



SOCIETY OF ACTUARIES

Article from:

# The Actuary

March 1970 – volume 4 - Issue 3



# The Actuary

The Newsletter of the Society of Actuaries

VOLUME 4, No. 3

MARCH, 1970

## ACTUARIAL SCIENCE PROGRAM AT TEMPLE UNIVERSITY

by Gerald R. Hartman, F.C.A.S.

In September, 1970, Temple University's School of Business Administration inaugurates an actuarial science major in its Master of Business Administration degree program. The program is open to graduates of accredited colleges who have completed a course in integral and differential calculus and who otherwise meet the admission requirements of the graduate school. Well-qualified undergraduates may elect, upon approval, a limited number of actuarial courses. A formal undergraduate actuarial major and a Master of Science degree in Actuarial Science probably will be authorized in the near future. Actuarial candidates who are employed in the local Philadelphia area may elect to enter the MBA program or take non-credit actuarial preparatory courses.

Actuarial, insurance and other courses are offered which provide adequate preparation for Parts 1 through 5 of the examinations of both the Society of Actuaries and the Casualty Actuarial Society. A student who has an actuarial undergraduate background may take courses in subjects which are covered in the fellowship examinations, e. g. group insurance, employee retirement plans, social insurance, and health insurance.

Full-time students may obtain the MBA degree in one or two years, depending upon their undergraduate programs. However, unless the student has had courses in accounting, business law, economics, finance, information sciences, management, marketing, and statistics, the program is more likely to take two years.

Several graduate scholarships and assistantships are offered each year

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## 19th INTERNATIONAL CONGRESS OF ACTUARIES

by Halvør Loken

At the Congress in Munich in 1968 Mr. Gunnar Trier, Chairman of "Den Norske Aktuarforening," had the pleasure of inviting colleagues from all parts of the world to attend the next Congress in Oslo in 1972.

"Den Norske Aktuarforening" (The Norwegian Society of Actuaries) was founded in 1904 and has about 140 members. Two thirds of the active members are employed with Life and Pension Insurance Companies. There are 11 such companies in Norway. Actuaries hold positions also outside the traditional actuarial field, and some are managing directors of their companies. Actuaries are also found in Government Offices; mainly in connection with Social Insurance, Insurance Supervision, statistical and research work, and at the universities. Only a few actuaries are with General Insurance Offices, and only one or two act as full-time consultants.

More than 90 percent of the Norwegian Actuaries work in Oslo, where most insurance companies have their head offices. Probably as a consequence of this, an ordinary meeting of "Den Norske Aktuarforening," and there are 6-7 of these each year, may be attended by half the membership!

Among Norwegian actuaries there seems to be a traditional willingness to cooperate, and this is most helpful when it comes to the rather complex arrangements for an International Congress. Already, about half of the members are busy in various sub-committees and nearly everyone will at some stage take part in the preparations or in the actual operation of the Congress.

The 19th Congress will open on Monday, June 19, 1972 and will last until

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## BEHIND THE (OPINION No.) 8 BALL

*Accounting for the Cost of Pension Plans*, pp. 109, American Institute of Certified Public Accountants, Inc., 666 Fifth Avenue, New York, N. Y., (1968), \$2.75.

by Robin G. Hollaway

Although this booklet is intended primarily for accountants, many actuaries will find it interesting and useful. It is a compilation of four articles that previously appeared in the *Journal of Accountancy*, and although most pension actuaries will have come across them before, they are probably worth re-reading.

The first two articles were written by accountants, and as such they provide insight into the way in which accountants look at pension costs in general and the application of Opinion No. 8 in particular. The last two articles were written by actuaries, and are intended to give guidance to accountants who have to interpret and use actuarial data for annual statement purposes. The full text and explanatory notes of APB Opinion No. 8 are also included for reference.

Julius W. Phoenix, Jr. and William D. Bosse, partner and principal respectively with Haskins and Sells wrote the first article which describes the calculation of the pension accrual item for the year. Having worked closely with John Queenan, the chairman of the APB sub-committee which drafted the Opinion, they are often able to explain why a particular approach was selected thereby giving the Opinion more meaning.

Ernest L. Hicks, author of the second article and of the research study on which the Opinion was based, describes how an auditor evaluates and uses the information given him by the actuary for a pension plan.

