



SOCIETY OF ACTUARIES

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Deaths

John B. Neil

Publications

The operations of the Society are not exempt from the almost universal increase in expenses and it has been found necessary to increase the cost of the Society's publications. The 1974 Year Book lists the new prices in the Table of Publications on page 403. The charges for Study Notes are given on page 283 and in the order forms attached to the Year Book.

Malthus Up-to-Date*(Continued from page 1)*

Population Change contains 12 papers in four groupings: Part I — Population, Federalism, and Democratic Governance; Part II — Population Change and State and Local Problems of Governance; Part III — Population Change and American Foreign Policy in the Late Twentieth Century; Part IV — Population Policy in the American Political System.

Vol. V — *Population Distribution and Policy* contains 28 papers in five groupings: Part I — Population Distribution Trends and Projection; Part II — Immigration; Part III — Social and Economic Aspects of the Urban Size and Internal Distribution; Part IV — Impact of Slower National and Local Growth; Part V — Policy.

Vol. VI — *Aspects of Population Growth Policy* contains 19 papers in six groupings: Part I — The Setting: Institutional, Legal, Ethical; Part II — Fertility Control; Part III — Employment and Income Policy; Part IV — Guiding Population Change; Part V — Public Opinion; Part VI — The Policy Process.

Vol. VII. — *Statements at Public Hearings of the Commission on Population Growth and the American Future* contains statements by spokesmen for governmental, academic and religious institutions and representatives of various citizen groups on topics included in the preceding reports.

The final Report apparently is to be allowed to gather dust on Government shelves. Perhaps these supplementary volumes will prove to be of some value to workers in demographic, economic, and sociological fields.

Claim Reserves*(Continued from page 1)*

terminated consistently from year to year on the basis of "going concern" principles, with due consideration of materiality and accounting as generally practiced.

For statutory statements, "termination of company" principles dictate that claim reserves be determined with a high probability that they will be adequate under all (most) circumstances (see page 36 of "Health Insurance Claim Reserves and Liabilities," *TSA XVI*). Consistent with this consideration and with sound management (are there statutory surplus requirement considerations? federal income tax considerations?), the claim reserves then, in order to meet the high confidence required, should be set at a level equal to the mean value of the related expected payout plus, for example, two standard deviations thereof.

For general purpose financial statements, claim reserves are calculated consistent with the "going concern" philosophy adopted in the determination of the other statement values. If in application of this philosophy provision is made in the statement for both favorable and unfavorable deviations of non-random nature and for catastrophies, claim reserves then are properly set at a level equal to the mean value of the related expected payout, preferably discounted with interest.

Further, if "release from risk" principles are employed in determining values, claim reserves then are properly set at a level equal to the mean value of the related expected payout plus a number of standard deviations, again preferably discounted with interest. If values are determined in accordance with the intermediate form of "release from risk," then the number of standard deviations deemed appropriate for adding to the expected mean claim reserves may be, for example, only one (certainly less than whatever is appropriate for statutory). If the company uses a modification of the intermediate form in which the provision for adverse deviation is less than that for the regular intermediate form, then the standard deviation measure would be appropriately reduced.

The preceding comments are general in nature. Obviously, if a company's experience in establishing statutory claim reserves has been less than satisfactory,

EDP SOFTWARE AND SERVICES

by David P. Martin

LOMA has published two additional reports on EDP Software and Services. Reports Nos. 14 and 15 in this series were reviewed in *The Actuary* of September 1972.

Report No. 16, Evaluation of Software Packages contains 3 papers each of which discusses the evaluation criteria and techniques of three different life insurance companies in their search for outside software support.

Report No. 18, EDP Software and Services Companies No. 2 is a sequel to Report No. 14 already mentioned and now contains brief information about 111 companies.

Life insurance companies not members of the Association may obtain copies of these new reports at the following prices: No. 16, \$5.50; No. 18, \$5.00.

ISSA

The Sixth International Conference of Social Security Actuaries and Statisticians will be held in Helsinki from Sept. 1 to 6, 1975. Detailed information regarding arrangements for the Conference and topics to be discussed may be obtained from the General Secretariat of the International Social Security Association, 154 rue de Lausanne CH 1211, Geneva 22, Switzerland.

Errata

In the March issue on page 4 the last section of Table II should read:

Employee Contributions
Employee Pay All
Employer Pay All
Both Pay

and in Table III the first entry should read:

Age	Male
40	66% (140 with Family Benefit)

then that company's situation should not be further worsened by attempts to implement such concepts in its general purpose financial statement.