordinated set of committees throughout our profession to eliminate wherever possible duplication of effort and provide for more efficient operations. Much of the work that is done in our profession is done through committees. Our committee structures are our life's blood.

The Committee on Committees consists of representatives from each of the

six actuarial organizations and several members are officers or board members of their respective organizations. The Committee now is in the process of preparing a recommendation for the Council of Presidents that will propose revising to some extent the current committee structure throughout our profession. It would be inappropriate for me at this time to talk about what is in those recommendations, but I can say that we are going to make these on the basis that they will work, whether or not reorganization occurs.

MRS. BARTLETT: The next question on the program reads: "Does the actuarial profession need an umbrella organization? Is there sufficient common interest within the branches of the profession to justify it?"

It's probably fair to say that the overlapping functions of the Academy and the Society pose one of the greatest obstacles to successful reorganization. An additional roadblock is the seeming unwillingness of both organizations to "give up" any "power".

It's been suggested that we look at "zero-based reorganization". In other words, if the Academy had never been established, how would we proceed?

Let's see what Pro, Con and Middle-of-the-Road have to say about this, in our next sketch.

ACTUARY PRO: I think we do have to have an umbrella organization. From a philosophical standpoint, we should consider that there truly is significant common ground between the branches of the profession. An umbrella would serve a unifying purpose -- having one organization speaking with one voice for all actuaries.

From a practical standpoint, we do need to have the Academy. The laws of many states now require that an Academy member must certify financial statements for life insurance. Without the Academy, nobody could certify.

ACTUARY CON: Oh, come on now, Pro -- how much do you have in common with a casualty actuary? Not a whole lot, I bet. If, as you claim, there's so much "common ground" within the profession, then why has the Academy done nothing but interfere with the activities of the Society? An umbrella would have to be pretty big to cover all the ground that realistically, you must agree, is between us.

Now let's look at your "practical reason" for an umbrella organization. Most of the state laws and regulations that I've seen allow a "qualified actuary with a reasonable amount of experience" to sign the life statement, not necessarily a member of the Academy.

I've got a much more practical reason for not having an umbrella organization. I do not want to pay for duplicate functions.

ACTUARY MIDDLE-OF-THE-ROAD: We're really dealing with two issues. One, should the Academy exist? Yes, because it does perform some valuable functions. It provides financial reporting principles and opinions on Guides to Professional Conduct. It could be argued that the Society should do these things, but it seems to take the Society forever to decide on anything. In a sense, the Academy has filled a vacuum created by the Society.

Two, do we need an umbrella organization? At this time, I think we do. Our common interests are one good reason for an umbrella. In addition, with an umbrella we could establish some consistent standards of professional conduct that would apply to all members.

ACTUARY CON: Many would agree when I say that guides for professional standards of conduct are more show than go. Yes, a few members have been reprimanded or tossed out, but you know as well as I do that the task of monitoring conduct is monumental and we are bound to miss some indiscretions.

MRS. BARTLETT: O.K., panelists, where do you really stand?

MR. ADAMS: These questions seem to overlap a lot and I find myself wanting to talk about issues that I really should save until we get to other questions, particularly this question on discipline which keeps popping up throughout the sketches. But to answer the question, do we need an umbrella organization, my answer is yes, partly for the reasons that I stated in my response to the first question. But, if we are to have an umbrella organization, I think we must have clear delineation of responsibilities, to avoid various kinds of confusion that we have had in the past, and also to be certain that we provide a single powerful voice which will be heard by our various publics, so that the other organizations under the umbrella will be able to concentrate their efforts on their assigned responsibilities.

MR. KNOX: At this time, the actuarial profession does need some type of umbrella organization. An umbrella organization is best equipped to coordinate lobbying efforts, public relations efforts and to serve as a liaison between our profession and various other groups.

MR. LIKINS: I agree with the other panelists that we need an umbrella organization and that the umbrella should speak for all actuaries. The question is, "What form should it take?", and in that regard, I think it should be a lowest common denominator kind of organization. Then the question becomes "How low can we go?". In my mind, we cannot absorb the American Society of Pension Actuaries (ASPA). I think that the suggested changes in membership for the American Academy of Actuaries are good, because then that organization would be, in some sense, the lowest common denominator containing as members all Enrolled Actuaries, Associates of the Society and Associates of the Casualty Actuarial Society. I'm not convinced now that ASPA's credentials are sufficient for me to want them to represent me to the government and to the various publics for which I imagine an umbrella organization would represent all actuaries. Additionally, it is a specialty pension organization.

MR. DONALD R. SONDERGELD: Reorganization is needed to strengthen the actuarial profession in the United States by having a single efficient U.S. national body. It would set standards for the profession in the U.S. and would speak to the Federal and State regulators with one voice.

The actuarial profession does not need an "umbrella" organization either in Canada or the United States. The needs of our profession can be best satisfied with one **organization in Canada** (such as the Canadian Institute of Actuaries) and another organization in the United States. I have no strong feelings as to what the name of the U.S. body would be.

It could be called the American Academy of Actuaries, or the Society of Actuaries, or whatever name would best satisfy the interests of the various bodies that would be merged into this one U.S. national body. I would expect there would be a close coordination between the U.S. and Canadian bodies on subjects of common interest, such as education. This could be handled via joint committees without the need for a third umbrella organization with its own officers and board of directors.

The proposed changes in the Academy membership, whereby there would be one class of membership in the Academy, but expanded to include Enrolled Actuaries, ASA's, and ACAS's as full members, would be a step backward as far as reorganization is concerned. There would still be the other bodies in which actuaries would achieve additional recognition and professional stature by having status such as FSA and FCAS. The result would be that the Academy would continue to be the lower class organization that it is today. As an interim measure, I would suggest the Academy membership be expanded, but have it contain more than one class (such as Fellow and Associate) so that further reorganization can be facilitated. Existing members could be Fellows, and the additional new members could be admitted as Associates. All members could be voting members and could be designated MAAA. Some of these members would be Fellows and some would be Associates. Alternatively, there could be no Associate class, just additional recognition as Fellow.

