



SOCIETY OF ACTUARIES

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**SUMMARY OF NON-ROUTINE BUSINESS BY BOARD AND EXECUTIVE COMMITTEE, FOUR MONTHS TO FEB. 29**

*by Myles M. Gray, Secretary*

At meetings of the Executive Committee on Dec. 13, 1979 and the Board of Governors on Jan. 24, 1980, the following non-routine business was transacted:

(1) *Finances.* In addition to changing the date when dues become payable (see our March issue) and increasing the dues, the Society, through its Administration and Finance Committee, now has the following schedule of meeting and seminar fees: Spring Meetings, \$55; Annual Meeting, \$75; 1-Day Seminars, \$110; 2-Day Seminars, \$125.

(2) *Mortality Tables for Valuation.* (A) The Board recommended, on behalf of the Society, certain mortality tables (described elsewhere in this issue) for consideration by the National Association of Insurance Commissioners. (B) In response to a request for the Society's assistance from the Chairman of the NAIC Committee Technical Task Force on Valuation and Nonforfeiture Value Regulation, the Board authorized forming two special committees to study the possible needs for new mortality bases or tables for Individual Annuities and Group Annuities, and referred the following requests to the Research Policy Committee for recommendations:

(i) on whether the duties of our permanent committee on mortality should be expanded to include developing new mortality bases or tables for statutory valuation and nonforfeiture value purposes when that committee perceives such needs;

(ii) on whether new mortality bases or tables may be needed for (a) guaranteed-issue life insurance, (b) renewable term insurance, (c) substandard life insurance, and (d) industrial life insurance.

(3) *Dividend Philosophy.* The Board requested the Committee on Dividend Philosophy to transmit to the corresponding Academy and Canadian Institute committees its latest report (i.e., the amended version after the exposure to members of its September 1979 report), and to continue its work on recommendations for dividends on individual annuities and dividends on participating business of stock life companies.

(4) *Build and Blood Pressure Study.* The Board approved the cost of publishing the new Build and Blood Pressure Study in 1980.

(5) *Discontinuing Annual Banquet.* The Executive Committee agreed to discontinue the Annual Meeting Banquet.

**TRANSACTIONS OF 21st INTERNATIONAL CONGRESS**

The papers prepared for presentation at the International Congress in Switzerland next June, in six volumes, have been distributed to registrants. Though it is unlikely, if indeed it is possible, that other actuaries will subscribe for a set, surely some registrants can spare copies on request, particularly as they will by next autumn possess two sets. Also, authors have supplies of their own papers.

Here are the titles of the six volumes. The meaning of the figures in parentheses is this: the first denotes the total number of papers from all countries; the second, the number by Canadian and U.S. authors.

1. Generalized models of the insurance business. (41—6)

2. Testing hypotheses by statistical investigations. (23—2)

3. Statistical bases and experience in disability, sickness and accident insurance. (27—4)

4. Estimating the value of insurance companies and portfolios. (31—5)

5. Inter-relations between demographic and economic development and Social Security. (27—5)

6. National Reports: The training of the actuary (28—2). The National Report for Canada was written by Nicholas Bauer, and that for U.S.A. by Geoffrey Crofts.

Preliminary information about the next meeting of the ASTIN (Actuarial Studies in Non-Life Insurance) Section, to convene in Loen, Norway on May 31, 1981, is obtainable from Laurence E. Coward in Toronto, or John C. Woody in New York.

**Roles and Ethics Survey**

*(Continued from page 1)*

outright pessimist (very limited opportunities).

**What 61 Fellows Said: Ethics**

*Ques.: Have you read the Society Guides and Opinions as to Professional Conduct?*

*Ans.:*

|             | Guides | Opinions |
|-------------|--------|----------|
| Completely  | 34     | 25       |
| In Part     | 27     | 27       |
| Not At All  |        | 8        |
| No Response |        | 1        |

*Ques.: What is your opinion of the Guides and Opinions?*

*Ans.:* Favorable/Needed, 45; Unfavorable/No Need, 6; No Response, 10. Those expressing the unfavorable view were either critical of the content (weak, wordy, too general, divorced from real world, incomplete, overbearing), or said that if all this is necessary we really aren't very professional. Many of the favorable verdicts did criticize some elements of the Guides and Opinions.

*Ques.: Have you ever encountered a situation in your actuarial career which seemed to raise the possibility of doing something contrary to (i) your personal ethics, (ii) the Guides to Professional Conduct? If so, please describe the situation and what you did about it.*

*Ans.:*

|          | Personal Ethics | Guides |
|----------|-----------------|--------|
| Specific | 15              | 8      |
| General  | 7               | 5      |

The lower numbers who identified situations involving the Guides, rather than those involving personal ethics, may indicate that the Guides are more liberal than an actuary's personal ethics—which may be all right if the intent is that the Guides express minimum standards. Types of situations ranged widely: manipulation of data and assumptions, approving cost estimates without review, conflict about equity in rates and dividends, underwriting problems, approving deficient reserves, doing things not really qualified to do.