



SOCIETY OF ACTUARIES

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The Newsletter of the Society of Actuaries

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PROFESSIONAL SERVICES

by James A. Attwood

Ed. Note: A NEW SERIES. The following article is the first of a new series. Outgoing President, Dwight Bartlett, asked Executive Committee members, particularly the Vice Presidents, to use these columns to tell about activity within their assigned areas. Incoming President, Pres Bassett, heartily endorses this concept and hopes that the councils of the various Sections will do likewise.

This series of articles may be expected to appear in about half the future issues over the next two years, and will be the special responsibility of Julius Vogel, a Past President of the Society and Associate Editor of *The Actuary*.

Dwight Bartlett asked each of his four Vice Presidents to tell readers of *The Actuary* what is occurring within that officer's area of responsibility. The area assigned to me is that of Professional Services.

Unlike the better-defined areas reporting to other Vice Presidents, that of Professional Services has no over-all Policy Committee. This is probably because the six Society Committees classified under Professional Services (listed on page 19 of the Yearbook) do not form a cohesive whole. One of the stated purposes of the Society is to provide programs and facilities for the professional development of its members. The six Committees each have a part to play in the accomplishment of the objective, but otherwise they are dissimilar.

The Guides themselves are the primary product of the Committee on Guides to Professional Conduct. The most recent version appears on page 35

(Continued on page 3)

ELECTIONS 1984

The results announced at our Annual Meeting in Toronto are:

President-Elect

Richard S. Robertson

Vice Presidents

Gary Corbett

Samuel H. Turner

Secretary

Richard V. Minck

Treasurer

Michael B. McGuinness

Director of Publications

Anthony T. Spano

Board of Governors

John C. Angle

Cecil D. Bykerk

Donald D. Cody

W. James MacGinnitie

R. Steven Radcliffe

James F. Reiskytl

The number of votes cast, from among 5213 eligible voters was 2,635 (50.5%).

In 1982 and 1983, these percentages were 52% and 51%.

Call for Papers

1985 Annual Meeting of The American Risk and Insurance Association

Vancouver, British Columbia

You are encouraged to submit a proposal for a presentation at the 1985 ARIA meeting. Proposals should include: title, purpose, research methodology, and a timetable for completion of the paper.

The deadline for submission is: January 15, 1985. Submit proposals to the ARIA Vice President and 1985 Program Chairman:

J. David Cummins
The Wharton School
3641 Locust Walk/CE
The University of Pennsylvania
Philadelphia, PA 19104

MACHINES AS AIDS TO ACTUARIES UP TO 1914

by E.J. Moorhead

This is a collection, undoubtedly incomplete, of items about actuaries who many years ago saw the need and opportunities for calculating and tabulating equipment in their work.

1. In 1869, Walter C. Wright of Boston (20 years later to become a charter member of the Actuarial Society) published an announcement reading thus:

The Subscriber proposes to supply, to order, Life Insurance Companies, Statistical Bureaus, and Offices that require a large amount of numerical operations, an instrument called the "ARITHMETER", to facilitate Multiplication and Division, invented by his father, and abundantly tested by him both in his private business, and as Insurance Commissioner of Massachusetts. The construction and proper graduation of one of these instruments on a scale sufficiently extensive to make it a practical substitute for the logarithm table, is a matter of considerable expense, involving a large amount of painful and skillful labor. But the instrument once finished is permanent, always ready, and equivalent, when there is full work for it, to the labor of several computers, especially in the valuation of policies, ascertaining the ratios or percentages of numbers, and distributing surplus, especially on the contribution plan. The price of the instrument is \$600. — one-half in advance ...

Mr. Wright's father was the eminent Elizur; the "several computers" were people, not machines; and, the last we

(Continued on page 8)

Professional Services

(Continued from page 1)

of the Yearbook. Guides are continually under review, and closely coordinated with the Academy. Detailed standards of practice are no longer considered to be part of the Guides, and are now the responsibility of other actuarial bodies. An important development regarding standards will be noted later.

The Committee on Complaints and Discipline is the Society's means of making its Guides effective. The role of this Committee is the discipline of those few Society members who fail to measure up. The Committee on Complaints and Discipline, like the Election Committee, is chaired by a Past-President, an indication that this Committee acts more independently than most. Paul Barnhart is the current Chairman. The work of this important Committee was described in the December, 1982 issue of *The Actuary*.