The last two articles were written by

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**Letters***(Continued from page 3)***Society Elections**

Sir:

The following comments on several items in *The Actuary* January 1970 suggest themselves.

Mr. W. A. Jenkins concludes that Society elections are "unusually democratic." Surely for this "appearance" should be substituted the "fact" of a "sufficiently democratic" standard. To this end, I suggest that any Fellow be allowed to exercise a written signed proxy of any other Fellow on a specified vote or votes.

I applaud the suggestion for professional placement made by Mr. C. Y. Paquin. If this idea has produced some results for the Canadian Institute of Actuaries, it might also work for the Society.

John Kroeker

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**Actuary and Investments**

Sir:

Mr. V. N. Kapur's note on "The Actuary and Investments" (*The Actuary*, February 1970) is an extension of prior discussions—and a good one—on this problem; one which will be explored at the regional meetings in April. I would like to make one point.

We are trained as actuaries. Compound interest and a general discussion of investments are part of our training but these do not equip us to professionally comment on how a fund might be managed. We can and should respond to the question of the measurement of performance of a fund but I do not think that we are especially equipped, because we are actuaries, to make qualitative judgments about the assets of a pension fund.

If we make qualitative judgments, it should be on the basis of experience, knowledge and training and not because we are actuaries.

Barnet N. Berin

**Temple University***(Continued from page 1)*

from September to June. These awards carry a minimum stipend of \$3,000 for the academic year in addition to remission of tuition. Applications for aid may be made at any time; however, they should usually be completed no later than six months prior to entrance in the program.

Although a formal work study program is not in effect, it is likely that students with the Director's assistance, can arrange for some type of employment with one of the many actuarial employers in the Philadelphia area.

Additional information, scholarship and application forms, and Temple's Bulletin may be obtained by writing: Director, Program in Actuarial Science School of Business Administration Temple University Philadelphia, Pennsylvania 19122 □

**"8" Ball***(Continued from page 1)*

William A. Dreher and Frederick P. Sloat, both Fellows of the Society. Mr. Dreher's article is a discussion of six decisions that management must make regarding pension plans—actuarial assumptions, cost method, asset valuation method, period of past service amortization, treatment of actuarial gains and losses, and calculation of the unaccrued actuarial value of vested benefits. It is intended to inform accountants of the variables that enter the determination of the pension accrual item. Mr. Sloat's article is a series of answers to those questions most often asked by accountants about Opinion No. 8, and therefore gives further insight into the problems which the accountant has in using the Opinion. □

**ACTUARIAL MEETINGS**

- Apr. 9, Baltimore Actuaries Club
- Apr. 20, Chicago Actuarial Club
- Apr. 21, Actuaries Club of Philadelphia
- May 14, Baltimore Actuaries Club
- May 18, Chicago Actuarial Club
- May 19, Twin Cities Actuarial Club—North Oaks
- May 21, Nebraska Actuaries Club—Lincoln

Secretaries are reminded that notices of actuarial meetings should be in the hands of the editor at least two months prior to the date of the meeting.

**WHAT'S IN A NAME?**

The advance of medicine has finally recognized names as an etiological factor in illness and death. Two recent examples:

- (1) The Council for Alcoholism in Glasgow, Scotland has compiled statistics showing that persons whose surnames begin with the letter M are eight times as prone to alcoholism as others.
- (2) The British Medical Association finds that individuals whose last names begin with the letters between S and Z are twice as likely as others to get ulcers and three times more prone to heart attacks. The frequency of neuroses in the S-Z group is 50% higher than in the A-R group. General life expectancy in the S-Z group is 12 years less than in the A-R group.

From the  
*Journal of Recreational Linguistics*

**COMMITTEE ON RESEARCH**

The Committee has added three subjects to their selected reading lists. The bibliographies now cover the following topics:

Bayesian Statistics	Operations Research
Decision Theory	Simulation
Game Theory and Gaming	Systems Analysis
Multivariate Analysis	Theories of Mortality
Numerical Analysis	Theory of Risk

Copies are available on request to the Committee on Research (D. G. Halmstad, Secretary, 1 Madison Avenue, New York, N. Y. 10010).

The bibliographies are being expanded to include additional description of the entries. In addition, items that may be borrowed from the Library of the Society (under rules listed on page 4 of the Year Book) will be noted. □