



SOCIETY OF ACTUARIES

Article from:

The Actuary

November 1978 – Volume 12, No. 9

BOARD OF GOVERNORS

Summary of Non-Routine Business Transacted by the Board and Executive Committee During The Four Months Ending October 31, 1978

The Board of Governors met on October 22, 1978, with 25 Board members, the Executive Director, the Director of Education, Society Counsel and 5 Past Presidents of the Society in attendance. It also met on October 25, 1978, with 20 members in attendance.

The Executive Committee met on September 6 and 7, 1978, with all 9 committee members, the Executive Director, the Chairman and Vice Chairman of the Committee on Guides to Professional Conduct, and one other Board member in attendance.

The following non-routine business was transacted during the course of these meetings.

(1) Education and Examinations. The Executive Committee approved a report from the Educational Policy Committee regarding joint administration of examinations for meeting the educational requirements for enrollment to perform actuarial services under ERISA. The Board approved a Memorandum of Understanding between the Society, the Casualty Society, the American Society of Pension Actuaries, and the Joint Board for the Enrollment of Actuaries, and authorized the necessary steps to implement that understanding. The importance of timely communication of this action to the membership of the Society was recognized, and an Ad Hoc Task Force was appointed to prepare a suitable announcement, advise the other participating organizations of its contents, and arrange for timely distribution to the membership.

The Board received a preliminary proposal from the E & E Committee for restructuring of the Society's examinations, and was advised that a complete, detailed report will be distributed in time for action at the next Board meeting.

The Board also approved allocation of up to \$4,000 for development, in conjunction with the Casualty Actuarial Society, of new study material on the subject of Operations Research.

(2) Organization of the Society. The Executive Committee authorized the appointment of a Task Force on Special Interests to study the question of how best to serve various specialties and/or special interest groups within the Society, such as through the formation of specialty or special-interest sections and conferences within the Society.

The Executive Committee continued its long-range planning activities and developed a "Society of Actuaries Statement of Planning Objectives" which was adopted by the Board. This statement will serve as the criteria against which planning and other activities of the Society's Board and committees will be formulated.

The Board also passed a resolution stating that the Director of Education is responsible to the Board, will have his compensation determined by the Executive Committee and will work under the direction of the Vice President responsible for education.

(3) Pension Terminology. The Board received a report from the Committee on Pensions with regard to common terminology for pension plans, and authorized appointment of representatives to an Ad Hoc Interorganizational Committee. This Committee is charged with the responsibility of de-

veloping common pension terminology which reconciles easily with existing traditional terminology.

In a recent poll of Enrolled Actuaries, 94% favored common terminology. However, when asked their preference as to the basis of that terminology, 31% favored the Society proposal, 20% favored the IPAAG proposal, 39% favored formation of a new committee to study the matter further, and 10% chose none of the above.

(4) Society Publications. The Board adopted the following resolution honoring Andrew C. Webster:

Whereas, Andrew C. Webster, FSA, Editor of *The Actuary*, the Newsletter of the Society of Actuaries, has served in that position, with distinction, since the founding in March 1967, of *The Actuary*, and

Whereas, Andrew C. Webster, FSA, will relinquish the Editorship upon publication of the December, 1978, issue of Volume 12 of *The Actuary*, and

Whereas, Andrew C. Webster, FSA, edits *The Actuary* to personify the place the Society occupies in the hearts of its members; broadens his readers by giving them a sense of history and gentle instruction in the hallmarks of a professional; writes with clarity, vigor and good humor; and avoids, at all costs, arrogance and pomposity.

Now, therefore, be it resolved, that the Board of Governors records its affection for Andrew C. Webster and its deep appreciation for his twelve years of service to the Society of Actuaries as first and founding Editor of *The Actuary*.

(5) Dividend Philosophy. The report of the Special Committee on Dividend Philosophy was accepted by the Executive Committee, who also authorized its distribution to the membership. The Board accepted that report, authorized continuation of the work of that committee, stated its position that any results of the committee's work should take effect as standards of practice, and requested the responsible Society Vice President to work with the Canadian Institute, the American Academy and the Society's Committee on Guides to Professional Conduct, to set in motion implementation of appropriate standards of practice.

(6) Committee Operations. The Board changed the title of the Subcommittee to obtain Manpower Information (a part of the Career Encouragement Committee) to the Subcommittee on Actuarial Opportunities, and gave this subcommittee the following specific charges for 1979:

(a) Evaluate trends in recent actuarial employment statistics, especially the category of "other" summarized in the Year Book.

(b) Investigate the potential actuarial involvement in the field of general risk management in coordination with any comparable investigation that may be carried out by the Casualty Actuarial Society.

(c) Consider other potential new or expanded areas for actuarial employment and activity.

