



SOCIETY OF ACTUARIES

Article From:

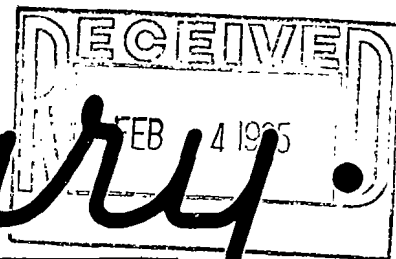
The Actuary

January 1985 – Volume No. 19, Issue No. 1



The

Actuary



The Newsletter of the Society of Actuaries

VOL. 19, No. 1

January, 1985

THE HEALTH SECTION — AT THE VENERABLE AGE OF THREE

by E. Paul Barnhart, first Chairman of the Health Insurance Council

Ed. Note: This is the second article in what is planned to be an ongoing series in which officers of the Society and of its Sections discuss the activities for which they are responsible. Comments and suggestions for the content of future articles are invited and should be sent to Julius Vogel, Associate Editor of *The Actuary*, at his Yearbook address.

The Society's Health Section, first to be organized of six special interest sections now in existence, observed its third birthday anniversary at the Toronto meeting in October. How has it fared during its infancy?

The Section appears to have been highly successful in certain areas of its projected activity: in particular its role of sponsorship and planning of health topic sessions at Society meetings. Two annual meeting events have already virtually established themselves as "traditions": Health Section Day and the Section Networking Breakfast, both well attended and well spoken of. An ample share of credit for this success belongs to Phyllis Doran, who has chaired the Section's Continuing Education Subcommittee, responsible for these meeting events as well as for the planning of Section seminars. Looking ahead to 1985, the Section is a principal sponsor of the Special Topic meeting scheduled for April in San Francisco.

The Section's Basic Education Subcommittee, chaired by Noel Abkemeier, has also made excellent progress and is currently playing key roles in the preparation of a new Society textbook

(Continued on page 2)

AN ON CAMPUS MEETING

by Linden N. Cole

In August, possibly for the first time ever, the General Officers of the Education and Examination Committee sat down with a group of university professors engaged in actuarial education for an exchange of views. The meeting took place at Laval University in Quebec City, following the General Officers' meeting in Montreal.

Eight General Officers spent two hours with six members of the Laval faculty, after a tour of Laval's impressive library and computer facilities. They learned about the sequence of courses required of actuarial students, and that Laval will graduate 35-40 students next year.

There was a helpful exchange of views, and the General Officers were probably relieved to hear that in general, the early Associateship examinations discriminate well, and that the improvements over the past ten years have helped to keep them current with advances in standard university mathematics.

The Laval professors pointed out that the Society's traditional concern to have Associateship study materials which are effective in a self-study environment is not an issue in Canada, since the overwhelming majority of new actuarial students come from university programs, and have had classroom instruction through Part 4 or Part 5. They also observed that the Society's examinations serve as an important calibration of the students' university work.

Another view expressed was that the university program's orientation to the Society's examinations reduced student options, since most student time is taken up with required courses. This also makes course experimentation in

(Continued on page 3)

22ND INTERNATIONAL CONGRESS OF ACTUARIES

by Peter W. Plumley

On October 21-27, 1984, my wife and I had the pleasure of attending the 22nd International Congress of Actuaries in Sydney, Australia. For the benefit of those who were not able to attend, and particularly those who have never had the chance to attend one of the quadrennial Congresses, herewith is a brief report.

The Congress was held in the concert hall of the world-famous Sydney Opera House. We arrived on Saturday after 30 hours of traveling, in order to recover from "jet lag" before the opening reception on Sunday evening.

There actually were several opening receptions in the various foyers of the concert hall, no one area being large enough to accommodate the some 2,000 registrants and accompanying persons. The name badges indicated which country the person came from, and what languages the person spoke and understood — very helpful when trying to meet people, considering that about 40 countries were represented.

Monday morning, at the impressive opening ceremony, everyone enjoyed an organ recital, an orchestral concert, and welcoming addresses by several persons, including the Governor-General of Australia. This was followed by the first of six working sessions. It consisted of brief national reports by the major countries represented at the Congress. The other working sessions each concentrated on a particular topic of interest to actuaries around the world. The topics were as follows:

1. Social, economic and political pressures affecting underwriting practices and benefit provisions.

(Continued on page 3)

International Congress

(Continued from page 1)

2. Design of retirement and other benefits.
3. Adequacy of reserves (including considerations of solvency).
4. Developments in computer technology and mathematical modelling in relation to the work of actuaries.
5. Actuarial aspects of investment.

