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THE E. & E. CORNER

Ed. Note: Here are the first returns since the Education & Examination Committee announced its Question and Answer feature in our February issue. All interested—please keep your questions coming! Send them to James J. Murphy at his Year Book address.

Ques.: Is there a formal process to keep texts and study notes current?

Ans.: Yes, and it's constantly evolving. Its most stable element operates in exam question setting and grading. Actuaries from a multitude of experiences use our text material in drafting and reviewing questions; when they find it behind the times, they notify the Education Committee whose responsibility it is to remedy the defect.

That Committee also has the benefit of suggestions from those teaching actuarial courses. students' suggestions, and its own periodic review of the syllabus.

Ques.: Is a new text about to replace Jordan? How will it differ? When will we have it?

Ans.: As announced in *The Actuary* (October 1978), a new text on actuarial mathematics is being written. It will be in two volumes, building upon the material in Jordan's *Life Contingencies*.

It will apply contingency theory to individual and group life and health insurance, annuities, pension funding, and computer algorithms used in calculate actuarial values. There will also be elementary applications to casualty insurance and to risk theory. The text will emphasize stochastic approaches (as contrasted to Jordan's deterministic approach); it will be closely integrated with the recent syllabus changes on Parts 1 through 3.

The first five chapters of Vol. 1, on risk theory, will come out this year and will replace the present Risk Theory Study Note for the Spring 1982 Part

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"WHOM SHOULD I HAVE FOR MY ACTUARY?"

Messrs. George Calat, Kenneth T. Clark, Stephen C. Frechtling, Frank L. Griffin, Thomas P. Tierney and Dale H. Yamamoto answered our January Query with ideas for the imaginary advisory pamphlet. In this summary of their letters the symbol "xxx" means "he or she."

Our contributors suggest: (i) that as assurance of competence, xxx be an FSA; (ii) that xxx be personable and tactful—one thinks that in view of our own protestations xxx had better be huggable; (iii) that xxx have management ability, and be accessible easily and, when necessary, quickly; and (iv) that xxx have an established reputation with clients and represent a reputable firm—one recommended the actuary be in a firm of actuaries large enough to encompass experts in related fields, and guarantee a continuous infusion of new ideas and techniques by hiring a steady string of progressive young actuaries.

Two thought xxx should radiate confidence, essential because the client may need to be represented in court or before government officials. Effectiveness as a speaker and as a judge of character was also mentioned in a broader context.

The actuary's affiliation—partnership with a non-actuary or employee status in a public corporation or insurance company—was queried. About the first of these our contributor is neutral, observing that attorneys and physicians prohibit this pattern while accountants permit it to a limited extent. He believes that an actuary should never engage in public practice while in the employ of a corporation unless its stock is owned entirely by its own active employees; and that an insurance company actuary shouldn't assume the role of consultant to its policyholders.) On admittedly rare occasions the actuary might be in the impossible position of representing both parties in a dispute.) *E.J.M.*

MORE PROPOSALS FOR CHANGING SOCIAL SECURITY

by Robert J. Myers

The 1977 Amendments to the Social Security Act provided for a one-time National Commission on Social Security with broad mandate to study the OASDI and Medicare programs. It was a nine-member body which included representatives of the private insurance business, beneficiaries and potential beneficiaries, and individuals having special knowledge of these programs; five were named by President Carter and two each by the Senate and House. The Commission could not start work until a majority of its members had been named, which did not occur until January 1979; its report was completed in January 1981.

The following are its major recommendations:

As to OASDI Coverage

- That all new federal, state and local employees after a specified date be covered compulsorily.
- That all present state and local government employees not under a retirement system be covered compulsorily.
- That members of Congress, the President, the Vice President, cabinet members, and the Commissioner of Social Security be covered compulsorily, with full offset of OASDI benefits and taxes against the benefits and contributions under their existing retirement system.
- That all employees of non-profit organizations, except those operated by sects conscientiously opposed to public insurance, be compulsorily covered.
- That the option for state and local governments and non-profit organizations to withdraw from OASDI be eliminated after a one- year grace period.
- That earnings required for coverage be increased to $600 per year for the self-employed, and to $150 per quarter for domestic workers and casual labor.

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