

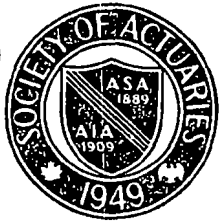


SOCIETY OF ACTUARIES

Article from:

The Actuary

December 1977 – Volume 11, No. 10



The Actuary

The Newsletter of the Society of Actuaries

VOLUME 11, No. 10

DECEMBER, 1977

PATTERNS OF MORTALITY

Editors: Richard B. Singer, M.D. and Louis Levinson, F.S.A., *Medical Risks: Patterns of Mortality and Survival*, Lexington Books, D.C. Heath and Company, Lexington, Mass., 1976, \$25.00.

by Frank E. Rooke

"Monumental" is an adjective one hears in reference to this book and it certainly seems apt both in regard to the tremendous amount of work in its preparation and, more importantly, its value to those to whom it is directed. The book contains a mine of information in the form of mortality indices relating to a large number of "risk factors", mainly specific diseases, abnormal physical findings, or abnormal findings on medical tests.

The book is described as a reference volume sponsored by the Association of Life Insurance Medical Directors of America and the Society of Actuaries. For the history of the evolution of the book the reader is referred to the Preface. There is a long list of contributors — 22 in all — whose assistance is gratefully acknowledged by the Mortality Monograph Committee who were responsible for the total production of the volume. A special word of appreciation is due the Editors, Richard B. Singer, M.D. and Louis Levinson.

This volume breaks new ground in that for the first time the bulk of the data presented is drawn from sources outside insured populations, thus covering many patient groups and conditions not likely to be found among persons who have been issued life insurance.

To a considerable extent, therefore, this book is based on reports of follow-up studies reported in medical literature. Over 2,000 articles were evaluated in the search to find those with data in a form suitable for producing the mortality indices desired. Results from these

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

The Society of Actuaries and the American Academy of Actuaries have submitted a joint brief *amici curiae* in the case of the *City of Los Angeles et al. versus Marie Manhart et al.* scheduled for the October term of the Supreme Court of the United States. The pension plan of the City of Los Angeles, Department of Water and Power, requires larger contributions from female employees than from their male counterparts. The 9th U.S. Circuit Court of Appeals held that this violated Title VII of the 1964 Federal Civil Rights Act as amended by the Equal Employment Opportunity Act of 1972. This title prohibits discrimination by sex in employment, including compensation. The decision has been appealed to the Supreme Court.

MINORITY SCHOLARSHIP PROGRAM

by Eugene M. Woodard

In the June, 1977 issue of *The Actuary*, I reported on a change in direction of the Society's Minority Recruiting Program. Basically, the article discussed the discontinuance of the Lincoln University Summer Institute and the formation of a new expanded actuarial scholarship program. This is a report on the scholarship awards granted for the school year beginning in the Fall of 1977.

Scholarship material was distributed earlier this year to a number of colleges and universities throughout the U.S. As a result, the Society received 36 appli-

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REORGANIZATION OF THE ACTUARIAL PROFESSION

by Anna M. Rappaport

There are many problems facing the actuarial profession in the mid and late 1970's. The profession is small, but it is also divided. There are several actuarial organizations in North America, and as a result different groups are addressing limited energy to the same problems. It seems clear that it makes little sense to have 6-8 organizations representing the needs of under 10,000 people.

The Board of Governors of the Society of Actuaries has recognized that the profession would be stronger if unified, and in October 1976 it unanimously endorsed a proposal for reorganization of the actuarial profession. The full report of the ARC Committee together with the motion adopted by the Board was mailed to the membership late in 1976.

The Board authorized the appointment of a Committee to proceed with the reorganization. The Committee has been set up with Julius Vogel as Chairman, and Barbara Lautzenheiser as Vice Chairman. The Committee members are Paul Barnhart, David Carpenter, Richard Daskais, Robin Leckie, Jim MacGinnitie, Anna Rappaport and Gathings Stewart.

The Committee has met twice. Its mission is to serve as a negotiating body for the Society of Actuaries, so that a proposal could be developed in enough detail to be brought to the boards and members of all the actuarial bodies for them to vote on. The ARC proposal was deliberately left vague so it could be a starting point for negotiations.