MR. WILLIAM DAVID SMITH: If we are to discuss ASPA, we should recognize that ASPA is not a very homogeneous organization. I believe ASPA has three classes of membership: a bottom class called "Members", an intermediate class, and a top class called "Fellows". The Members are the largest class, most of whom have never taken any kind of actuarial examination. Fellows have taken a series of examinations which are, whether we like it or not, a more efficient route to becoming a practicing pension actuary than the Society of Actuaries can now offer.

MR. ROBERT J. MYERS: I strongly favor reorganization, but with the important proviso that professional standards of the actuarial profession should not be lowered. In this respect, I am encouraged by the proposed restructuring of the examinations.

On the other hand, I am dismayed by the cooperation that the Board of Governors seems to feel is necessary with ASPA. In my opinion, ASPA has been, and still is, a pseudo-actuarial organization. The vast majority of its members have had no education or training in actuarial science, and they are predominantly insurance agents or lawyers. In fact, very few members of ASPA have had any training in actuarial science beyond a relatively narrow area thereof.

I am also dismayed by the action of the American Academy of Actuaries in downgrading significantly the membership requirements by bringing in Enrolled Actuaries as full members. Persons who are only Enrolled Actuaries -- as a result of passing what is, in essence, only a single examination in a limited area of actuarial science -- do not have the broad education and experience that warrants professional recognition. Such individuals are really actuarial technicians -- and not professional actuaries any more than registered nurses are physicians because they can perform satisfactorily a few functions of a physician. I hope that the Society of Actuaries will not go down the same path of lowering the professional status of actuaries as the Academy is doing.

MR. WALTER S. RUGLAND: I suggest that, instead of using the word "umbrella", we use the term "foundation". I agree with the concepts as discussed and I think all the panelists would be able to change "umbrella" to "foundation" in their presentations and come up with the same conclusions. However, the word "foundation" is, I feel, less threatening, and thus would eliminate apprehension among many.

MRS. BARTLETT: The third program question reads: "Is it important to you that actuaries receive professional recognition? By the man on the street? By regulators and government? What else do you expect from your professional organizations?" It is probably quite frustrating to actuaries that, having proved their intellectual capacities to an extent similar to that demonstrated by lawyers and doctors, they are not accorded the same treatment in society. How many of us have, when asked "What do you do?" replied proudly "I'm an actuary", only to be met by a blank stare. Among certain publics, however, the actuary is definitely becoming better known, even if the reaction we receive is not one of complete understanding. The following sketch covers the issue of what life, health, and pension actuaries might expect from their professional organizations. It does not cover items which I consider to be non-controversial, such as having a forum for meetings, education and continuing education, publication of literature, and performance of research. Instead, Actuaries A, B, and C will discuss whether a professional organization should provide job security, protection from encroachment from others, representation with public bodies, public recognition, codes of professional conduct, and whether it should be involved in the setting of professional standards.

ACTUARY A: I would like my professional organizations to do all those things for me. I feel they should be active in providing job security for actuaries. With more and more new actuaries coming into the profession each year, I wonder what we are going to find for them to do -- maybe the profession should carefully restrict the number of new actuaries. Most actuaries are smart, have proven their knowledge of the life insurance and pension business, and deserve to have good jobs in relatively high executive positions. I certainly hope that our profession can use its influence to find well-paying jobs for all the actuaries it is training. Equally, or even more importantly, the profession should try to keep outsiders out of actuarial work - a client may not have any idea of what to look for or expect from his actuary, and the profession can be a real help to the public in this regard.

ACTUARY B: I'm not really comfortable with a professional organization becoming a trade association, which is what the first part of what you are saying sounds like, Actuary A. However, I feel that the Society should get much more involved in presenting pure professional actuarial opinions to public bodies, and in encouraging public recognition of our members. Actuaries are every bit as smart as doctors and lawyers, and yet we do not have anything like the recognition or social acceptance that they do.

ACTUARY C: Oh, come on now, Actuary B, be realistic -- every single member of the public has some dealings with a doctor or a lawyer during his lifetime. But only a very limited percentage of the public knows or cares what an actuary does. Let's face the facts; we are an obscure profession, and we should set our sights for recognition only

in those areas where there is a definite need for our services. As far as codes of professional conduct and standards are concerned, frankly, I think that I should be left to my own devices, without all these controls. I know that I am basically honest, and I intend to do the best I can for my client, but I don't want a bunch of other actuaries telling me how to do a pension valuation or what is necessary in preparing a financial statement. These decisions should be between me and whoever it is that is employing me. The only function that I expect from these organizations is the opportunity to get together once in a while and have a few drinks with actuaries I knew several years ago, and also to get advice from them on how to handle certain problems. We should not pretend to be an organization like a Bar Association or the American Medical Association. All we really are is a club, and it is about time we faced it!

ACTUARY B: I have trouble with that, Actuary C, since I feel that we are true professionals, and our professional bodies should provide us with means whereby we can act as professionals perhaps better than we have done in the past. Therefore, I strongly support the idea of codes and standards of professional conduct being imposed strongly and forcefully on all members, and I also think that we should speak out loudly and clearly on issues within our competence.

ACTUARY A: Almost all of us are in this business to make a living, so money and job security, and maybe even creating an "elite" are important to us. But is it too idealistic to hope that, if we are professional, do good work and follow consistent standards, the public will believe in us and demand our services, and the financial end of things will take care of itself? I feel that unprofessional conduct by a few could destroy the credibility of all of us.

MRS. BARTLETT: Panelists?

MR. LIKINS: On the question of professional recognition by the man on the street, my feeling is that almost always actuaries are doing behind-the-scenes kind of work and it would be really tough for us to ever make any substantial inroads into professional recognition by the man on the street. My feeling, therefore, is that we should concentrate on being recognized as professionals by legislators and governments. It follows directly from this that I think that the main purpose of the profession would be to identify for the public the difference between qualified actuaries and other individuals who might want to call themselves actuaries. I would go on to say that an additional service the professional organization could provide would be to lobby with government and legislators to make our credentials so well known that we would be recognized as the people who should do any actuarial work that was needed by employers, governments or whoever.

