

**RECORD OF SOCIETY OF ACTUARIES  
1984 VOL. 10 NO. 4B**

**NON-TRADITIONAL MARKETING  
SECTION ORGANIZATIONAL MEETING**

*Moderator: H. MICHAEL SHUMRAK. Recorder: MARIA THOMSON*

I. Election Results

A. Section Council

	<u>Region</u>	<u>Term</u>
Mike Shumrak	Northeast	4 yrs.
Neil Lund	"	4 "
Kiran Desai	"	3 "
Harry Ploss	Southeast	3 "
David Vrla	"	2 "
Maria Thomson	West	2 "
Bobbie Canfield	"	2 "
Jay Jaffe	Midwest	3 "
Fred Singer	"	4 "

B. Officers Appointed By The Council

Chair - Mike Shumrak  
Vice-Chair - Maria Thomson  
Treasurer - Bobbie Canfield  
Secretary - Neil Lund

II. Initial Section Activities for 1984-5 Fiscal Year

A. Programs, Seminars & Meetings

Responsible Coordinator - Bobbie Canfield

1. San Francisco Meeting, April 1-2, 1985

We are responsible for the recruiting and preparation for Panel Discussion #38 which is tentatively outlined as follows:

38 PD: Direct Response Marketing - Life & Health Insurance  
(Tuesday, April 2nd from 11 a.m. to 12:30 p.m.)

- \*Target Markets
- True 3rd Party
- Fictitious/Affinity Trust
- Individual Sales
- \*Media
- Mail
- Television
- Periodicals
- \*Product Choice & Design

Deadlines of items due to SOA office and Program Committee - Oct. 29th.

Deadline for recruiting moderators - Mike Shumrak has volunteered to be the moderator.

January 21st - Final program information.

2. St. Louis Meeting May 23-24, 1985

The Financial Reporting Section is directly responsible for the session we are to be involved in supporting. We should coordinate with their people on this.

10 WS: Accounting for Non-Traditional Distribution Systems  
(Thursday, May 23, 1985 from 10:30 a.m. to 12:30 p.m.)

This session will cover accounting issues unique to insurance product distribution through banks, retailers, direct response, and other non-traditional distribution systems.

- \*Definition of acquisition costs
- \*Amortization of acquisition and start-up costs
- \*Lapse and mortality assumptions
- \*Accounting for joint ventures

Deadline for St. Louis:

November 26th - Recruit Moderators  
December 17th - Preliminary Program Information Due  
March 11th - Final Program Information Due

3. Quebec City Meeting June 6-7, 1985  
(Thursday, June 6, 1985 from 10:45 a.m. to 12:30 p.m.)

31 WS: Mass Marketing on an International Scale

- \*What opportunities are available in direct response marketing overseas?
- \*What is the experience to date?
- \*What are the differences in various countries - United Kingdom? Europe? Japan?

We are responsible for recruiting and preparation for this workshop.

Deadlines:

December 17th - Chairperson Recruited  
January 2nd - Revised Wording Due  
March 25th - Co-Chairperson & Final Program Due

B. Research

Responsible coordinator - Jay Jaffe

Jay Jaffe is already in the process of developing and conducting a section membership survey to provide the council with a profile of our group with respect to areas of either interest to us and/or in which we have significant knowledge and experience. This survey should help us to plan to achieve an appropriate balance of activities among the many specialty areas that fall within the broad topic of non-traditional marketing.

C. Education

\* Responsible Coordinator - Harry Ploss

\* Liaison with the SOA's Committee on Continuing Education - Mike Shumrak

Harry is going to compile a summary of all existing SOA exam syllabus as they relate to non-traditional marketing. He will then try to begin a bibliography of other reference sources in our areas of interest. Finally, we hope to draft a preliminary recommendation as to improvement to the existing SOA syllabus.

D. Liaison With Related Professional Organizations

Responsible Coordinator - Mike Shumrak

We will try to identify what these other organizations are. We will begin to make initial contact with some of these organizations during the coming year. We will try to recommend ways that our Section members (and the SOA in general) can both contribute to and benefit from contact with these organizations.

E. SOA Section Administration

The Section Chair (currently Mike Shumrak) serves as the Section's representative to the Council of Section Chairpersons. This group is chaired by a Society of Actuaries Vice President (currently Gary Corbett). The group meets about twice a year to work toward both coordinating activities among the various Sections and coordinating all activities of all Sections within the scope of the Society of Actuaries in total. There are plans to continue to increase the scope of section-sponsored activities in the coming years. This will involve substantial and careful transition from existing SOA structures and practices in many areas such as experience studies, society meeting topics, and study note preparation.

F. Newsletter

Responsible Coordinator - Neil Lund

As secretary, Neil will be responsible for documenting the subsequent updates to this recap of our 1984-5 activities. He will also oversee the recruiting of an editor for the future initiation of a Section newsletter.

G. Finances

Our Treasurer, Bobbie Canfield, will be preparing our initial budget covering 1984-5. The next council meeting will be at the April meetings in San Francisco, but we encourage council members in the same region to meet sooner and more frequently. The next business meeting of the entire Section has not as yet been scheduled.

III. Audience Survey

A show of hands was requested to determine what non-traditional marketing areas members of the audience were involved in. The results follow:

<u>Area</u>	<u>%</u>
Direct Response	90
Salary Deduction	10
Credit	10
Financial Institutions	12
Outgoing Telemarketing	20
Association Group	15

20% of the audience were utilizing non-traditional methods to enhance the future success of their traditional marketing systems. 7% of the audience were insurance company actuaries working outside the Actuarial Department.

IV. Open Discussion

A member of the audience wanted to know the scope of the Section. From the Petition for the formation of the Section:

The purpose of this Section would be to explore alternatives to the traditional agency individual market and to the group market where the insured's premium is subsidized.

Some concern was expressed that so few people in the audience were involved in the Salary Deduction area. It was felt that there were some misconceptions regarding the scope of the Section, and that some education of the Society membership was called for.

Mike Shumrak reported that the Section currently had over 300 members. It was requested that a membership listing be distributed to Section members. A suggestion was also made that the Society print a combined directory for all the Sections.