At present, the Society of Actuaries is the only body which has endorsed the principles of the ARC proposal. The

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The Actuary

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Published monthly (except July and August) by the SOCIETY OF ACTUARIES,
 208 S. LaSalle St., Chicago, Illinois, 60604, William A. Halvorson, President, Myles M.
 Gray, Secretary, and L. Blake Fewster, Treasurer.

The Society is not responsible for statements made or opinions expressed in the
 articles, criticisms, and discussions in this publication.

THE YEAR TO COME—AN EDITORIAL BY THE PRESIDENT

It has been said that events shape history, and history produces the people and the ideas needed to react to these events.

The actuarial profession in North America has been affected by a number of events in recent years that are having, and will continue to have, significant impact on our public role in society. As a consequence, the profession must recognize its new responsibilities as a public profession, and organize itself to deal effectively with these responsibilities while preserving our great scientific traditions.

Four significant events are shaping our requirements. In the U.S., there are the passage of ERISA, the adoption by the NAIC of the actuary's opinion form for life and health insurers, and the adoption of GAAP accounting for stock life insurance companies by the AICPA. In Canada, a law passed this year establishing the "valuation actuary" for each life and health insurer, and abolishing any statutory valuation standards, is of great significance. Perhaps a greater—even pernicious—event is also having a major impact on our profession, namely, the super-inflation of the past 10 years.

Our profession has responded to these events and must continue to meet these challenges. Our primary goal, of course, is to protect the viability of the financial security plans with which we work, to make sure that our plans can meet the needs of the participants and policyholders to whom our plans have made promises and created expectations. This is no small task in our inflationary economy.

Specifically, in the United States we must strengthen the role to be played by the American Academy of Actuaries, in providing the information needed by lawmakers in Washington, D.C. and in the 50 States, and in achieving proper recognition of the profession's role in society. Our public responsibilities in the United States may require the profession to seek federal and state licensing of qualified actuaries. Perhaps eventually this will also mean that the Academy must become a quasi-public body for accreditation purposes, with provisions for input from major users of actuaries, from regulators of plans and companies, and from plan participants and policyholders.

At the same time that our United States public posture is strengthened, the educational and scientific base of our profession in North America should be extended to encompass and represent all of the many and varied specialties and occupations of actuaries, as we find them. The Society of Actuaries should take the lead in reaching out to the other actuarial organizations that share our tradition of advancing the knowledge and training of professional actuaries. We are encouraged by recent progress in this regard, and hope that soon we will either be, or become part of, an organization that meets the educational and scientific needs of *all* actuaries in Canada and the United States. My perception of our need to reorganize along these lines, for the advancement of our profession, is such that if changes in the Society's structure are required, I will support such changes and hope our membership will also.

Events are moving us towards becoming a truly public profession. Our understanding of this shift and our acceptance of the additional responsibilities this shift entails will be a measure of our strength and ability to cope. To my view, we are ready for these challenges and opportunities, and I am looking forward to the events that we can create in 1978.

William A. Halvorson

ERISA—The Early Years

Mr. Donald S. Grubbs, Jr., who was intimately involved in the discussions that took place both before and after the enactment of ERISA, gave a talk entitled "Three Years of ERISA: A Critical Appraisal" to the Pension Research Council last May. This talk was more than a report of Mr. Grubbs' personal experiences. It is an interesting and informative chronicle of the early years of ERISA and is a record of the trials and tribulations endured by all the interested parties.

The text has been published in the July issue of *IF Digest* of the International Foundation of Employee Benefit Plans and in *Best's Review* (Life/Health Edition) for July. Mr. Grubbs has a few copies of the text and these are available on request while they last.

Minority Scholarship Program

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cations and 20 of these applicants were favorably considered for awards. (This final group, 15 students attending 12 different colleges and universities accepted our awards. The remaining 5 students were unable to continue this Fall in spite of our offer of financial aid.

We are delighted that the Scholarship Program is off to such a good start. More work will be required to assure a continuing supply of worthy applicants in future years and plans are currently under way to expand the distribution list for our mailing material. In future years we expect to use the Minority Placement Service offered by the Educational Testing Service to secure a list of prospects who have scored sufficiently high on various examinations which they administer. This we expect will significantly increase the number of minority students we reach with our scholarship material. Any requests for further details or other information concerning our program should be directed to the Subcommittee on Minority Recruiting and requested through the Society's office.

Contributions for 1977 from actuaries, employers, actuarial clubs, and individual Society members were most gratifying and we hope that we will continue to have your support and encouragement for this most important activity in future years. □