MR. ADAMS: The regulators in government are already aware of the existence of the actuary and are beginning to know what his role is. The man on the street is beginning to become aware of us, and I think that an educational and communication effort is needed to avoid misunderstanding of what our roles in providing financial security programs are, and to avoid infringement by the pseudo-actuary. I will mention econometricians as an example of the pseudo-actuary getting into areas for which we have been trained to render top flight, competent professional service.



MR. KNOX: I think too many actuaries are concerned with the idea of professional recognition. Actuaries today are professional people. We are professional because of our training, what we do and how well we do it. It is not very important if the man on the street knows or recognizes this because very seldom does an actuary deal directly with the man on the street. It is important for state regulators and various Federal governmental bodies to accept and recognize actuaries as professionals. We should be proud and confident that they do. In those areas where it has jurisdiction, the Federal government will define what constitutes a qualified actuary and will decide how the qualified actuary's expertise is to be used.

Our standards of professionalism will have very little influence on the government's decision. Actuarial performance, public relations and lobbying will have a more significant impact in this area.

MR. RICHARD DASKAIS: What I have to add is a very brief comment dealing both with questions 2 and 3 on whether or not we lobby or speak out. I think there is a question as to whether we should lobby or speak as a professional organization, as individual actuaries, or as actuaries who are members of non-actuarial organizations. It is quite possible for actuaries to speak out and lobby without having our professional organization do it.

MR. RICHARD V. MINCK: In practice, if you have any hard questions, you will find that even with an organization that speaks out with one voice, there could be an awful lot of other people who will speak out with another voice. I really don't think that it is terribly important to have one voice representing the actuarial business. What we need is a method of getting information to legislators who may need such information. The people who are dealing with legislation want to get advice. They are anxious to find out something about an area in which they are enacting legislation, and will be delighted to take any reliable advice whether it comes from a single unified organization or a series of individuals. On the question of professional recognition, it seems to me that the only real function for a professional organization is to help protect the members of the public who are going to use the services of these professionals. I doubt that large insurance companies need any help from an outside organization to determine whether or not they are employing qualified actuaries.

But there are far more important issues coming up. And I think that what we are in the process of asking for is something fairly unusual. I can't think of any other profession that regulates itself for the protection of the public. Most states reserve the licensing and regulation of professionals to the government of the state. If you look at the other questions we've been talking about this morning, most are secondary to the question of the extent to which we wish to make the actuarial profession similar to other professions in matters of licensing and discipline.

MR. HENRY B. RAMSEY, JR.: I agree with much of what Dick says, but I don't think you can have much of a disciplined process unless you have got an effective organization. There are certain things in which the profession can speak with a single voice, and it is precisely for that reason that we need the organization. We also need a process to speak for the profession even when the profession does not have a unified view. You can't do that without the organization.

As to the effectiveness of a profession policing itself, I don't think the other professions are very effective; certainly the AMA and the Bar Association are currently struggling to improve. So we are not necessarily following a clear path of accomplishment by such organizations. Nevertheless, the principle of having professional standards set by professionals is an important one and we need an appropriate, effective organization in order to develop a satisfactory mechanism.

MRS. BARTLETT: In the last sketch, we talked about what members expect of the actuarial profession in general. The next sketch gets more specific, by addressing the question: "What do you consider to be the primary functions of the Society of Actuaries?"

ACTUARY PRO: There are only a few readily identifiable things that the Society should be doing -- meetings, literature, research, education, and enforcing professional standards. That is it! True professionals do not get involved in all that other stuff. The Academy should do that.

ACTUARY MIDDLE-OF-THE-ROAD: You seem to be implying that the Academy is not professional, Pro. I think the Society should express opinions sometimes; should try to make actuaries better known to the public and should get much more involved in setting standards for professional practice. I certainly agree with you, however, that the Society should not run around trying to open up areas of employment for actuaries. That strikes me as very unprofessional.

ACTUARY CON: Why don't we face facts -- people do not come to Society meetings to learn things, so meetings are not really necessary. The government's going to legislate the educational requirements for actuaries, and it is absolutely stupid to have two different sets of professional standards (the Society and the Academy) depending on what you are working on. Why not have the Society give up, and turn the whole thing over to the Academy? Or at a minimum, leave the Society as a group of philosophers and educators. The Academy's where the action is!

ACTUARY PRO: I guess maybe I do view the Academy as somewhat of a lobby for preserving actuaries' employment interests rather than as a truly professional body. That is what troubles me about your suggestion, Con. I honestly believe that a profession has to stay out of politics and really be unbiased toward any employment, industry or client interests. And I don't see this happening if the Society folds up its tent.

ACTUARY MIDDLE-OF-THE-ROAD: Maybe the answer is that the Society should be much more aggressive in the professional sense and the Academy should stop trying to be professional and become purely political.

MRS. BARTLETT: Panelists?

MR. ADAMS: The question is, what do you consider to be the primary functions of the Society of Actuaries. I see it as a single function; that is, education, including basic and continuing education, research, and

professional meetings that are relevant to the educational effort. This would include a forum for meetings and socializing, basic and continuing education, literature and research, and as a consequence of doing a good education job, probably job security as well. None of the other items on the list. I really fear the loss of our academic freedom, as an educational organization, if we become involved in public expression of opinion.

MR. KNOX: The prime function of the Society of Actuaries is to further the development and practice of actuarial science. This involves providing opportunities for continuing education, providing forums for meetings and exchange of ideas, doing research and developing qualifications for membership.

MR. LIKINS: I am pretty much in agreement with what Fred and Warren said. I think the Society should be involved in education and in continuing education, and that the American Academy should take over most of the other professional duties.

MR. SMITH: I didn't detect mention of an educational duty which I believe the Society of Actuaries has. That duty is to help fill educational gaps for Enrolled Actuaries who are not members of the Society. Does anyone on the panel think the Society of Actuaries has that duty?

MR. ADAMS: Well, an educational organization tries to meet those needs that it sees are there to be filled; if there is a need on the part of Enrolled Actuaries for basic actuarial education, I see no bars to providing that, and to include them under my umbrella of basic and continuing education.