The Committee on Preparation and Publication of Money Values, having completed its assignment, was discharged with thanks.

(7) Financial Statement Certifications. The Board discussed the proposal of the NAIC Task Force on Certification

(Continued on page 6)

Board of Governors

(Continued from page 4)

of Property and Liability Company Loss Reserves to require certification of Fire and Casualty loss reserves by a Qualified Loss Reserve Specialist, defined to be a member of ". . . the American Academy of Actuaries, the Casualty Actuarial Society, the Society of Actuaries or the American Institute of Certified Public Accountants or a person who has otherwise demonstrated his or her competence in such matters to the satisfaction of the insurance regulatory official of the domiciliary state subject to . . . the specialist should be independent of the insurer in accordance with the SEC's Accounting Series Release No. 126."

The Board unanimously approved sending a letter in the name of the Board of Governors of the Society to the chairman of that task force with the following points to be presented in that letter.

- Suggest elimination of reference to Society of Actuaries membership
- Urge retention of reference to American Academy of Actuaries membership
- Question inclusion of reference to American Institute of Certified Public Accountants membership
- Object to the requirement that the Specialist should be in-

dependent of the insurer in accordance with the SEC's Accounting Series Release No. 126.

(8) Executive Director. The Board accepted the resignation of Peter W. Plumley as Executive Director of the Society, effective January 31, 1979, and expressed its appreciation to Mr. Plumley for the services rendered to the Society during his term as Executive Director.

In a related action the Board amended Article VIII of the By-Laws to eliminate the requirement that the Executive Director be a Fellow of the Society and to clarify the duties of the Executive Director. The full text of Article VIII, as amended, is being distributed to all Society members.

(9) Reorganization of the Profession. William A. Halvorson was appointed Chairman of the Special Committee on Reorganization, replacing Julius Vogel, who is now President-Elect of the Society.

The Board was advised that some progress has been made toward developing proposals for reduction in the number of actuarial organizations in North America.

10. Future Meeting Site. The Board approved a future meeting on May 31 and June 1, 1984, at the Waldorf-Astoria in New York.

Myles M. Gray
Secretary

CANADIAN STATISTICS

Social Security, National Programs—Securite Sociale, Programmes Nationaux—1978, Statistics Canada — Statistique, Canada, Ottawa, March 1978, pp. 770 (\$8.25).

by Robert J. Myers

This report, the latest of a series, focuses on data for 1971-77. The 1976 report had reviewed data for 1946-75.

The foreword presents certain demographic information as a background and also gives future population projections, as indicative of problems that may be faced by the various social security programs. Chapter One sets forth a vast amount of statistical data for Canada as a whole, after giving brief descriptions of the several programs. These programs include Medical Care, Hospital Insurance, Canada and Quebec Pension Plans, Old Age Security, Guaranteed Income Supplement, Family Allowances, and Social Allowances and Services. Chapter Two presents similar information by regions and provinces.

Chapter Three gives data for other programs for both the entire country and each province separately. Such programs include Veterans' Benefits, Indian Social Welfare, New Horizons (projects for retired persons), and National Welfare Grants.

This report is strongly recommended

for persons who desire summary data about the myriad of social benefit programs in Canada. More detailed information is, if required, available from other sources. □

ALL IN THE FAMILY

An actuarial dynasty seems to be in the making as a result of Walter H. Hoskins recently qualifying as an Associate of the Society. He is the son of Robert H. Hoskins (FSA 1952) and the grandson of James E. Hoskins (FSA 1920).

Jim was President in 1959-60 and Bob was Treasurer from 1968 to 1971 and Vice-President in 1972-73.

This is believed to be the first occasion in which three generations of one family have been members of the Society (or its predecessors) *at one time*.

The record shows another instance of three generations of an actuarial family. Douglas S. Craig (FSA 1931) is the son and grandson of actuaries. James M. Craig, his grandfather, was a charter member of the Actuarial Society (1889) and was President of the Society in 1914. He died in 1922. James D. Craig (FSA 1905), Douglas' father, who died in 1940, was President of the Society 1928-1930. □

Federal Statistics Publications

Household and Families by Type—March 1978

Series P-20, No. 327, 60 cents. Provides analyses and comparisons 1978 vs. 1970. Notes rapid increase in single person households which, together with low birth rates, contributed to the decline of average household size from 3.14 persons in 1970 to 2.31 in 1978.

Perspectives on American Fertility

Series P-23, No. 70, \$2.40. Updates and expands a 1971 Census Bureau study. Traces fertility rate decline from the beginning of the 19th century.

Statistical Policy Handbook,

Stock No. 003-005-00179-4, \$2.50. Covers Federal statistical directives, interagency statistical committees, publications of the Office of Federal Statistical Policy and Standards, applicable laws and Executive orders.

Copies of these publications may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402.