



SOCIETY OF ACTUARIES

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Spring Exam Preparation Seminars

Temple University and Casualty Actuaries of the Mid-Atlantic Region will again offer 3-day seminars: for Part 1, April 22-24; Part 2, April 15-17; Part 4, April 15-17. Particulars from Prof. Murray Silver at his Yearbook location.

OUR MEMBERS AROUND THE WORLD

A reasonably large hall would be needed to accommodate all our members outside Canada and the U.S.A. if those interesting actuaries could be brought together. An informal count, i.e., by the [] method, places the number of such members in active practice at 406.

Associates among them outnumber Fellows by 9 to 1, but the large majority are fully qualified members of other actuarial bodies.

By occupation, 208 are in insurance companies; 158 are in consulting firms; 15 in government; 5 in universities; and 20 we label miscellaneous.

Thirty-two countries are represented. The five leaders are: England, 165; Australia, 79; South Africa, 35; Hong Kong, 19; and the Philippines, 18.

Scotland has 9, New Zealand and Malaysia 8 each, and Switzerland has 6. The others are:

- 5 each: Bermuda, West Germany.
- 4 each: Ireland, Singapore, Thailand, Trinidad.
- 3 each: Brazil, India, Israel, Jamaica.
- 2 each: Egypt, France, Greece, Iran, Japan, Mexico, Pakistan, Taiwan.
- 1 each: Arab Emirates, Bahamas, Saudi Arabia, Swaziland, Sweden.

Happily, we hear from some of our overseas members occasionally. We hope several will contribute to our new series starting in this issue, *Actuaries At Work In Other Lands*. *E.J.M.*

CORRECTION

The cover letter of January 15, 1982 to the Exposure Draft labelled "Statutory Reserve Principles for Individual Health Insurance" mistakenly says this subject will be discussed at a Society Spring Meeting. That discussion will be at our Annual Meeting in October 1982.

REGULATION OF UNIVERSAL LIFE

by Charles D. Moore

On December 7th, 1981, the Los Angeles Actuarial Club was fortunate to hear a discussion on regulating universal life products by several actuaries prominent in that field — John O. Montgomery, David R. Carpenter, Allan L. Chapman, and Lynn C. Miller.

Mr. Montgomery distributed a preliminary draft of a California Department bulletin setting forth requirements for universal life valuation, nonforfeiture benefits, disclosure to the public, and state reporting. He termed the meeting a "hearing" to test his bulletin, commenting that this was a rare opportunity to see legislation in the making.

Mr. Carpenter, noting that a security depends on another party's performance, urged that externally indexed universal life forms, having no such dependence, not be considered securities. In his view universal life policies shouldn't be burdened with constraints any greater than those for conventional products.

Mr. Miller traced the thinking of an ACLI committee that has worked on the valuation and nonforfeiture questions, and problems they encountered in developing guidelines.

Mr. Chapman urged deregulation of the insurance industry. He endorsed R. Fred Richardson's opinions expressed in *The Actuary* (October 1981 issue).

Shane A. Chalke and Michael F. Davlin of Transamerica Occidental Life distributed a critique (obtainable by writing to either of them) of portions of Mr. Montgomery's draft bulletin, focusing on ways in which the guidelines are more restrictive than current law.

In the general discussion, it was questioned whether any regulations at all should be framed in these early stages of universal life development; Mr. Montgomery reminded us that his bulletin is not a regulation. Other questions discussed were whether illustrations issued by all companies should use the same range of interest assumptions, and whether immunization, if considered necessary, is enforceable. □

"Employee Benefits: Managing In The New Age"

The above is the title of a meeting of The Conference Board scheduled for New York City, April 5-6, 1982. Any Society member who decides to attend it is invited to consider whether a short report on what was said might be of value to other actuaries—and, if yes, to submit it to this newsletter. To volunteer, please phone (919) 998-5335.

OUR 1982 YEARBOOK

You should have your copy already or soon. It is the first to be produced under the direction of Editor Roland A. Dieter, himself the first to grace that post. Among noteworthy innovations and changes are the following:

(1) Pages C-1 and C-2 at the back give users a sorely needed alphabetical index. We are inclined to suggest that this replace rather than supplement the frustrating Table of Contents.

(2) The list of mortality and morbidity tables on p. 68 has been pruned and modernized. Mr. Dieter asks that nominations for future lists be sent him now while readers think of them.

(3) "Historical Background" (which perhaps should be indexed under H rather than S) gives John Frederic Entz—see this newsletter's October 1981 issue—his new and so far undisputed recognition as America's first consulting actuary.

(4) "Year Book" has been compressed, and we suppose modernized, to "Yearbook".

We believe users will be pleased with this tidy volume. Appreciation goes to Mr. Dieter, and also to John E. O'Connor, Jr. and his faithful Chicago staff specially Linda Delgadillo, Marilyn Myers, Deborah Sampson, who maintain our membership and other basic Society records. You can make future editions even better by sending your ideas to the Editor at his Yearbook address. □