MR. ROBIN B. LECKIE: I'm not happy, Warren, with your inclusion of research as a subsidiary element of education. It is quite true that there is a great deal of actuarial research that is required and needed to advance our education for new members and for continuing education of our existing members. However, there must also be an extension of our scientific body of knowledge for the benefit of the public and the benefit of the companies, and the benefit of our application of actuarial principles. I would certainly see research as being a significant parallel and major function of the Society of Actuaries.

MR. HARRY D. MORGAN: I would like to express a concern I had when I was filling out the questionnaire. I'm quite active in the Conference of Actuaries in Public Practice. I think it is a very good organization. It has satisfied my needs over the years, much more so than the Society has. It was disturbing to note that the questionnaire form gave no recognition to functions which might be performed by the Conference. The Conference does a great job of continuing education, for example, for those of us in public practice.

MRS. BARTLETT: As was mentioned at the top of the questionnaire, we are amateurs at questionnaire design, and do request your tolerance. I apologize for what was not a deliberate oversight. This particular questionnaire was geared to a Society/Academy audience. However, I feel it could be helpful to the reorganization committees to enlarge upon it and perhaps distribute it among more actuaries.

Recently I attended a presentation on the proposed Academy membership standards given at my local actuarial club. I was somewhat surprised at the lack of concern expressed about the change, and attributed it to the fact that the membership of the Club was probably more understanding of the need for such a change than I was. In reflecting on this, I became satisfied that the change was a good one, if, and only if, consistent standards of professional conduct were imposed and enforced on everyone. In other words, the major purpose of the change was to impose those standards on everyone who was currently practicing as an actuary.

In an earlier sketch, there was a critical comment about enforcement of professional standards. It is important to remember that, to protect the parties involved, investigations of charges of unprofessional conduct must be confidential. These investigations do occur; we just do not hear about them. Some questions do need to be asked, however:

- Are enough challenges being made on professional conduct issues?
- Are they being handled fairly?
- What will happen if the Academy enlarges its membership to include individuals not formerly exposed to its standards?
- Since discipline is handled by members, as volunteers, will we have enough good people available to handle all the cases which might come up?

The next sketch addresses some of these points, in response to the program question: "Should the actuarial profession try to create uniform standards of professional conduct for all 'actuaries'? Will the proposed changes in Academy membership requirements accomplish this?"

ACTUARY MIDDLE-OF-THE-ROAD: I'm very much in favor of having the same (tough) standards of professional conduct for all actuaries. They should be set in a single body, probably the Academy. Obviously, they won't apply to new splinter groups that might pop up in the future, and that is a problem. Also, I'm really scared about enforcement. How can we possibly handle it properly?

ACTUARY CON: That's the heart of the matter. No matter who we bring into the Academy, people are going to continue to do things the way they did before. There is no way that we can make sure our standards will be followed. Remember that the trouble with poor actuarial work is that its impact is delayed. Errors currently being made won't show up for a long time. One of these days, there's bound to be a big actuarial crash. We've got to get on the ball and start doing more enforcement with the members we now have. Any more members and the task will be impossible.

ACTUARY PRO: I disagree with Daphne's statement that change in membership standards must be tied to strict enforcement of professional conduct standards. Part of my reason for disagreeing goes back to the need to create a central source of qualified actuaries. That's a worthy objective and one we should be pursuing. If we come up with uniform standards, then we just have to find a way to see that they are followed.

ACTUARY CON: Too many actuaries don't like some of the professional standards even now. They want to be able to "do their own thing". For example, if I boned up, I wouldn't have too much trouble taking on a casualty assignment, even though that's not my area.

ACTUARY MIDDLE-OF-THE-ROAD: Same with me. But the problem is that we are all very busy, and I'm not sure we'd really take the time to do the studying.

ACTUARY PRO: In Canada, an actuarial opinion is highly respected. I'd like to see a similar respect develop here in the United States. I've heard U.S. regulators say things like "we need to write some rules because we can't trust actuarial opinions". Unfortunately, they may be right. If uniform standards of professional conduct were developed and we could prove that they were being lived up to, then we would gain greater professional self-respect and earn greater respect from others.

MRS. BARTLETT: Panelists, your personal comments, now, please.

MR. KNOX: All actuaries should be subject to high standards of professional conduct. It is not important that these standards be stated in one universal document for the various specialties or practices. It is important that the standards be clearly defined, be acceptable to the members, and be consistently enforced. We must prove that our standards are substantive and not merely for show.

MR. LIKINS: Yes, I would also agree that uniform standards are needed, and I think that the proposed changes in membership for the American Academy of Actuaries is going to go some distance toward achieving this; assuming Enrolled Actuaries and Associates of the Society and the Casualty Society take the opportunity to become members, then they will be governed by the uniform standards set by the Academy.

MR. ADAMS: I think these standards can be fundamentally uniform. We are going to need adequate interpretations to relate standards to the specialty areas, because there will be differences in how those standards can be applied to the various specialty areas. Administration is going to be difficult. It's just too hard to judge at this time how well it will work.

MR. CHARLES L. WALLS: The one persistent word through all of this is the word "professional", and I think one of the things we have to do is distinguish between professionals and artists. Many of the calls for regulation and standards are really standards for the art and not the profession. A profession is a very narrow thing in which you want somebody competent to determine what is necessary. When it comes to matters of judgement, however, you don't necessarily wish to have standards or governmental regulations. As an example of this (in the older professions such as law and medicine) you wish to be able to grab the doctor and have him stop the flow of blood, but when you want an opinion on what sort of disease you have, you want to meet up with an artist.

MR. DASKAIS: I have grave doubts about the ability of our profession, with its concentration of members in a relatively small number of employment organizations, to enforce any meaningful professional standards. An example

came up yesterday at a workshop on small pension plans. Several FSA's who are inside life insurance companies working on small plans said that each of their companies uses one set of actuarial assumptions for all of its small plans. I find it very difficult to reconcile this with the "best estimate" requirement of ERISA, but it's standard practice.

