



SOCIETY OF ACTUARIES

Article from:

The Actuary

March 1982 – Volume 16, No. 3

SIGHTINGS

At least three of our members have received attention lately in *The New York Times*.

Joseph H. Mirzoeff and his wife Charlene were featured in a November 25th piece about joys and tribulations of spouses who are especially good at the same competitive recreation. Both excel at backgammon.

Jerome M. Stein took issue with sports columnist Red Smith (since deceased), the question being whether the controversial playoff system in baseball's major leagues last fall was a "Shaughnessy playoff"; Smith had said Yes, Stein argued No. The Shaughnessy system, dating from 1933, calls for a first-place finisher to play the fourth-place team, and the second to play the third.

Robert J. Myers, in a letter, disputed a correspondent's remark that Otto von Bismarck selected age 65 for retirement in Germany's social security system a century ago. Mr. Myers made reference to the April 1978 issue of this newsletter.

In the November 14th issue of that same newspaper, in a description of New York State's \$5 million Lotto prize for a \$1 ticket, it was reported that "Actuaries for the lottery say the odds against a better winning the entire \$5 million are one in 1,919,190 . . ." The identities of those actuaries weren't revealed.

Conrad M. Siegel sent us a description of a foundation's "validation study of insurance actuaries": "We tested 39 actuaries for a large insurance company in the Northeast. In addition, we tested 14 employees of the company who had tried, but failed, to become actuaries. . . . The successful actuaries scored higher than the unsuccessful ones on Paper Folding. . . . The best predictor of success as an actuary was surprisingly, our Paper Folding test." The writer warned that this intriguing result should be considered tentative until duplicated in another sample.

Mark J. Gallagher told us that *People* magazine of November 2nd quoted Australian actor Bryan Brown on his prior work as an actuary: "It was close to being the most boring job in the world, but I had to make a living."

Rolf Trautmann reports that a character in the movie "Four Seasons" is a

middle-aged life insurance salesman who wins the heart of a beautiful blonde by impressing on her that he knows actuarial tables. Rolf recommends that the unmarried among us start studying 1980 CSO.

Ralph E. Edwards observed in the December 2nd *Baltimore Sun* the sad case of a Vermont exam grader who erroneously reversed the grades, giving a grade of one to the best answers, down to five for the worst. The candidates aimed to be lawyers.

From Michael Mudry came an account, in Eastern Airlines' inflight magazine but originally in *The New Yorker*, of Prudential Insurance Company's imaginatively designed Princeton, N.J. buildings, described as "provident in use of resources, durable, sensible, actuarial . . ."

And Robert J. Myers draws attention to this remark in the famous *Atlantic Monthly* article, "The Education of David Stockman": "The Social Security problem is not simply one of satisfying actuaries," Stockman conceded. "It's one of satisfying the here-and-now of budget requirements." *E.J.M.*

COINTRA CONFERENCE IN STOCKHOLM

by Helga Kronheim, D.Sc.

Ed. Note: Dr. Kronheim, an Amsterdam actuary, kindly permits us to print excerpts from her report of this Conference. She mentions that the Sveriges Reinsurance Company publishes the full Conference proceedings.

Continuing a line which started in Vienna as far back as 1927, COINTRA (an acronym for "Coopération Internationale pour les Assurances des Risques Aggravés") held its 14th conference in Stockholm from 9th to 12th June, 1981. Some 110 representatives from life assurance and reinsurance companies, established in more than a dozen countries, were in attendance for the purpose of exchanging information and reviewing developments in substandard life assurance.

COINTRA has 9 active members—so described because they operate a Pool for reinsuring substandard risks—from 8 European countries, and 37 corresponding members from 19 different countries. The Pool has been in exist-

tence for over 20 years . . . From all that was heard at the conference it was apparent that in general COINTRA members (correspondent as well as active) are continuing their attempts to grant terms, though expensive, to applicants who "nobody would have even looked at some 8 or even 4 years ago". . . . Most impairments associated with a high extra mortality are represented in the cases submitted to the Pool, including two which were subjects at the conference, viz. Hodgkin's disease and kidney insufficiency with renal transplantation. . . . Problems of heart arrhythmia and strokes formed the subject of (other) contributions.

Also considered was the suicide risk, on which a Swedish University Professor contributed to the discussions with an introductory lecture. Here the situation is rather sad on various counts; suicide rates increase as the standard of living goes up and all kinds of prevention programmes have proved ineffective. One of the few positive developments is that the introduction of carbon dioxide free gas in British household ovens appears to have led to a fall in the number of suicides in that country!

A problem in many fields is nowadays the question of privacy for the citizen, who looks with great suspicion upon the data-banks which are being set up by government bodies and private enterprise organizations. Chosen as another conference subject was therefore privacy protection in life and health insurance and professional secrecy on the part of medical practitioners. Reports about the current situation and proposed legislation in various countries were submitted . . .

The question whether one day for the acceptance of disability business on impaired lives it will be possible to leave the experimental stage and achieve a degree of expertise similar to that in substandard life assurance must be answered in the negative. Consumerism and the liberalization of conditions by social security organs means—in the words of one author—that "substandard disability risks are increasingly in a position to submit claims at almost any time." □

Deaths

Marian R. Albright, F.S.A. 1928
Dickinson C. Duffield, F.S.A. 1947