



SOCIETY OF ACTUARIES

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# The Actuary

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**COMPETITION No. 4**

Tom Bowls

Trow Bridges (Ed Lewses)

Elizur Writes

Readers are invited to submit up to three similar suggestions for avocations of members of the profession or recognizable personalities, here or overseas. The prize is *The Game of Business* — John McDonald. (A suggestion that the prize be a year's subscription to *Playboy* was rejected).

**Rules**

1. All entries must be original (and printable).
2. The Editor and Competition Editor are *Ex Officio* not eligible.
3. Only one copy please, to be sent to  
Competition Editor  
*The Actuary*  
Mail Drop 13-2  
1740 Broadway  
New York, New York 10019
4. Entries must be mailed by September 26.
5. Competition Editor's decision is not subject to appeal.

Rule four was changed for Competition No. 3 to allow overseas readers to compete. The result was a single entry for Competition No. 2. We return to the calendar method which will put results closer to announcement.

**Results of Competition No. 3**

Competition No. 3 asked for birds, animals, insects or flowers to symbolize the Society or other professional groups. The entries were excellent and we are pleased to award a copy of T. H. White's *Bestiary* to the winner in each category. As we might expect, the Society was a favorite target: Steve White gave us *Adder*, *Five Year Tern* (prize) and *Annuitant* while Stuart Marks submitted *Gnuity* and *Poisson Ivy* (prize). Q. J. Maltby suggested the *Deathwatch Beetle* for the Mortality Committee.

Switching professions, Dr. Thomas Kimes' *Chiropraxists* — *Centipede* took the bug prize, just inchworming out (ch) Steve White's ambiguous "Bug for official Plant of the CIA."

Neither did lawyers escape notice, Dr. Kimes proposing *Bar Association* — *Zebra* while Jeff Bash gave us *Malpractice Attorneys* — *Green-backed Vulture*.

Politicians were popularly unpopular being subjected to such suggestions as *Chameleon*, *Yak*, *Lame Duck*, *Drone*, *Blooming Idiot*, *Loon* and *Loco Weed*.

The animal prize goes to Vern Lindholm for *National Association of Investment Clubs* — *Hedgehog*. To our surprise, no entrant suggested the *Badger* for loan collectors or *Gull* for a consumers group. The AMA received two proposals: the double-entred *Leech* and F. G. Swanson's more kindly *Dock* as the official flower, whose candidacy he supports with the following :

The American Medical Assoc  
Is in need to assymbol its flock.  
With its energies spent  
From the winds of dissent,  
It can take heart and raise high  
the dock.

Totally non-qualifying but extremely clever were the entires of David Holland who foresook field and forest (almost) to give us: *Lumbermen* —  $\ln$  (Lumbermen often work with natural logs);

*Science Fiction Writers* —  $\sqrt{-1}$

(This group deals with the imaginary in a radical and sometimes negative

way); *Watchmakers* —  $E(e^{t^2})$  (A moment generating function might be quite handy for watchmakers). *Tailors* —  $\chi^2$  (Tailors are most concerned with goodness of fit).

Keep those cards and letters coming.

C.E.

**Reading Lists**

The Committee on Research has recently prepared reading lists on the following seven subjects:

- Reading List on Numerical Analysis
- Bibliography—Operations Research
- Bibliography on Theories of Mortality
- Selected Bibliography—Decision Theory
- Bibliography of Credibility Theory
- Readings in Systems Analysis
- Reading List in Risk Theory

Each reading list runs approximately four pages and contains a brief discussion of the important books and papers that the Committee on Research has picked in each subject area. Any or all of these reading lists are available to Society members free of charge by contacting Peter W. Plumley, Executive Director of the Society. □

**Actuarial Economists**

(Continued from page 3)

deficit, resulting from the actuarially unwarranted benefit increases in 1972 and 1973, was caused by the failure of the Actuary's Office to inform Congress about the long-range cost effects of recent birth rate experience.

In concluding, we do not agree that only actuaries can properly understand and reproduce the work of other actuaries. While, in retrospect, our study might more accurately have been described as an audit of actuaries, rather than an actuarial audit, this semantic difference should not hide a fundamental point of our study. Well executed professional quality work should be able to withstand external scrutiny. A profession that is unresponsive to its customers, however, is likely to be unsuccessful in advocating an exclusive policy of self-policing and internal audits. Doctors are discovering this fact of life when they pay for their malpractice insurance these days. To avoid similar "malpractice" claims of actuaries in public policy positions, let us close by posing a question to all actuaries. We accountants and economists do not have an answer to this question although it has an important bearing on Social Security cost estimates.

*How many of you are familiar with, or have approved, the procedure that the Actuary's Office is now using for projecting the dynamic cost estimates of the system?*

The estimation process is complex. What guarantee do we have that it is reasonable? In matters of this importance, we think that if the actuarial community wishes to preclude criticism from non-actuaries, then it must set up its own committees to validate, or at least to expose to public scrutiny, the procedures and data inputs used by actuaries in sensitive national policy positions. Without independent checks by disinterested actuaries, it is self-serving for actuaries, such as Mr. Myers, to preclude non-actuaries from criticizing actuarial procedures and the demographic and economic assumptions used in these procedures. We note with approval that President C. L. Trowbridge has apparently come to the same conclusion and has called for such independent checks. □