MR. RUGLAND: I think the challenge is to assure the public that people in the United States who call themselves actuaries perform competent work and are qualified to do that competent work. So I start from the basis that we have the desire of assuring the public that it is getting its money's worth. The thrust of the Academy's restructuring of membership requirements is a big step in this direction, because it permits any actuary to voluntarily submit to the Guides to Professional Conduct, the opinions and the standards of practice that exist or will be developed within the Academy for all areas of U.S. actuarial practice.

I view the conduct issue as having several levels. First, we have the basic guides. Secondly, we have the opinions on those guides which I believe speak to the issues of professionalism. The third level is what I call the standards of practice, and here we tell each other when we have a particular type of assignment that this is the way the profession thinks is the best way to handle that assignment. The classic example is the Academy's Financial Reporting Committee's recommendations and interpretations. The standards of practice are different from the opinions on the guides, in that the standards of practice say to an actuary, "I'd do it this way, but if you want to do it another way, be prepared to justify your alternative approach". We are developing standards of practice currently and I think such development will accelerate in the future.

When we have standards of practice, we have to assure the public, as well as ourselves, that we can, in fact, enforce them and call upon an actuary who does not follow them to justify his departure. This requires a stronger discipline procedure. It probably means we have to move much of the discipline cycle to "up front" rather than keep it at "rear end". Our current approach is "rear end"; it says, if you can catch me, try to discipline me. The change to "up front" requires that individual practitioners be told that if they are going to do certain things in certain fields, here is what they should do to qualify, and in some instances, here are the minimum standards for your work. We will have to tell individual actuaries what it will take for them to hold themselves out to be a pension actuary, a health actuary, a municipal plan actuary, etc.

MR. KNOX: I'd like to take off from that a little bit. It's important that standards be clearly defined (and I think that is what we're hearing there), and also acceptable to the members and consistently enforced. My company had two opportunities in the past to insure actuaries for malpractice. In both cases we refused. We insure a lot of doctors, lawyers, real estate agents, and, in fact, are the largest insurer of professional liability. But we declined to insure consulting actuaries because we could not answer the question: "What do they really do and how do you measure it?"

MRS. BARTLETT: Just about any reorganization proposal involves some concept of grandfathering. The proposed Academy membership requirements involve a reduction in the qualifications needed. The last program question

asks: "How do you feel about grandfathering into the Society of Actuaries if it appears necessary to satisfy a worthy objective?"

ACTUARY PRO: I certainly struggled long and hard to get my FSA, and it will be painful to see others get it without that suffering, but to further the ends of a good reorganization, I would go along. I'd be even more willing to take non-FSA's into an umbrella organization like the Academy, which is not itself noted for its own educational requirements, but relies on those of other organizations.

ACTUARY CON: I wouldn't go along. All the people who call themselves actuaries and want to get into the Society had just the same opportunities to study as we did. These are the ones who are pushing for reorganization, I'm sure, because they recognize the value of the FSA.

ACTUARY MIDDLE-OF-THE-ROAD: Many of these people are well qualified actuaries, Con, who just became too busy to go on studying. Also, most of them are close to retirement anyway, and their numbers are small. I suppose I can afford to be charitable because I have been around a while, but I do feel sorry for the brand new FSA.

ACTUARY CON: I'll bet that after all this grandfathering and lowered standards are over with, nobody will bother to become an FSA. The whole Society will just fall apart. After all, if it only takes a couple of easy exams and a little experience to become an Enrolled Actuary, why on earth should anyone want to suffer through "Sources and Characteristics"?

ACTUARY PRO: I really enjoyed "Sources and Characteristics". I have found it very useful in my work. So what I learned from the Society syllabus will make me more valuable as an actuary. I have a much wider perspective on problems than does an Enrolled Actuary who is not an FSA, and employers and clients will continue to respect and want that knowledge.

ACTUARY MIDDLE-OF-THE-ROAD: I hope you are right, Pro. But, I see this as one of the biggest problems remaining, if we ever do accomplish reorganization. We'll all be actuaries under the same umbrella, but some are going to be more qualified than others. Won't that result in chaos?

MRS. BARTLETT: Panelists?

MR. LIKINS: I am not convinced that grandfathering should take place into the Society of Actuaries at this point, if it could somehow be done in another organization, and I think it can be better done into the American Academy of Actuaries. I have a basic feeling that the grandfathering should take place in the lowest common denominator type of organization, and I think the Academy is a little better equipped to take that than the Society.

MR. KNOX: There are some individuals who qualify as actuaries because of their years of experience and practice. These individuals perform as well as those who have successfully completed the examinations. If the Society has some way of identifying and screening these particular individuals, I

see no reason why they shouldn't be grandfathered into the Society if there is a need to do so.

MR. ADAMS: My view of the FSA is that it is a diploma. It signifies high educational achievement. If we are going to grandfather, it should be based on meeting educational standards on some basis, and we could use experience or comparable education rigorously administered to protect the integrity of the diploma.



A "Questionnaire on Reorganization of the Actuarial Profession" was handed out at the beginning of the session and was completed totally or in part by 58 attendees. These responses have been tabulated in several different ways, as follows:

1. 1970 and later FSA's (21 responses) vs. 1969 and prior FSA's (23 responses) vs. Non-FSA's (14 responses of which 10 were ASA's).
2. Consultants (17 responses) vs. Other Employment (41 responses, of which 36 indicated Life Insurance Company employment).
3. Pension specialists (24 responses) vs. Other Specialties (34 responses, of which 27 indicated an exclusive specialty of Individual Life and Health Insurance).

In the following tabulations, the percentage distribution of the responses is shown. The number of respondents in each category is indicated in parentheses. Horizontally, the percentages total 100% for each question in each category, but no adjustment has been made for rounding.

