



SOCIETY OF ACTUARIES

Article from:

# The Actuary

April 1980 – Volume 14, No. 4

### 1980 Canadian Requirements— Fellowship Exam.

by M. W. Chambers

To obtain examination credit toward Fellowship in the Canadian Institute of Actuaries, candidates must meet the following requirements set by the Council of the Canadian Institute:

- (a) Candidates completing Part 9 at the Spring 1980 session must pass the Canadian version of Part 9.
- (b) Candidates completing Part 7 at the Fall 1980 session must pass the Canadian version of either Part 7 Insurance or Part 7 Employee benefits.

### Solutions to March Actucroistics

by The Competition Editor

#3. *Author:* D. Gustafson. *Works:* On Being President (*Academy Newsletter*, March 1979). "It may be something of an oversimplification, but I think good friends are one of the most valuable attributes of life. On that scale, I am wealthy indeed. I won't be wealthy any other way. I spend money and cherish friends. I don't think I've got that backwards."

#4. *Author:* Halvorson. *Work:* Address Of The President (*T.S.A. XXX*, 7). "I have found the following words from Abraham Lincoln to be of help. Let me share them with you:

"The dogmas of the quiet past are inadequate for the stormy present.

"The occasion is piled high with difficulty, and we must rise with the occasion.

"As our case is new, so we must think anew, and act anew."

### Actuarial Lingo?

From a *New York Times Magazine* article on John Connally:

When asked . . . about three people who might work in his White House, Connally responded like an actuary. "Yes, Richard Keeton, a top Texas litigator, might come to the White House staff. He's made enough money to go into government." . . .

### WILL THERE BE ENOUGH ACTUARIES?

by John C. Maynard

*Ed. Note:* This is the third, and last, of the series of reflections by actuaries who were asked to take a fresh look today at problems that worried them 20 years ago. Mr. Maynard enlisted help from 32 eminent actuaries whom he describes here as "correspondents."

The future supply of actuaries was giving concern in 1959. A survey had shown that the immediate need for actuaries (Fellows and Associates) exceeded the then membership by 454; furthermore, to meet the estimated need in 1968, membership would have to grow at 10.6% p.a., whereas it had been growing at only 5%. It was feared that the numbers of college courses and teachers would be inadequate for such a task. Actuaries were wondering whether more joint activities between actuarial clubs and colleges had better be undertaken.

In fact, as the following figures show, membership growth was destined to accelerate during the two decades ahead.

		<u>Fellows</u>	<u>Associates</u>	<u>Total</u>
1958	Actual Numbers	978	765	1,743
	Shortage*	206	248	454
1968	Actual Numbers	1,763	1,512	3,275
	Shortage*	529	991	1,520
	Ann. Growth Rate Achieved from 1958	6.1%	7.1%	6.5%
1979	Actual Numbers	3,955	3,042	6,997
	Ann. Growth Rate Achieved from 1958	6.9%	6.8%	6.8%
	from 1968	7.6%	6.6%	7.1%

\*These shortages were those that emerged from a 1958 survey—see TSA XI, 146.

Several factors not clearly foreseen in 1959 have favoured our profession. The supply of actuarial students has been augmented by the high birth rates of the late 1940's, and by a decline in employment opportunities for mathematicians in competing fields of science, engineering, and industry. We have enjoyed years of prosperity and have seen growing technical capacity amid social and economic change. In its search for financial security, the public has underwritten growth in actuarial employment at attractive compensation levels. Attracting potential actuaries has been easier as our profession and its opportunities have become better known.

Growth has been shared among all the major categories of actuarial employment, as the following figures show.

	<u>Insurance</u>	<u>Consulting</u>	<u>Government</u>	<u>Academic</u>	<u>Other</u>	<u>Retired or Unknown</u>
1964	1,712	352	53	23	62	196
1979	3,894	2,192	183	83	88	557
Ann. Growth	5.6%	13.0%	8.6%	8.9%	2.4%	7.2%

Most of the contrasting causes of these disparate growth rates are too well known to require cataloguing, but worthy of special mention are such influences as the birth of GAAP (in a foiled attempt to reveal the mysteries of life company statements), new forms of coverage, increasingly complex analyses made possible by computers, extensions of government regulations such as ERISA in the United States, and the entry of more colleges into actuarial science programmes.

### Now (1980) What Needs Are Foreseen?

My helpful and well informed correspondents believe that the North American public will continue to seek financial security through government and private plans. These plans will grow ever more complex, requiring new designs and new controls that actuaries will develop. Actuarial training is expected to be increasingly useful also in non-traditional fields such as investments and new forms of financial consulting.

(Continued on page 5)