



SOCIETY OF ACTUARIES

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THE ACTUARIAL PROFESSION— ITS RESPONSIBILITY TO THE PUBLIC

by William A. Halvorson

Editor's Note: We appreciate the opportunity to publish the following talk given by Mr. Halvorson to the Atlanta Actuarial Club at its meeting on Oct. 2, 1974.

Guide 1a) of the Society and Academy Guides to Professional Conduct states that: "The member will act in a manner to uphold the dignity of the actuarial profession and to fulfill its responsibility to the public."

That's easy to say, but much harder to define.

What is the "dignity" of the actuarial profession? In fact, we can ask, is there such a thing as the actuarial profession?

This requires us to define a profession. But assuming that we are a profession, the most difficult to define is the profession's responsibility to the public.

First let's note that our Guide says that the individual member will act in a manner to uphold the dignity of the profession and to fulfill *its* (meaning the profession's) responsibility to the public. Thus we should look to what the public expects of actuaries in general, if not each individual member.

In February of this year, I wrote to each Board member of the American Academy of Actuaries to ask if they believed our responsibility to the public was clear, and if not, what actions should be taken to clarify this responsibility. Let me report that very few of the replies seemed very concerned with this question, which I guess makes me a definite minority. But one very thoughtful respondent defined three class of publics, as follows:

"The most obvious public is his immediate employer or client, usually an

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To All Our Readers,
A Happy New Year!
The Editors

BOOK-OF-THE-MONTH?

Robert B. Mitchell, *From Actuarial to Actuary*, Society of Actuaries, 1974, pp. 71.

by Davis W. Gregg, CLU

The 25th Anniversary Committee of the Society of Actuaries acted wisely in their selection of the distinguished journalist, Robert B. Mitchell, to prepare a popular history of the actuarial profession. He perceived his job as authoring a volume for nonactuaries who may be interested in knowing what an actuary is, has been, and will be in the future. He has succeeded. No one need ever again think that an actuary is "where they bury dead actors," as did one of Mitchell's survey respondents!

This volume should be read by actuaries. They will be charmed by its style and informed by its content.

It should be read by nonactuaries. In addition to the pleasures of style and content of this short history, they will discover a vocation where the need for professionals "will continue to exceed the supply beyond the life expectancy of anyone now living." And, by George, from reading the book, I believe he is right in what otherwise might have seemed an exaggerated prediction!

But what about *Actuarialus*? Is he some character from Greek mythology who discovered numbers? Nope. An *Actuarialus* was a fellow (a "person") who recorded the public actions of Julius Caesar's Roman Senate. It seems that

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THE CONFERENCE BOARD OF THE MATHEMATICAL SCIENCES

by Truman Botts

Since 1966 the Society of Actuaries has been an affiliate of the Conference Board of the Mathematical Sciences and has been represented on its Council by Professor Cecil J. Nesbitt of the University of Michigan. Many of the readers of *The Actuary* may, however, have only a vague idea of what the Conference Board is, what it does.

First of all, the Conference Board of the Mathematical Sciences is a society of societies; at present it has six constituent members and five affiliate members. Its constituent members are the American Mathematical Society, the Association for Symbolic Logic, the Institute of Mathematical Statistics, the Mathematical Association of America, the Society for Industrial and Applied Mathematics, and the National Council of Teachers of Mathematics. In addition to the Society of Actuaries, its affiliate members include the American Statistical Association, the Association for Computing Machinery, the Operations Research Society of America, and The Institute of Management Sciences. In general the affiliate-member societies have only partly mathematical interests or have grown up around particular areas of application.

CBMS has two major purposes, the first of which is to provide a two-way channel of communication between the professional mathematical community represented by its member societies and relevant Government and other organizations on the Washington scene. In part this communication is accomplished through direct contacts with agencies of the Federal Government and through representation of CBMS on such groups as the Scientific Manpower Commission,

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Actuarial Responsibility

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Finally, I read with interest that Congress has appointed a Committee of Actuaries and Economists to review the status of our Social Security plan.

Isn't it obvious that our unique abilities are needed now, and we are being forced to recognize our responsibility to the people who are counting on the future benefits promised by our clients and employers? I say forced, meaning that outside forces are calling on us to disclose our findings to those whose future will be affected by the ability of our plans and companies to perform.