Needs for Reorganization and Functions of Actuarial Organizations

1. What degree of importance do you attach to each of the following "needs for reorganization"?:

	<u>Extremely Important</u>	<u>Fairly Important</u>	<u>Not Important</u>
<b>a. Administrative efficiency</b>			
I. All Respondents (58)	12	64	24
II. Newer FSA's (21)	10	71	19
Older FSA's (23)	22	57	22
Non-FSA's (14)	0	64	36
III. Consultants (17)	12	53	35
Other Employment (41)	12	68	20
IV. Pension Specialty (24)	12	58	29
Other Specialties (34)	12	68	21
<b>b. Public must have a central place to find qualified actuaries</b>			
I. All Respondents (58)	59	26	16
II. Newer FSA's (21)	52	38	10
Older FSA's (23)	61	17	22
Non-FSA's (14)	64	21	14
III. Consultants (17)	59	18	24
Other Employment (41)	59	29	12
IV. Pension Specialty (24)	54	25	21
Other Specialties (34)	62	26	12

	<u>Extremely Important</u>	<u>Fairly Important</u>	<u>Not Important</u>
<b>c. Consistent standards of professional conduct</b>			
I. All Respondents (58)	62	34	3
II. Newer FSA's (21)	57	43	0
Older FSA's (23)	61	30	9
Non-FSA's (14)	71	28	0
III. Consultants (17)	76	18	6
Other Employment (41)	56	41	2
IV. Pension Specialty (24)	67	29	4
Other Specialties (34)	59	38	3
<b>d. Elimination of duplicate effort in meetings, committees, etc.</b>			
I. All Respondents (58)	24	59	17
II. Newer FSA's (21)	24	67	10
Older FSA's (23)	30	48	22
Non-FSA's (14)	14	64	21
III. Consultants (17)	29	47	24
Other Employment (41)	22	63	15
IV. Pension Specialty (24)	25	54	21
Other Specialties (34)	24	62	15
<b>e. Single body to speak out on actuarial issues</b>			
I. All Respondents (58)	57	36	7
II. Newer FSA's (21)	62	38	0
Older FSA's (23)	43	39	17
Non-FSA's (14)	71	28	0
III. Consultants (17)	47	35	18
Other Employment (41)	61	37	2
IV. Pension Specialty (24)	58	29	12
Other Specialties (34)	56	41	3

Please be thoughtful in answering the next question. Don't answer it according to the way you think the functions are assigned today, but according to how they might better be divided between the Society and the Academy in the future.

2. Do you think the Society of Actuaries/American Academy of Actuaries should perform the following functions for life, health and pension actuaries?:

	<u>SOCIETY</u>			<u>ACADEMY</u>		
	<u>Yes</u>	<u>No</u>	<u>Not Sure</u>	<u>Yes</u>	<u>No</u>	<u>Not Sure</u>
<b>a. Education and Examination of potential future members</b>						
I. All Respondents (58/56)	93	3	3	9	79	12
II. Newer FSA's (21/20)	100	0	0	5	90	5
Older FSA's (23/22)	87	4	9	5	82	14
Non-FSA's (14/14)	93	7	0	21	57	21
III. Consultants (17/16)	100	0	0	0	88	13
Other Employment (41/40)	90	5	5	13	75	13
IV. Pension Specialty (24/23)	92	4	4	4	74	22
Other Specialties (34/33)	94	3	3	12	82	6
<b>b. Education of others (e.g. Enrolled Actuaries)</b>						
I. All Respondents (57/56)	54	23	23	30	50	20
II. Newer FSA's (21/20)	48	29	24	30	40	30
Older FSA's (23/22)	65	17	17	32	59	9
Non-FSA's (13/14)	46	23	31	29	50	21
III. Consultants (17/16)	76	12	12	31	63	6
Other Employment (40/40)	45	28	28	30	45	25
IV. Pension Specialty (24/23)	50	21	29	26	48	26
Other Specialties (33/33)	58	24	18	33	52	15
<b>c. Continuing education of its members</b>						
I. All Respondents (58/56)	91	5	3	41	45	14
II. Newer FSA's (21/20)	100	0	0	50	35	15
Older FSA's (23/22)	87	4	9	32	64	5
Non-FSA's (14/14)	86	14	0	42	29	29
III. Consultants (17/16)	100	0	0	25	56	19
Other Employment (41/40)	88	7	5	48	40	13
IV. Pension Specialty (24/23)	87	8	4	39	43	17
Other Specialties (34/33)	94	3	3	42	45	12

	<u>SOCIETY</u>			<u>ACADEMY</u>		
	<u>Yes</u>	<u>No</u>	<u>Not Sure</u>	<u>Yes</u>	<u>No</u>	<u>Not Sure</u>
<b>d. Pure (theoretical) actuarial research</b>						
I. All Respondents (58/56)	76	12	12	16	70	14
II. Newer FSA's (21/20)	76	10	14	25	55	20
Older FSA's (23/22)	74	13	13	5	86	9
Non-FSA's (14/14)	79	14	7	21	64	14
III. Consultants (17/16)	88	6	6	0	94	6
Other Employment (41/40)	71	15	15	23	60	18
IV. Pension Specialty (24/23)	79	12	8	9	74	17
Other Specialties (34/33)	74	12	15	21	67	12
<b>e. Insurance/Pension-related actuarial research</b>						
I. All Respondents (58/56)	76	12	12	16	62	21
II. Newer FSA's (21/20)	76	10	14	20	50	30
Older FSA's (23/22)	78	9	13	9	73	18
Non-FSA's (14/14)	71	21	7	21	64	14
III. Consultants (17/16)	82	6	12	13	81	6
Other Employment (41/40)	73	15	12	18	55	28
IV. Pension Specialty (24/23)	79	12	8	13	65	22
Other Specialties (34/33)	74	12	15	18	61	21
<b>f. Establish standard actuarial principles and practices</b>						
I. All Respondents (58/56)	59	31	10	70	21	9
II. Newer FSA's (21/20)	62	24	14	85	5	10
Older FSA's (23/22)	43	43	13	59	32	9
Non-FSA's (14/14)	79	21	0	64	29	7
III. Consultants (17/16)	47	41	12	63	38	0
Other Employment (41/40)	63	27	10	73	15	13
IV. Pension Specialty (24/23)	46	42	12	61	30	9
Other Specialties (34/33)	68	24	9	76	15	9
<b>g. Set standards of professional conduct for its members</b>						
I. All Respondents (58/56)	64	28	9	91	5	4

