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EDITORIAL

IT is a rare occasion, if it ever occurs, when the insurance press does not contain at least one item of particular interest to the reader—there is usually no lack of items of general interest.

In recent issues *The National Underwriter* has been running a series of articles on Risk Selection and the problems that have arisen from the recent legal or regulatory imposed barriers to the equitable exercise of the selection process. These articles are encouraging reading for those members of the insurance industry who have, until now, been not too successful in arousing the industry to take up arms against the sea of troubles that threatens to engulf us. The problem is not confined to the life insurers, the property and casualty companies are equally involved.

It would be desirable, if possible, for the insurance industry to spread the gospel of equity over a wider area than that covered by the insurance press. There is no progress in preaching to the converted. In the articles several individuals were quoted as urging the industry to tell its story to the public even through the medium of an underwriters' lobby.

It is a favorable sign that we have actuarial and industry committees working on the problem, but we still need to inform and convince the legislators, the regulators, and the public. On our side we have to be sure that our underwriting practices and procedures can be explained and defended to the public we serve.

We should not overlook the part which the courts play in this situation. *The National Underwriter* reported Ms. Gloria M. Jimenez's (Ms. Jimenez is the Federal Insurance Administrator) address to the recent annual meeting of the American Risk and Insurance Association under the heading *Judiciary The Key to Setting Public Policy.* The report suggested to one reader at least that the Judiciary was coming dangerously close to making the laws and not confining its actions to interpretation. And some of the recent court decisions suggest (to the same reader) that there is a need to explain to the bench what insurance is and how it works.

A.C.W.

LETTERS

The Manhart Case

Sir:

The Board in authorizing the brief believed that facts and information on the consequences of a decision were being submitted. It was careful not to authorize comments on the decision itself. This is surely a reasonable and useful attitude for the Board to take. All would have been well if the case had not been of the kind to cause some members to feel that there were opinions in the information, and to disagree with these opinions.

For future cases it would be proper for the Board to try to determine if differences in view are held and if so, to authorize a statement by the second procedure in Article X, that is, in the name of the committee or task force. It would be unfortunate if this one case led to future Boards feeling inhibitions which prevented the quick release of information when this is judged to be needed in the public interest.

John C. Maynard

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Sir:

I understand that the Board of the Society of Actuaries has reviewed its actions in the Manhart case and has concluded that it did not exceed the authority granted by Article X of the Constitution.

This conclusion appears to be based on the following line (circle?) of reasoning:

(1) The Board intended to express facts rather than opinions.

(2) The Board believes that it did what it intended to do.

(3) Therefore, the Manhart brief was a statement of facts.

Newspeak has arrived six years early.

Robin G. Holloway

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Sir:

In view of all the hubbub on the Manhart Case brief, I wonder how comfortable the authors of the brief would have been had the brief been submitted prior to 1970, when the rules prohibited expressions of opinions. If the comfort level would have been low, it seems to me that Article X provides no additional comfort.

(*Continued on page 3*)