



SOCIETY OF ACTUARIES

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# The Actuary

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The Newsletter of the Society of Actuaries

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## 1984 EDUCATION AND RESEARCH GRANTS IN ACTUARIAL SCIENCE

### Sponsor

This competition is again sponsored by the Actuarial Education and Research Fund (AERF).

### Who May Enter

You are eligible if you are either:

1. A member of the Society, the Academy, the Casualty Actuarial Society, the Canadian Institute or the Conference, these being the five actuarial bodies that support the AERF; or,
2. A full time faculty member of a U.S. or Canadian college or university, having teaching and research responsibilities in a field related to actuarial science (mathematics, statistics, computer science, economics, demography, insurance, law, business), and holding a terminal academic degree such as Ph.D., D.B.A. or a law degree.

Grants are not available to support dissertations or other student research projects.

### Education and Research Alternative

A new feature is that proposals for innovative developments in actuarial education, as well as proposals for actuarial research, are invited. An educational project should lead to a study note or to other materials that would assist teachers and students engaged in actuarial education. AERF reserves the right to participate in distributing such materials.

Those considering entering this competition are invited to discuss their planned entry with the AERF Research Director.

### Grant Amounts

Grants up to \$10,000 are available. Funds may be used to compensate grant recipients or for computer programming and time, secretarial services and data collection activity. Money will be distributed periodically throughout the project, and will be contingent on progress thereon.

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## ELECTIONS 1983

The results announced at our Annual Meeting in Florida are:

<i>President-Elect</i>	Preston C. Bassett
<i>Vice Presidents</i>	James A. Attwood Anna Maria Rappaport
<i>Secretary</i>	Donald S. Grubbs, Jr.
<i>Treasurer</i>	Michael B. McGuinness
<i>Director of Publications</i>	Edward J. Porto
<i>Board of Governors</i>	Charles M. Beardsley Edwin F. Boynton Robert M. Hammond James A. Tilley Irwin T. Vanderhoof Robert C. Winters

The number of votes cast, from among 5,013 eligible voters was 2,556 (51%).

In 1982 and 1981, these percentages were 54% and 52%.

## COMPETITION RESULTS

by Charles C. Groeschell,  
*Competition Editor*

Our rules for picking prizewinners among Actucrossword solvers were changed in September 1982: the time taken to submit a solution ceased to be counted, and winners were to be determined by fiscal year instead of monthly. Here are the results for the past year (Sept. '82 through June '83):

In all, 273 solutions came in from 80 members or wives or associates; 228, about 5 out of 6, were correct. Three stalwarts—Robert D. Hohertz, John W. Keller and Noreen Shapiro (wife of California Insurance Department's Chief Insurance Examiner)—had all ten puzzles correct. Esther Portnoy and Betsy K. Uzzell submitted nine solutions and scored 9-for-9. Sheryl V. Cuba and Christopher Doyle both scored 9-for-10. If these seven winners will send along the names and addresses of their nominees, said nominees will get free copies of *The Actuary* through June 1985.

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## ACTUARIES AND WELLNESS

by David S. Williams

The fine parody contributed by A. H. Johnson (April issue) on race-track betting à la The Life Insurance Fair Practices Act perspective brings to mind an allegory given by Dr. Don Ardell in his dissertation "High Level Wellness", given at the 1980 Future of Life Expectancy symposium. This allegory served to demonstrate the focus of our health care system on treating sickness rather than promoting a wellness outlook and lifestyle.

### Upstream/Downstream

"It was many years ago that villagers in Downstream recall spotting the first body in the river. Some old timers remember how spartan were the facilities and procedures for managing that sort of thing. Sometimes, they say, it would take hours to pull 10 people from the river and even then only a few would survive.

"Though the number of victims in the river has increased greatly in recent years, the good folks of Downstream have responded admirably to the challenge. Their rescue system is clearly second to none: most people discovered in the swirling waters are reached within 10 minutes—many in less than 10. Only a small number drown each day before help arrives—a big improvement from the way it used to be.

"Talk to the people of Downstream and they'll speak with pride about the new hospital by the edge of the waters, the flotilla of rescue boats ready for service at a moment's notice, the comprehensive health plans for coordinating all the manpower involved, and the large number of highly trained and dedicated swimmers always ready to risk their lives to save victims from the raging currents. Sure it costs a lot but, say the Downstreamers, what else can decent people do except to provide whatever is necessary when human lives are at stake.

"Oh, a few people in Downstream have raised the question now and again, but most folks show little interest in what's happening Upstream. It seems there's so much to do to help those in the river that nobody's got time to check how all those bodies are getting there in the first place. That's the way things are, sometimes."

Actuaries have been exposed to the concept of wellness before, via analysis of the shortcomings of our health delivery system. There is general agreement, I think, within our profession that the responsibility for one's well-being rests basically with oneself.

