



SOCIETY OF ACTUARIES

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## In Search of Centenarians

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glacial waterfalls and streams from the flanks of mighty Rakaposhi, 25,500 feet high, through small villages and irrigated valleys, we reached Hunza, inspiration for "Lost Horizon" and other tales of Shangri-La. Up numerous switchbacks, we finally climbed to the Mir's Guest House at Karimabad. From the porch we looked out upon towering Rakaposhi and other snow-clad peaks, terraced grain fields, and rooftops of adobe-like houses covered with drying apricots and plums.

After a lunch of rice, unidentifiable meat, and a flat bread called *nan*, we set out to explore the nearby village. In the fields, families were driving bullocks in circles to thresh the recently harvested grain. There were no very elderly people to be seen, and though the valley was fabled as one without serious illness, Hunzukuts with sever goiters were clearly present. (Their illness was ascribed to a change in diet from natural to refined salt). My reveries were interrupted when a woman I had photographed began shrieking and bombarding me with stones. Yes, Hunza's isolation has ended but the changes to come are not yet readily apparent.

The following afternoon we drove to the Palace where an audience had been granted with the Mir and Rani, rulers of the Kingdom. After being served jasmine tea, cakes and sweet plums, we chatted with the Mir. Surrounded by family portraits and photos of friends such as Chou-en-Lai, we talked of the problems of keeping Hunza's virtues of hard work, no crime, and little disease as it opened its doors to the 20th century. The Mir was strongly opposed to permitting large-scale tourism in his Kingdom, but he could not prevent it and already an Intercontinental Hotel was under construction. When I raised the question of reports of unusually large numbers of centenarians, he replied that though there were many aged Hunzukuts, such statements were probably exaggerations. Other inquiries later disclosed that the language of the area, Burushaski, is unwritten and that there are no records to document extreme ages.

We returned to Gilgit in a rain shower followed directly by a sand storm blowing up from the river bed, only to learn

## PRICE DISCLOSURE AND COST COMPARISON

by Martin S. Huey

Part of the late spring meeting in San Francisco was a concurrent session on the subject of "Price Disclosure and Cost Comparison." The topic was extremely timely (the NAIC having just concluded drafting its model legislation) and the entire audience participated (through a questionnaire-based opinion poll).

The official record appearing in the *Transactions* will prove to be most valuable reading, in that it contains a point by point historical record of the milestone events concerning Price Disclosure and Cost Comparison as recalled by Bart Munson, chairman of the Society's ad hoc committee on Price Disclosure and Cost Comparison. In addition, it contains a rather detailed description of the All-

that all flights had been cancelled since our arrival earlier that week. Two days later, still marooned in Gilgit, we decided to join a caravan of jeeps and proceeded down the Indus Valley. For 18 seemingly interminable hours of heat and dust, we careened over deteriorating roads along the raging Indus. We hardly ate, but greedily swallowed cups of water scooped from canals flowing through isolated villages in spite of the obvious dangers of dysentery and other diseases. At 2:00 in the morning the caravan straggled into Swat and we collapsed into bed, grateful for our safe arrival.

We had been to Shangri-La and returned. What was Hunza's secret? Was it the food—primarily vegetarian—of gruel, vegetables, and fruit, particularly apricots? Was it the water—from the snow glaciers, but with a grayish black colloidal suspension—that had a very disagreeable taste?

When I awoke the next morning, I knew the answer. My diet had been monotonous, the water abominable, and during my journeys in and out of Hunza I had easily aged 40 years. Obviously, anyone passing his lifetime in Hunza on the available food and water and hiking the steep hills and mountains daily must age even faster than I had, even if it does not show in physical appearance. All the robust farmers I had seen were actually centenarians and the school children were soon to celebrate their fiftieth birthdays!

state price disclosure program as detailed by Paul Overberg, one of the panel members. These two features will be invaluable aids to the newly aware or anyone who has to make a speech on the subject.

While only 63 people completed the questionnaire (and Mr. Yankolovich might have had some problems with the wording of the particular questions), there were several items which lend themselves to comment.

(1) Responses to particular questions did not vary by Fellow/nonFellow, under or over age 35, or by type of affiliation (Mutual/Stock/Other). Is there really a danger that a particular interest group could sway the Society to take a public position to the disinterest of the common good? Are stock company actuaries really "all alike"?

(2) The interest-adjusted cost index has achieved widespread acceptance and almost half the group consider it a *minimum* requirement for adequate price disclosure. It may take time, but actuaries do accept change in the needs of the buying public!

(3) Three-quarters of the attendees rejected the "splitability" of an ordinary whole life plan of insurance. This perhaps explains the lack of acceptance of comparison methods based on treating an ordinary whole life plan as a combination of decreasing term insurance and increasing savings.

(4) There was a very high degree of awareness of the activities of the NAIC Task Force on Life Insurance Cost Comparisons and their model regulations regarding disclosure practices. Although this had received only very limited publicity, better than 40% of the group were acquainted well enough with the proposals to have made judgments on their potential impact on such things as product design, pricing, dividend scales, marketing approaches, and even the job of the life company actuary.

The questionnaire will be reproduced in the *Transaction*. Should anyone be interested in additional details of the results of the San Francisco concurrent session poll, for either comparison with other groups or for further research, I will be glad to share with them the detailed responses.