

SOCIETY OF ACTUARIES

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ACCREDITATION OF THE F.S.A.

by Dwight K. Bartlett, III, President

The Board of Governors last October voted without dissent not to pursue, pro tem, accreditation of the F.S.A. with state insurance commissioners for purposes of rendering opinions on life insurance company reserves. That the Society should seek such accreditation was proposed several years ago by members who argued that the F.S.A. designation is a higher level of qualification than is membership in the American Academy of Actuaries and that failure to accredit them places our Fellows who are not Academy members at a disadvantage.

The Board referred this issue to the Committee on Planning (which I was privileged to chair in 1983) asking that it be considered in the context of the larger question of the Society's role in general. In its report the Committee recommended the decision that the Board adopted.

While all Committee and Board members undoubtedly did not have identical reasons for this conclusion, the following, I believe, were prominent in their thinking:

- 1. The Society's mission is primarily to provide excellent education, research and services to members. Pursuit of the accreditation issue, which is not central to its mission, would require a diversion of scarce resources.
- 2. The Academy was founded for the primary purpose of achieving accreditation of actuaries with various U.S. governmental bodies. For the Society to pursue accreditation would represent a judgment, which we are not prepared to make, that the Academy has failed in its central mission.

ACTUARIAL HISTORY BOOKS

Two matters of unusual interest to book lovers have come up.

An article in FIASCO by Christopher G. Lewin and Gary Chamberlin, the latter our London Correspondent, announces that the Institute of Actuaries Students' Society has donated £1,500 as a first step towards filling the Institute Library's existing gaps in its historical material, chiefly of rare books. The Institute itself has decided to match this and to consider allocating further sums in future years. Mr. Lewin tells us that the acquisition process involves evaluating the worths of rare books that turn up on the London market, and bidding for them at public auction.

Mr. John C. Angle has observed that the Yule Library of the Royal Statistical Society, London, has arranged with Pergamon Press to make its rare book collection available on microfiche, and that the listing includes the following books of interest to actuaries:

Charles Babbage: A comparative view of the various institutions for the assurance of lives. London, 1826.

William Black: A comparative view of the mortality of the human species at all ages. London, 1788.

George Boole: An investigation of the laws of thought. London, 1854.

Abraham De Moivre: The doctrine of chances. London, 1718.

Benjamin Gompertz: On the nature of the function expressive of the law of human mortality. London, 1825.

William Morgan: Memoirs of the life of the Rev. Richard Price. London, 1815.

Richard Price: Observations on reversionary payments. London, 1792 & 1803.

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PROHIBITION

Fiftieth anniversary observances of repeal of Prohibition bring to mind a discussion at a 1919 joint meeting of the Actuarial Society and the Association of Life Insurance Medical Directors (*TASA* 20, 364) on the theme:

If National Prohibition Becomes Effective, What Should Be Done With Applicants Who Give A Past History Of Intemperance Or Were Recently Connected With The Sale Of Liquors?

The opener, a California medico, said:

I presume the word "if" was put in the title because we do not yet know whether or not national prohibition is going to be effective. It surely will not be effective on our coast until the home supply is consumed, and the home supply with us is quite considerable.

... The drinking people throughout the country, who have had enough money to supply their cellars with enough to last for two or three years, have usually done so.... I think if you would come out to our state, the usual hospitality of California would not be lessened for some time to come.

I believe that good will come to the insurance companies through this prohibition law....The great good that is going to come to the insurance companies and to the people at large, is through the rising generation.

Our Mr. M. Albert Linton was worried:

There is a danger that drinkers will indulge in excessive use of candy and drinks containing a large amount of sugar, thereby increasing the hazard due to glycosuria and overweight. Still another possibility, particularly in the country districts, is the home preparation of alcoholic beverages. The present unusual demand for cider apples

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The Society is not responsible for statements made or opinions expressed herein. All contributions are subject to editing. Submissions must be signed.

EDITORIAL

GOOD FOR THE SOUL

Members seeking the well being of the profession that nurtures us all are advised to postpone banishing, to the oblivion of their bookshelves, the two issues of the *Record* covering last spring's Chicago and Vancouver meetings before devoting at least a good hour to reading the transcripts of the twin keynote debates:

Resolved: The Society of Actuaries Is Failing to Equip Its Members For the Role Their Employers and Clients Should Expect of Them.

Some note-taking may be necessary, and the Chicago text will prove a mite elusive until one grasps that page 397 is really page 398, and vice versa. But after absorbing the protagonists' utterances, the verdict is likely to be that the hour was well spent.

Perhaps, considered strictly in debating terms, the Vancouver event, in which the opposing actuaries had at each other, deserves the higher rating. On the other hand, if the printed text is all there was, those two jousted to the point of pre-empting the floor discussion. The better way, it seems, is to appraise the debates in terms of the perceived significance and validity of each point, for the negative as well as for the affirmative.

Our notes say that the major topics debated were on:

The Society's Role and Structure Education for FSA Qualification Continuing Education Research Credentials Leadership Attitude Towards Other Actuarial Bodies

Here are our candidates for the most eye-catching, though not necessarily the worthiest, complaints for the Board of Governors to wrestle with:

"Perhaps instead of congratulating ourselves on the volunteer (educational) system, we should have increased our charges and constructed a system with more permanent staffing, more professional direction."

"One senior actuary I know—who works for a life insurance company—referred to the Society as 'the cartel of the life insurance industry'."

"The actuarial profession represents one of the most underutilized resources in society today."

(From the floor) "I spent about ten years going through actuarial exams and I never earned a point for original thought."

"We appear to be at times more concerned with protecting our turf than with the profession's obligation to serve the public."

"As you extend the area of your responsibility, you also diminish the depth of your knowledge of a particular field. To my mind it is better to narrow your area of specialization."

DEATHS

Wayne A. Gillis, A.S.A. 1962 Harris G. Johnston, A.S.A. 1938 John Dudley Williamson, F.S.A. 1924

Prohibition

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and wine grapes indicates the way the wind is blowing.

Another actuary, Walter S. Nichols, remarked:

You gentlemen seem to assume that this prohibition amendment is final. 1 am surprised that the lawyers have not seen, or at least have not brought forward before the public, the question as to the validity of this constitutional amendment. Our State of New Jersey, of which I am a citizen, has, as you know, repudiated it....Now the vital question is whether New Jersey, for instance, has authorized our general government to interfere with her domestic economy. Our fathers were in the habit of using liquor, and so were the founders of Newark and our Puritan clergy. That town was founded by Puritan ancestors and Puritan clergy, and those Puritan ancestors were notorious for their fondness for good liquor.

A North Carolina medical director sct about giving some advice.

Possibly some of you gentlemen do not realize that good whiskey cannot be made in a hurry. There is a reason for this. Fermented mash must be boiled at a certain low temperature, in order to keep out fusel oil. If you boil it at too high a degree of heat, you will get the fusel oil, a deadly poison, along with the whiskey.

The complete absence of any subsequent deaths of actuaries attributable to fusel oil seems to show that this warning did not fall on deaf ears.

E.J.M.

Accreditation of the F.S.A.

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3. There is no clear evidence that our Fellows are placed at substantial disadvantage if they are not Academy members. Such actuaries are free to seek accreditation individually with state insurance commissioners.