



SOCIETY OF ACTUARIES

Article from:

The Actuary

April 1979 – Volume 13, No. 4

Letters

(Continued from page 7)

Klem-Ency

Sir:

Your listing in the January issue of the "Class of 1929" with an invitation to reminisce, moves me to note that, had the senseless requirement of attainment of age 25 not been in force, Walter Klem would have been a member of the "Class of 1927." One wonders *what* was in the minds of those early framers of the requirements for Fellowship—is there any historical account of its origin?

I may further note that Walter Klem completed the Associate examinations by age 21! Is there any other member with that record?

Ray M. Peterson

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Skyscrambler

Sir:

Readers of both *The New York Times* and *The Actuary* may have felt cynicism or distress about an item in the first of those publications (Feb. 16), reporting that a disability pensioner from the Fire Department was last year's winner of the annual race from street level to the top of the Empire State Building.

One can conceive of at least four possible reasons for such an occurrence. The first is abuse, possibly even fraud, by the claimant and any physician certifying that the disability was permanent and total. The second is an error by the claim adjuster. The third is an accommodation by the insurer to a request by the policyholder that a questionable claim be paid. Finally, the claim may be a valid one because of the nature of the definition of disability used in the contract or adopted by the court of law. For example, if the definition of disability was simply the inability to perform the functions being performed at the time of the illness or accident, then a fireman who lost a hand would indeed be disabled even though he presumably could run up the Empire State Building.

All of the foregoing merely proves the adage that the actuary needs to price not only the risk desired to be insured but also all the contingencies surrounding that risk. In addition, he will be wise to monitor the settlement of claims as closely as his expense margin will permit.

Daniel W. Pettengill

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LONDON STOCKS

Rowland Cross sends us the following item from *The Washington Post*, with the comment that apparently it wasn't only the computer that broke down (or up).

LONDON (AP)—The Financial Times daily index of 30 London industrial stocks yesterday was 446.1 down 4.6.

The Financial Times daily index of 500 London stock actuaries was unavailable due to computer breakdown at source.

OOPS DEPARTMENT

Yes — the booklet mentioned in Michael Winn's article in the January issue is "So You're Good at Math," positively not "So Your Good at Math" as we printed it. This proof-reading blunder produced hilarious readers' comments; the prize one was from James B. Germain: "I knew we shouldn't have dropped old Part I". (The Editor, however, was an examinee long before candidates had to pass an examination that tested command of English).

CALL FOR PAPERS

The Fourteenth Annual Actuarial Research Conference will be held Sept. 6-8, 1979, at the University of Iowa, Iowa City, Ia. The topic will be, "Statistical Estimation with Emphasis on Robust and Bayesian Statistics."

The Conference will feature a one day teaching session on robust methods. Contributed papers presenting Actuarial problems and solutions involving modern estimation techniques will follow. Those people interested in contributing papers should send an abstract to Professor Aaron Tenenbein, Quantitative Analysis Area, New York University Graduate School of Business Administration, 100 Trinity Place, New York, New York, 10006. The deadline for submission of abstracts is August 1, 1979.

Actuarial Meetings

May 17, Actuarial Club of Indianapolis
 May 23, Kansas City Actuaries Club
 June 7, Actuaries Club of Southwest
 June 14, Southeastern Actuaries Club
 June 14, Baltimore Actuaries Club
 June 21, Chicago Actuarial Club

SPEED LIMITS—SAVE LIVES

by Frederic Seltzer

In these days of agitation out west for 65 m.p.h. speed limits and grumbling or cheating elsewhere, it's worthwhile for actuaries to have in mind these figures for lives saved in five years of 55 m.p.h. on our highways.

Year	Number of Deaths	Death Rates		
		Per 100,000 Population	Per 100 Million Vehicle Miles	Per 10,000 Motor Vehicles
1972	56,278	27.0	4.43	4.60
1973	55,511	26.5	4.24	4.28
1974	46,402	22.0	3.59	3.44
1975	45,853	21.5	3.45	3.33
1976	47,038	21.9	3.34	3.28
1977*	49,500	22.9	3.38	3.32
1978*	51,500	23.6	3.3	n.a.

*Estimated.

By no means all of the 40,000 lives saved (estimated by vehicle miles) during the past five years should be credited to the speed limit reduction; but there is general agreement in several studies that from one-third to one-half of the reduction in fatalities is soundly attributable to the slower, smoother flow of traffic.

An article on *"The New York Times"* editorial page of February 5, 1979 quotes a California economist as having priced the time lost by motorists at roughly \$6 billion a year. That, says the writer, comes out at a cost of \$1.3 million for every one of 4,500 fatalities avoided.

The article then asks, Is life worth that much? Whatever we may think of such a query, we should challenge the arithmetic because it improperly assigns no value whatever to the accompanying reduction in millions of injuries and property losses.

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