SOCIETY OF ACTUARIES

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Standard Reinsurance Mortality Experience

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The poor first year experience might be expected considering the heterogeneity of underwriting and sales practices of the hundreds of companies whose business goes to make up the experience.

One favorable aspect of the mortality experience has been the age zero mortality which is shown as Table III. There was an exposure of $21,138,000 at age 0.

TABLE III
Mortality Rate per 1,000
Age 0

Accident	.48
Other	.78
TOTAL	1.26
Table X_{18}	6.33

Probably the reason that the mortality is lower than the 6.33 of Table X_{18} is that the company experience is on ages a few months older than the age of one day assumed by X_{18}. Many client companies do not issue insurance on an infant under 14 days old.

Another significant result of the study is the high death rates due to accidental causes at nearly all ages. The death rates due to accidental causes are probably inflated due to the fact that we have used no exclusions that a typical accidental death benefit would contain. Also there is no investigation to see that the death which was reported as accidental is actually an accident, unless the policy was still within the contestable period at date of death.

Table IV shows the mortality rates due to accidental causes for the most significant ages.

TABLE IV
Mortality Rate per 1,000 for Deaths due to Accidental Causes

Attained Age	*1st Year*	*2nd Year*	*3rd-5th Year*	*After 5th Year*	1951-1956 *Experience**
13-17	.85	.56	.29	.36	.37
18-22	1.13	1.53	1.88	1.31	.58
23-27	1.04	.53	.79	.87	.38
28-32	.82	.84	2.39	.96	.29
33-37	.84	.32	.64	.92	.29
All Ages Combined (0-87)	.83	.60	1.18	1.03	

* *TSA* 1958 Report

International Monetary Crisis

(Continued from page 2)

Bank was exchanging marks for dollars to maintain a satisfactory exchange rate. They finally reached the point where the cost of maintaining this exchange rate was too great. (Although the IMF helps a country with temporary balance of payments deficits to maintain its currency value, when it becomes apparent that new exchange rates are needed, the IMF permits it to revalue its currency a more realistic level.)

The Gold Reserve Act of 1934 set the official price of gold at $35 per ounce. With each monetary crisis since then, there has been speculation and pressure to increase the price of gold (i.e., devalue the dollar). In March of 1968 the U.S. and other major nations agreed to the two-tier system under which the monetary price of gold would be pegged at $35 per ounce but the price of gold for other uses would be allowed to fluctuate. The present price of gold (for other than monetary uses) has recently gone as high as $58 per ounce. Part of this rise in price is due to commercial demand for the metal.

Paper gold, or special drawing rights (SDR's), was created in recent years to provide a means of payments (other than with gold) among national governments. This represents an attempt to use something other than gold as a reserve basis for international exchange.

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SOCIAL SECURITY NOTES

Benefit Loads in Relation to Coverage and Reserves for Railroad Retirement and Other Major Retirement and Social Insurance Plans, 1950-70. Railroad Retirement Board, its Actuarial Note No. 3-72, April 1972.

This note presents selected statistics and analytical ratios for (1) all private pension plans, (2) railroad retirement, (3) Social Security, (4) Federal civil service retirement, and (5) State and local retirement plans. Chronological data are given for active membership, beneficiaries, benefit payments, and assets. For 1970 alone, the note gives some breakdowns of overall figures and certain analytical ratios. Perhaps the most noteworthy is the astronomically high ratio of beneficiaries to active members (1.58) for railroad retirement. By comparison, the ratio is 0.36 for OASDI and 0.16 for private plans combined.

Free copies may be obtained from the Railroad Retirement Board, Chicago, Ill. 60611.

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Two Decades of Employee Benefit Plans, 1950-70: *A Review,* Walter W. Kolodrubetz. An article in the Social Security Bulletin for April 1972.

This article presents a wealth of information on the growth of employee benefit plans between 1950 and 1970. The emphasis is on plans for workers in private industry, but certain public plans not directly underwritten by governmental bodies (such as group life insurance and health insurance for Federal employees) are also included. The article deals mostly with health insurance, but there is a special table (No. 7) with data on private pension and profit-sharing plans.

Single copies are on sale by the Superintendent of Documents, Washington, D. C. 20402. 35 cents.

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Social Security Programs throughout the World, 1971. DHEW Publication No. (SSA) 72-11802, pp. XXIX plus 249.

This new edition of international social security summaries describes the programs in effect (or only on the books) in 125 countries as of January 1971. The programs dealt with are: (1) Old-age, invalidity and survivor, (2) Sickness and maternity, (3) Work injury, (4) Unemployment, and (5) Family allowances. The introduction discusses recent developments and makes comparisons between countries while the text proper describes the individual programs in tabular form.

Available at $2.25 from Superintendent of Documents, Washington, D. C. 20402.