

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

## REINSURANCE SECTION MEETING

*Moderator: MELVILLE J. YOUNG. Panelists: MEMBERS OF THE REINSURANCE SECTION COUNCIL.  
Recorder: CLAUDE Y. PAQUIN*

MR. MELVILLE J. YOUNG: This business meeting of the Reinsurance Section will be followed by a period for discussions and table workshops.

Our section's activities for this last year are summarized below.

Program Committee. Under the leadership of Bill Tyler and Court Smith, and with the contribution of a great many participants, our section arranged very successful reinsurance treaty seminars at the Salt Lake City and New York Spring meetings of the Society. We also sponsored administrative workshops at the Salt Lake City and Atlanta meetings, the debate at the session titled REINSURANCE TREATIES -- IS COVERAGE ALWAYS CLEAR? in yesterday's program, and the workshops to be held at the end of this session, which is a new experimental format for us. You will also have noted the Section reception we had yesterday. Your comments on these innovations will be gratefully received, as they'll provide guidance on whether we ought to have more programs of that type.

Newsletter. Our newsletter has already begun to be published, and Editor Mike Winn will warmly welcome all written contributions and offers of assistance, which he earnestly solicits.

Education Committee. The Education and Examination (E&E) Committee of the Society set up an Educational Task Force to review the syllabus pertaining to reinsurance, and to recommend any appropriate changes or additions. This task force has already produced many fine papers for the E&E committee, often on subjects never before treated in our actuarial literature. Copies of these papers are available from the Society's office. The annual report of the Task Force has been published at p. 15 of the Society's Committee and Section Reports 1984.

Actuarial Studies Committee. This committee, chaired by Mel McFall, is charged with conducting experience studies on actuarial items, such as lapses, mortality and large claims, of peculiar interest to reinsurance actuaries and not normally covered in the Society's regular studies. The current reinsurance mortality study, prepared under the direction of the Equitable Life of N.Y., is expected to be completed early in 1985.

Model Treaty Language Committee. Bill Tyler has already presented a report on this topic in yesterday's reinsurance session. The committee hopes to produce materials similar to what has recently been produced on the same subject under the sponsorship of the Canadian Institute of Actuaries.

Standardized Reinsurance Bulk Reports. The 15-member committee chaired by Mark White has already prepared a draft on the subject of standardized forms for reporting reinsurance transactions in bulk, which it hopes to circulate shortly. All those who wish to make their views known on this subject are invited to participate in the project.

Section Membership. In the belief that such a measure would be beneficial for the Section, the board amended the by-laws to allow Associates of the Society to become full members of the Section. We believe these additional members could make a substantial and valuable contribution.

Section Board Membership. The following members are retiring from the board after completing their term of office: Randy Mire, Steve Radcliffe, and John Tiller. The membership's thanks are extended to all of them for their loyal and dedicated service. After I turn over the gavel to Mike Winn at the end of this session, the new board will consist of Mike Winn as chairman, myself as vice-chairman, Bob Johnson as secretary, and Denis Loring as treasurer. The board will consist, in addition, of the following members: Monica Hainer, Dave Holland, Court Smith, Johanna Becker, and Denise Fagerberg.

MR. MICHAEL R. WINN: As treasurer of the section, it gives me pleasure to present this report of our financial activities for the period extending between August 1, 1983 and July 31, 1984. Our beginning balance was \$5,145. The section had income of \$11,718, mostly from dues and meeting fees; it also had expenditures of \$10,523, mostly for printing and supplies. The ending balance at July 31, 1984 was thus \$6,340.

No section membership dues increase for next year is anticipated as of now.

MR. YOUNG: I thank Mike for his good work for the section, and, pledging him my full cooperation, wish him well next year in his position as chairman. I now call upon Pete Patterson to comment upon the Canadian reinsurance guidelines.

MR. PETER PATTERSON: The Canadian Reinsurance Council sponsors an annual Canadian Reinsurance Conference, attended by about 300 persons, not all of whom are actuaries. In recent years, it was thought desirable to engage in a rewrite of the 1965 YRT provisions, as they were becoming old and covered only a limited segment of reinsurance. An 11-person committee thus ended up producing, in April 1983, a new set of guidelines. These guidelines, essentially developed by a consensus process, are simply that, guidelines; they may be useful as a checklist of items to be considered in writing a treaty or, where a treaty is silent on a given provision, they may supply some helpful guidance. An attempt was made to cover especially the problems of acceptance (by whom and when, especially in facultative cases), replacement (or policy changes), claims approval and expenses, and standard recapture procedures.

Additional copies of the guidelines are available, at a modest price (about \$20), and those interested in obtaining a copy may do so by writing to me.

MR. YOUNG: We will now entertain questions from the floor.

JAMES W. PILGRIM: Is anyone in a position to provide information about new standard operating procedures, to be effective January 1, 1985, to be used by professional auditors with respect to bulk reinsurance reporting?

RECORDER'S NOTE: The colloquy which followed suggested that these procedures, instigated by the accounting profession, involved essentially administrative matters to be resolved between auditors and company management.

Whereupon, the meeting was adjourned so that small "table workshops" on assorted reinsurance topics could take place. (In keeping with normal Society practice with respect to workshops, no record of the workshop proceedings was made.)