	<u>SOCIETY</u>			<u>ACADEMY</u>		<u>Not Sure</u>
	<u>Yes</u>	<u>No</u>	<u>Not Sure</u>	<u>Yes</u>	<u>No</u>	
II. Newer FSA's (21/20)	76	14	10	90	10	0
Older FSA's (23/22)	43	43	13	91	5	5
Non-FSA's (14/14)	79	21	0	93	0	7
III. Consultants (17/16)	59	35	6	100	0	0
Other Employment (41/40)	66	24	10	88	8	5
IV. Pension Specialty (24/23)	50	37	12	87	4	9
Other Specialties (34/33)	74	21	6	94	6	0
h. Obtain accreditation of its members						
I. All Respondents (58/56)	52	47	2	91	4	5
II. Newer FSA's (21/20)	62	38	0	95	0	5
Older FSA's (23/22)	22	74	4	95	0	5
Non-FSA's (14/14)	86	14	0	79	14	7
III. Consultants (17/16)	59	41	0	88	6	6
Other Employment (41/40)	49	49	2	93	3	5
IV. Pension Specialty (24/23)	50	46	4	83	4	13
Other Specialties (34/33)	53	47	0	97	3	0
i. Express public opinions on theoretical actuarial matters						
I. All Respondents (58/56)	55	24	21	64	16	20
II. Newer FSA's (21/20)	62	14	24	70	10	20
Older FSA's (23/22)	43	39	17	59	27	14
Non-FSA's (14/14)	64	14	21	64	7	29
III. Consultants (17/16)	53	18	29	56	25	19
Other Employment (41/40)	56	27	17	68	13	20
IV. Pension Specialty (24/23)	58	25	17	48	26	26
Other Specialties (34/33)	53	24	24	76	9	15
j. Express public opinions on Insurance/Pension matters						
I. All Respondents (58/55)	43	40	17	73	13	15
II. Newer FSA's (21/19)	52	33	14	79	5	16
Older FSA's (23/22)	26	57	17	77	18	5
Non-FSA's (14/14)	57	21	21	57	14	29

## DISCUSSION—CONCURRENT SESSIONS

	<u>SOCIETY</u>			<u>ACADEMY</u>		
	<u>Yes</u>	<u>No</u>	<u>Not Sure</u>	<u>Yes</u>	<u>No</u>	<u>Not Sure</u>
III. Consultants (17/15)	29	53	18	67	20	13
Other Employment (41/40)	49	34	17	75	10	15
IV. Pension Specialty (24/22)	37	46	17	64	18	18
Other Specialties (34/33)	47	35	18	79	9	12
k. Attempt to maintain earning power of its members						
I. All Respondents (57/55)	21	63	16	18	60	22
II. Newer FSA's (20/20)	25	55	20	20	55	25
Older FSA's (23/21)	17	70	13	14	62	24
Non-FSA's (14/14)	21	64	14	21	64	14
III. Consultants (16/15)	31	56	13	13	73	13
Other Employment (41/40)	17	66	17	20	55	25
IV. Pension Specialty (24/22)	12	79	8	9	64	27
Other Specialties (33/33)	27	52	21	24	58	18
l. Hold meetings						
I. All Respondents (58/56)	90	10	0	71	14	14
II. Newer FSA's (21/20)	86	14	0	65	10	25
Older FSA's (23/22)	96	4	0	73	23	5
Non-FSA's (14/14)	86	14	0	79	7	14
III. Consultants (17/16)	100	0	0	56	25	19
Other Employment (41/40)	85	15	0	78	10	13
IV. Pension Specialty (24/23)	87	12	0	74	13	13
Other Specialties (34/33)	91	9	0	70	15	15

Reorganization

In the questions in this section, "reorganization" is assumed to mean the implementation of changes in membership requirements such that members of one organization automatically becomes members of another (new or existing) organization, and that one or more organizations cease to exist.

1. In general, do you feel that the current organizational difficulties can be solved by:

	<u>No</u>	<u>Some</u>	<u>Major</u>
	<u>Reorganization</u>	<u>Reorganization</u>	<u>Reorganization</u>
I. All Respondents (56)	11	59	30
II. Newer FSA's (20)	10	55	35
Older FSA's (22)	14	59	27
Non-FSA's (14)	7	64	29
III. Consultants (16)	6	81	13
Other Employment (40)	13	50	38
IV. Pension Specialty (23)	9	52	39
Other Specialties (33)	12	64	24

2. If you feel at least some reorganization is necessary, how urgent is it?

	<u>Should occur</u>	<u>Should occur</u>	<u>We can wait</u>
	<u>within two</u>	<u>within three</u>	<u>for at least</u>
	<u>years</u>	<u>to five years</u>	<u>five years</u>
I. All Respondents (50)	32	60	8
II. Newer FSA's (17)	47	53	0
Older FSA's (20)	20	65	15
Non-FSA's (13)	31	62	8
III. Consultants (15)	20	73	7
Other Employment (35)	37	54	9
IV. Pension Specialty (20)	30	60	10
Other Specialties (30)	33	60	7

3. Should the following organizations be participants in any reorganization (as defined above)?:

	<u>SOA</u>			<u>CAS</u>		
	<u>Yes</u>	<u>No</u>	<u>Don't Know</u>	<u>Yes</u>	<u>No</u>	<u>Don't Know</u>
I. All Respondents (54/52)	96	0	4	88	6	6
II. Newer FSA's (19/18)	100	0	0	100	0	0
Older FSA's (21/21)	95	0	5	90	0	10
Non-FSA's (14/13)	93	0	7	69	23	8
III. Consultants (17/15)	93	0	7	87	7	7
Other Employment (39/37)	97	0	3	89	5	5
IV. Pension Specialty (22/21)	95	0	5	90	5	5
Other Specialties (32/31)	97	0	3	87	6	6