There also was a special lecture on actuarial education which provided a perspective on Macquarie University's actuarial education program. Many Australian actuaries began their actuarial education there. Universities play a much greater role in actuarial education in Australia than in North America.

In each of the six working sessions, there first was a summary presentation of the papers which had been submitted. This was followed by discussions by those who wanted to speak. Since the national reports, as well as the nearly 200 papers presented at the other working sessions, had been sent to all registrants several months prior to the Congress, everyone had had the opportunity to study them.

Although the majority of the discussants spoke English, many did not. So that all could participate, simultaneous translations were provided in German, French, Spanish, Japanese, and English. Discussants were repeatedly asked to (1) speak slowly, for the benefit of the translators, and (2) keep within a specified time limit. Some found this to be an inconsistent set of requirements!

During the working sessions, various tours were available for the accompanying persons. On Tuesday evening, all registrants and accompanying persons had the opportunity to see the Sydney Ballet in a special performance. Then on Wednesday, everyone was bused to Camden Park, a large country estate outside of Sydney, where they had a chance to hold a koala, watch sheep being sheared, try their hand at boomerang throwing, enjoy some fine Australian food and wine, and socialize with their counterparts from other countries.

Friday evening was the occasion for a very enjoyable banquet, followed on

NEW ACADEMIC PROGRAMS

The Actuary does not have the space to publicize all of the interesting announcements that come our way. We nonetheless call to our readers' attention two new academic programs at North American universities:

1. The Wharton School of the University of Pennsylvania has started a new Center for Research on Risk and Insurance.

2. The University of Waterloo announces a new Masters Programme at Waterloo.

Details can be obtained through J. David Cummins at Wharton and Harry H. Panjer at Waterloo.

Saturday morning by the closing session.

After the Congress ended, most of those from outside of the South Pacific region took advantage of the opportunity to visit other parts of Australia or other countries in the region.

We found the Congress to be a very worthwhile experience from both a business and a personal viewpoint, and look forward to the 1988 Congress in Finland. A few personal observations about the 1984 Congress and Sydney:

1. It is easy for us to become so immersed in our jobs that we fail to appreciate that actuaries in other countries face many problems similar to those that we face. These include volatile economic conditions, solvency, determination of retirement ages, discrimination, and the proper use of emerging technology, to name a few. All of us were able to learn from each other in this regard.

2. Those responsible for organizing the Congress deserve great praise. Every detail was taken care of with the utmost of courtesy and consideration. It takes over four years of hard work, all for a one week convention!

3. Sydney was a good choice for a site for the Congress. It is an interesting city, with good parks, museums, and other places to visit, and many fine beaches both within its harbor and on the ocean side. It is much like a large U.S. city, but with a few differences. The traffic keeps to the left, summer starts in December, and all the beaches are "topless"! □

IRS Checklist

The IRS recently published a checklist for its field auditors for use in reviewing actuarial assumptions for pension plans. The checklist is Document 6904 (11-83) and may be found in the October 22 issue of the *BNA Pension Reporter*.

IRS field offices do not employ actuaries. Some actuaries have questioned the professional implications of this type of review. If you have views on this matter, the Pension Section encourages you to submit them to the *Pension Journal*, the new publication of the Pension Section. Contact Bern Bartels at the Society office for procedural details.

Thomas P. Bleakney
Chairman, Pension Section Council

SOA SURVEY RESULTS AVAILABLE

The results of the Society of Actuaries Membership Survey have been tabulated, with about 60 percent of the members responding. A summary of the survey was presented at the General Session of the annual meeting. Detailed results are available to members upon request by calling the Society office at (312) 773-3010.

Additional data tabulations focusing on specific topics such as education, examinations, publications and research are currently underway and will be available in the near future. These will be discussed in a series of forthcoming articles in *The Actuary* featuring the various activities under each Society vice-president.

An On Campus Meeting

(Continued from page 1)

related fields difficult for professors. The thought was that in order to take full advantage of a university's capabilities, increased flexibility in meeting the Society of Actuaries' requirements for those enrolled in strong university programs would be desirable.

Both sides in the discussion were enthusiastic about the meeting. The General Officers appreciated the chance to discuss professional education with professional educators, and the professors were glad to hear some of the reasoning behind E&E policies and decisions. Similar exchanges of views should be encouraged in the future. □