Perhaps it is time for our profession to become a leader in initiating these disclosure requirements, instead of being merely a willing participant. I'm proud of what our profession has done, and is doing, to protect plan participants and company policyholders. But can we, and should we be doing more?

Now, to get political, I have recommended to the Academy Board that The Joint Committee on Professional Conduct—which carries the responsibility to coordinate, or initiate consideration of Guides, Opinions and other matters relating to professional conduct, (and does not handle disciplinary problems)—more clearly define our profession's collective responsibility to the public, so that we will follow the direction set by our first President, Henry Rood, when he stated that the profession must "revise its posture from that of a private, inward-looking, narrowly focused group of experts to that of a profession, recognized by and accountable to the public."

We have made big strides, but perhaps it's now time to start running. Perhaps we are, if the activity and momentum of our officers, committee chairmen and committee members are an indication. □

Conference Board

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the Committee of Scientific Society Presidents, the American Association for the Advancement of Science, the American Council on Education and the Division of Mathematical Sciences of the National Research Council.

A principal vehicle for communication with its professional constituency is the Conference Board's *Newsletter*, publish-

ed in four sixteen-page issues per year. The *Newsletter* features Washington news of interest to the broad mathematical community, notices and reports regarding national and international mathematical events, information and data on fellowships and other opportunities in mathematical research and education, and editorials and position papers on issues of concern to professionals in the mathematical sciences.

The other major purpose of CBMS is to serve as a forum and focus for issues and projects of concern to any or all of its member societies.

This role is implemented through the semi-annual council meetings and through a public panel discussion on some Conference sponsored subject at the joint winter mathematics meeting of A.M.S., M.A.A. and other member societies. For example, at the January 1975 Joint Meeting in Washington, D.C. the public panel discussion will be *Wide Ranging Applications of Statistics*. This is being arranged and moderated by Dr. Joan R. Rosenblatt, Chief of the Statistical Engineering Laboratory at the National Bureau of Standards.

Editorials and position papers and reports that appear from time to time in the *CBMS Newsletter* also contribute to the forum role. CBMS projects of broad interest have included, among others, the eleven or twelve NSF-CBMS Regional Conferences that are held each year together with the monographs published by AMS and by SIAM that result from these Conferences; a major study of information-service needs of the mathematical sciences; a series of surveys of undergraduate and graduate mathematical education and a survey in progress of school-level mathematical education; an earlier study of buildings and facilities for the mathematical sciences; and a project (just getting under way) on public understanding of mathematics and its applications.

The cost of the *Newsletter* is just \$4.00 per year for individuals belonging to one or more member societies of the CBMS and \$8.00 per year for institutions and other individuals. Subscriptions should be sent to CBMS, 2100 Pennsylvania Ave. N.W., #834, Washington, D.C. 20037.

Editor's Note: Dr. Botts is the Executive Director of The Conference Board of the Mathematical Sciences. □

Death

Louis Robert

Social Security Notes

Railroad Employees with Less Than 10 years of Service and Their Chances of Receiving Railroad Retirement Benefits, Actuarial Note No. 3-74, October 1974, U.S. Railroad Retirement Board, Chicago, Illinois, pp. 6.

This note presents probabilities that railroad employees with less than 10 years of railroad service will remain in railroad service until various future points in time. Railroad employees have a 10-years of service requirement for receipt of any retirement or survivor benefit. Data for this note were obtained from separation rates for calendar years 1968-71, which were used in the Twelfth Valuation of the Railroad Retirement Account.

For free copies write to the U.S. Railroad Retirement Board, 844 Rush Street, Chicago, Illinois 60611.

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Francisco Bayo and Steven F. McKay, U.S. Population Projections for OASDI Cost Estimates, Actuarial Study No. 72, Social Security Administration, Baltimore, Maryland 21235, July 1974, pp. 33.

This study presents the population projections for the United States which are being used by the Social Security Administration in estimating the cost of the social security program. Detailed discussions are given of the mortality, fertility and migration assumptions.

For free copies write to the Office of the Actuary, Social Security Administration, 6401 Security Boulevard, Baltimore, Maryland 21235. □

COMPETITION EDITOR