## DISCUSSION—CONCURRENT SESSIONS

	<u>CIA</u>			<u>AAA</u>		
	<u>Yes</u>	<u>No</u>	<u>Don't Know</u>	<u>Yes</u>	<u>No</u>	<u>Don't Know</u>
I. All Respondents (52/52)	69	17	13	94	0	6
II. Newer FSA's (18/19)	78	6	17	95	0	5
Older FSA's (20/19)	70	25	5	95	0	5
Non-FSA's (14/14)	57	21	21	93	0	7
III. Consultants (14/13)	71	14	14	92	0	8
Other Employment (38/39)	68	18	13	95	0	5
IV. Pension Specialty (21/21)	76	10	14	95	0	5
Other Specialties (31/31)	65	23	13	94	0	6
	<u>CAPP</u>			<u>FAA</u>		
I. All Respondents (52/52)	67	8	25	71	4	25
II. Newer FSA's (18/18)	50	5	44	56	5	39
Older FSA's (21/21)	86	0	14	86	0	14
Non-FSA's (13/13)	62	23	15	69	8	23
III. Consultants (15/15)	80	7	13	87	0	13
Other Employment (37/37)	62	8	30	65	5	30
IV. Pension Specialty (21/21)	71	5	24	81	0	19
Other Specialties (31/31)	65	10	26	65	6	29
	<u>ASPA</u>			<u>OTHER BODIES WHICH MAY EMERGE</u>		
I. All Respondents (52/41)	50	25	25	39	17	44
II. Newer FSA's (17/15)	35	18	47	27	13	60
Older FSA's (21/16)	57	33	10	50	25	25
Non-FSA's (14/10)	57	21	21	40	10	50
III. Consultants (14/12)	71	21	7	50	0	50
Other Employment (38/29)	42	26	32	34	24	41
IV. Pension Specialty (22/19)	64	14	23	53	11	37
Other Specialties (30/22)	40	33	27	27	23	50

4. In order to accomplish reorganization, would you be willing to admit, as full members, experienced actuaries, not otherwise eligible, into:



	<u>SOA</u>		<u>Not Sure</u>	<u>AAA</u>		<u>Not Sure</u>
	<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
I. All Respondents (55/55)	22	65	13	64	20	16
II. Newer FSA's (19/19)	11	79	11	58	32	11
Older FSA's (22/22)	36	59	5	73	18	9
Non-FSA's (14/14)	14	57	29	57	7	36
III. Consultants (16/16)	31	56	13	69	6	25
Other Employment (39/39)	18	69	13	62	26	13
IV. Pension Specialty (23/23)	22	70	9	74	13	13
Other Specialties (32/32)	22	63	16	56	25	19

Proposed Changes in Academy Membership Requirements

1. The proposed changes in academy membership requirements involve a single class of membership which will include Enrolled Actuaries and Associates of the Society of Actuaries and Casualty Actuarial Society. How do you feel about this?

	<u>Strongly Favor</u>	<u>Moderately Favor</u>	<u>No Opinion</u>	<u>Moderately Oppose</u>	<u>Strongly Oppose</u>
I. All Respondents (55)	35	25	4	18	18
II. Newer FSA's (20)	25	35	0	20	20
Older FSA's (22)	50	5	5	14	27
Non-FSA's (13)	23	46	8	23	0
III. Consultants (16)	50	19	0	19	13
Other Employment (39)	28	28	5	18	21
IV. Pension Specialty (23)	43	26	4	9	17
Other Specialties (32)	28	25	3	25	19

2. If the proposed changes in Academy membership requirements are adopted, how do you feel about the following statements:

	<u>Strongly Agree</u>	<u>Moderately Agree</u>	<u>No Opinion</u>	<u>Moderately Disagree</u>	<u>Strongly Disagree</u>
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- a. Specialties should be identified for each Academy member

	<u>Strongly Agree</u>	<u>Moderately Agree</u>	<u>No Opinion</u>	<u>Moderately Disagree</u>	<u>Strongly Disagree</u>
I. All Respondents (55)	18	56	11	9	5
II. Newer FSA's (19)	11	58	21	11	0
Older FSA's (22)	27	45	5	14	9
Non-FSA's (14)	14	71	7	0	7
III. Consultants (16)	31	50	6	6	6
Other Employment (39)	13	59	13	10	5
IV. Pension Specialty (23)	30	52	4	9	4
Other Specialties (32)	9	59	16	9	6
<b>b. Students will stop writing Society Fellowship examinations.</b>					
I. All Respondents (55)	7	16	9	20	47
II. Newer FSA's (19)	0	26	11	26	37
Older FSA's (22)	14	18	0	9	59
Non-FSA's (14)	7	0	21	29	42
III. Consultants (16)	0	13	13	25	50
Other Employment (39)	10	18	8	18	46
IV. Pension Specialty (23)	4	17	4	26	48
Other Specialties (32)	9	16	13	16	47
<b>c. The Academy will become much more involved in continuing education of its members.</b>					
I. All Respondents (55)	5	25	22	31	16
II. Newer FSA's (19)	0	26	42	21	11
Older FSA's (22)	9	23	9	36	23
Non-FSA's (14)	7	29	14	36	14
III. Consultants (16)	0	38	19	19	25
Other Employment (39)	8	21	23	36	13
IV. Pension Specialty (23)	9	26	17	26	22
Other Specialties (32)	3	25	25	34	13
<b>d. It will be extremely difficult to enforce standards of professional conduct on all Academy members.</b>					
I. All Respondents (55)	9	24	5	35	27

	<u>Strongly</u> <u>Agree</u>	<u>Moderately</u> <u>Agree</u>	<u>No</u> <u>Opinion</u>	<u>Moderately</u> <u>Disagree</u>	<u>Strongly</u> <u>Disagree</u>
II. Newer FSA's (19)	5	32	5	26	32
Older FSA's (22)	14	23	0	32	32
Non-FSA's (14)	7	14	14	50	14
III. Consultants (16)	13	13	6	38	31
Other Employment (39)	8	28	5	33	26
IV. Pension Specialty (23)	4	35	4	30	26
Other Specialties (32)	13	16	6	38	28

e. Reorganization will no longer be necessary, because the Academy will embrace all actuaries.

I. All Respondents (54)	0	19	19	24	39
II. Newer FSA's (18)	0	22	28	28	22
Older FSA's (22)	0	27	9	9	55
Non-FSA's (14)	0	0	21	42	36
III. Consultants (15)	0	33	7	20	40
Other Employment (39)	0	13	23	26	38
IV. Pension Specialty (23)	0	30	13	22	35
Other Specialties (31)	0	10	23	26	42