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## Competition Results

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Although most of our readers never tackle either the Actucrosswords or the Actucrostics, many, we know, do get pleasure from them. For example, after last year's announcement that all 100% solvers would be recognized, perfect solutions for the next puzzle came from 19 members who had never submitted solutions previously, and 33 more new solvers were heard from as the year went on. Because of this increased interest, the contest will be continued until further notice on the same 10-issue system, recognizing 100% solvers monthly.

Numerous comments and other displays of puzzle-addiction came in during the year, most of them correctly addressed to Milwaukee. After the C.E. told one of our winners, Noreen Shapiro, that R. Graham Deas (F.F.A., A.S.A., now in England) constructs our Actucrosswords, she wrote, "Mr. Deas is another matter! (We) suspected his fine 'British' hand. I am from England, and cut my crossword teeth on British puzzles. So I have a little insight into his wonderfully fiendish mind!" Another 100% solver, believing in tit-for-tat, identified his solution as "The avid old shoe solved the Actucrossword in just under 24 hours (5, 1, 5)"—see Yearbook, p. A-123.

Your C.E. would welcome comments from solvers of either Actucrosswords or Actucrostics that would make them more fun or of greater interest. Yours for more enjoyment!!

*Ed. Note: And thanks to C.G.C., C.E. for his devotion and witty clues.* □

### MAIL ALERT

During October, or later in remote places, you should have received three issues of the *Record*, viz. 9-1 (Philadelphia, April 1983); 9-2 (Chicago, April); 9-3 (Vancouver, May). If you haven't, notify the Society's office.

## Query

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policies from their higher priced competitors?

As is customary, responses will be summarized in a future issue, with recognition of, but not attribution to, individuals. *E.J.M.*

## NEW STUDY NOTES OF GENERAL INTEREST

9LB-414-83	Universal Life: A Product Analysis	\$3.00
9LB-509-83	Individual Life Insurance Cost Comparison and Disclosure Activity, U.S. and Canada	3.00
9LB-619-83	The Underwriter's Approach to Medically Impaired Risks	4.00
9PC-812-83	Human Rights Legislation in Canada	3.00
9PU-813-83	Actuarial Aspects of Sex Discrimination Legislation	3.00
9PC-911-83	Multi-Employer Pension Plans in Canada	3.00
9PC-912-83	The Impact of Inflation on Pension Plan Design	3.00

Orders must be prepaid, in U.S. funds. Send request, with check or money order payable to Society of Actuaries, to the Society at Box 98474, Chicago, IL 60693.

## Education and Research

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### How to Apply

Information, application forms and requirements may be obtained from C. J. Nesbitt, Research Director, AERF, Dept. of Mathematics, University of Michigan, Ann Arbor, MI 48104.

### Awards Committee

The Awards Committee members are:

Arthur W. Anderson, A.S.A., F.C.A., M.A.A.A.  
Charles A. Hachemeister, F.C.A.S., M.A.A.A.  
James C. Hickman, F.S.A., A.C.A.S.,  
M.A.A.A., Ph.D.  
Robert V. Hogg, Ph.D., University of Iowa  
John A. Mercu, F.S.A., F.C.I.A.

This Committee, coordinated by the Research Director, will evaluate proposals and make recommendations to the AERF Board.

### Deadlines

Proposals must be submitted to the AERF Research Director by February 1, 1984. Proposal submission has been designed to be relatively simple. Grants will be awarded by April 1, 1984.

### Distribution Rights

Since the competition's goal is to advance actuarial science, the result of each research project should be a manuscript suitable for publication in a scholarly journal. AERF reserves the right to publish the results of any project it has funded; if this right is not exercised, suitable credit should be given AERF at time of publication. □

## Actuaries and Wellness

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One indication of this is that at our meetings, the left half of the meeting room reserved for smokers is now largely occupied by non-smokers who can't find a seat on the other side. A note to meeting planners: Isn't it time to reduce the allotment of seats for inveterate smokers to a small (well-ventilated) corner of the meeting room?

Some actuaries are actively promoting wellness in their own professional and personal environment. Not surprisingly, many of these are futurists, for the positive state of wellness is a "preferred future" alternative towards which we should be striving. Inspection of these actuaries reveals that they do not suffer from "furniture disease", e.g. where the chest sinks into the drawers. It has already been clearly demonstrated that actuaries practicing wellness produce more accurate valuations and earnings forecasts, are more skillful in product pricing and design, and are more popular with government examiners, accountants and even agents. Further studies suggest that they tend to be stronger and better looking, have higher morale, superior bowel movements and more antibodies to resist illness, and get better gas mileage.

Dr. Ardell recited a poem in the course of his speech, which reads in part:

"If I had my life to live over, I would relax more,  
I wouldn't take so many things so seriously.  
I would take more chances, I would climb more mountains and swim more rivers.  
Next time, I'd start barefooted earlier in the spring and stay that way later in the fall.  
I wouldn't make such good grades unless I enjoyed working for them."

While some of these sentiments may not be valid for actuaries, the general approach is. I challenge our older, wiser and more literate actuaries to develop an actuarially-oriented poem along these lines. Prizes should be awarded for the best submissions.

*Ed. Note: If there are prizes, they are likely to be higher in sentimental than in material value.* □