The Committee on Professional Development has been active in getting new members attuned to the professional side of an actuary's work, through new associates workshops and new fellows luncheons. It sponsors workshops and teaching sessions for established actuaries as well. Recent efforts have been directed toward improvement in communication skills. Our new President calls attention to the importance of good communication in the editorial in this issue of *The Actuary*.

Applications for admission to Society membership are the province of the entirely ex-officio Committee on Admissions. The very few non-routine matters that come before this Committee are largely matters of waiver of Society exams when a candidate has passed equivalent exams in other actuarial bodies.

The Committee on Theory of Dividends and Other Non-Guaranteed Elements in Life Insurance and Annuities has completed a draft report on Non-Guaranteed Elements, as a companion to its final report on Dividends. An open meeting to discuss this Committee's new recommendations was held in Toronto in October.

The Public Relations Committee is chaired by Daphne Bartlett. Much of this Committee's work during 1984 has

been in the direction of internal public relations, efforts primarily directed at our own members. A new Speakers' Kit, recently produced by this Committee, includes information on speech writing, delivery, visual aids, and even the handling of nervousness. This Committee is also working on the possible improvement in the publication process for the *Transactions* and the *Record*.

In this capacity the Public Relations Committee is endeavoring to help the Publications Committee, chaired by our Director of Publications. The Publications Committee is one of those that reports directly to the President, and is not shown under the Professional Services label. No report on Professional Services within the Society can overlook the work of the several editors of Society publications. Without the *Transactions*, the *Record*, or *The Actuary*, the Society's professional services would be skimpy indeed.

Important as the formal Committees of the Society are, not all of the professional activities in and around the Society emanated from within.

A very important proposal coming from the Academy's Standards Implementation Committee would set up a semi-autonomous Actuarial Standards Board, responsible for the development of standards for actuarial practice within the United States. This proposal has been discussed by the Executive Committee and the Board, and has been presented to some of the local actuarial clubs. As of the date of this writing it has not yet been acted upon.

Complementing the Academy Committee is a Society Task Force on Actuarial Principles. The Task Force, headed by Bob Lindsay, has the mission of recommending the Society's role in establishing actuarial principles and how this role is to be performed. It was suggested by some actuaries that perhaps the Academy's role is to determine standards of practice, whereas the Society has the responsibility for determining actuarial principles. This Task Force report should help the Society Board decide whether this division of responsibility is appropriate and feasible.

The role of the Valuation Actuary, another professional matter, is the subject of an August report of the Joint Academy/Society Committee under the chairmanship of Gary Corbett. This important report is available to all who ask, through the Itasca office. □

BEYOND TRIVIA

Cashing in on the trivia craze started by the game Trivial Pursuit, Don Hodes & Associates in Worcester, Mass. is now churning out customized trivia for almost any occasion. The company offers trivia for financial institutions, trivia for dental industries, and even trivia for insurance companies. Here's one possibility suggested by the Boston Globe, the source of this item. Name 12 renowned people who at one point worked for insurance companies. Answer below. □

NOVEL STUDY NOTES

The study notes for Part 4 for the May 1985 exam will take on a new look. The Education Committee of the Society of Actuaries has contracted with Don Jones and his associates at the University of Michigan to develop a set of basic programs for the IBM PC to perform the calculations needed to work the problems in the new life contingencies textbook. The purpose of these programs is to enable students to concentrate on the text and reduce the amount of manual calculation provided they have access to a personal computer. The programs are written for the IBM PC, but the BASIC code is provided and it should be relatively easy to convert to other PC's.

This is the first small step to use emerging technologies and it will be carefully monitored. Godfrey Perrott (Chairman of the Technology Task Force of the Future Educational Methods Committee) will be happy to receive comments on this approach at his yearbook address.

Answer: According to "The Book of Lists"—George Eastman (inventor), Charles Ives (composer), Wallace Stevens (poet), Franklin Pierce Adams (journalist), Franz Kafka (novelist), Col. Harland Sanders (of fried chicken fame), Warren E. Burger (Supreme Court justice), Mildred "Babe" Didrickson Zaharias (athlete), Spiro Agnew (former Vice President), Medgar Evers (civil rights leader), and Jody Powell (former press secretary to Jimmy Carter).

There's hope for us yet. D.A.P.