The Actuary

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The Actuary

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EDITORIAL

SALUTE TO BOOK LOVERS

IN our issue last October we offered to send some mid-19th century volumes of the *Journal of the Institute of Actuaries* to a responder willing to pay the shipping cost. These were your Editor's personal property, and our interest was in finding a good home for them. We confess to having feared that nobody would apply.

But there indeed are book lovers among our members. From many readers within and even outside this continent, the requests have rolled in. We now announce that the winner of the necessary drawing is Samuel Eckler of Don Mills, Ontario, and we express our sympathy to all the other applicants.

Admittedly we haven't yet shipped these books to Mr. Eckler. On the lame excuse that the Christmas season is the wrong time to send a valuable parcel, we still have them, and are browsing through them for the last time. Let us start our 1981 editorials in light vein by reporting a few of the pieces that struck our fancy.

Who would care to know what were the first two questions on the very first examination paper for actuarial candidates, on June 10th, 1850? They were these:

1. Show how a decimal quantity can be expressed in the form of a vulgar fraction.
2. Find the fractional value of the recurring decimal .27272727.

A calculation made in 1682 by one Sir William Petty on the number of the quick and the dead at the Resurrection was reported; but this was as a curiosity only, it being suggested that actuaries might use it "as sauce to a dry discourse." Sir. William's arithmetic, which took in such elements as the number of "quick" our earth can feed, the number who had died up to the time of the calculation (worked out separately for before and since The Flood), and how much room for graves exists in Ireland, caused him to sum up thus: "From all which it is plain how madly they were mistaken who did so petulantly vilify what the Holy Scriptures have delivered."

There are some references to statues that forbade life insurance, these mainly promulgated in the 17th century. A French writer of those days said this:

"Man is beyond price. The life of man is not an object of trade, and it is odious for his death to become matter for mercantile speculation. . . . These kinds of wager are of sad augury, and may occasion crimes. Such assurances are therefore absolutely void."

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On another bookish topic: Several readers have reported being thwarted in their efforts to latch onto a copy of Peter G. Moore's *Reason By Numbers*, reviewed in that same October 1980 issue. We believe we have solved this problem—if you are one of these you should soon receive your copy. Anybody else interested, please write to us at our masthead address.

E.J.M.

LETTERS

Case For Taking Futurists Seriously

Sir:

In contrast to our centuries-old profession, futurism as presently practiced has been around for but a quarter-century. Yet its activities and jargon now appear regularly—more so than even the word "actuary"—in Sunday newspaper supplements and popular magazines. And the U.S. Congress has established a regular forum where its members may hear futurists and discuss with them the need for legislation to adjust to or to forestall emerging trends.

Futurism concerns itself with a whole spectrum of possible (alternative) futures. Its practitioners ask, and pose answers to, such questions as: What is the future of technology, economics, inflation, religion, civilization, health, longevity, even the human race? How will such futures evolve? Which current trends seem to lead in the direction that we welcome? Which don't?

Futurism wrestles with such questions in somewhat the same manner as does actuarial science — objectively, dispassionately (usually), by applying techniques that are familiar to actuaries, and some that (to our possible detriment) aren't.

Much of the futurist's perspective would seem not uncomfortable to most actuaries. But the futurist may arrive at orderly awareness of this perspective more quickly than does the typical actuary. And there are some differences in approach. Futurists look for signs of discontinuity while actuaries prefer a world of gradualness. Futurists become accustomed to dealing with uncertainty; actuaries cling to expected values, and pay little heed to ranges.

Maybe our attitudes and viewpoints need to square with those of futurists as we find ourselves faced with unforeseen weaknesses in our traditional products, and as pressures from consumerists, regulators and competitors strain our systems and bring into question the most entrenched practices of our institutions.

A few insurance companies have futurists already. ACLI's TAP Program, built upon findings of roughly 100 monitors from the management ranks of our companies, is a futuristic effort. How many actuaries keep abreast of that Program?

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