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A FUTURE EDUCATION METHODS WHITE PAPER

A Future Education Methods (FEM) White Paper was mailed to members and students in early March. This important document does for the second stage of the FES/FEM development what the Flexible Education System White Paper, reported upon in the May 1986 issue of this newsletter, did for the first.

The FEM White Paper is a set of proposals, carefully worked out by the Society's Education and Examination (E&E) Committees, which has been reviewed by the Board of Governors and approved for exposure to the membership. There are proposals with respect to five different Future Education Methods, and each proposal stands or falls on its own.

The first eight pages are largely background, expressing the rationale behind the FEM development, indicating the benefits anticipated, and summarizing the concerns expressed. The specific proposals are found in pages 9 through 21, and are organized under five headings:

- College Courses
- Intensive Seminars at the ASA level
- Examinations of Other Organizations
- Research Papers
- Fellowship Admission Course

Pages 22-24 are presented as Concerns Revisited, indicating how the concerns previously indicated have been addressed.

An important attachment is a six-page Survey of Your Opinions. The Board asks members and students to complete and return this survey to the

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DISCUSSIONS OF REPORTS ARTICLES

Sam Gutterman,
Experience Studies Committee
Chairman

In order to encourage the publication of additional actuarial research on the experience of insurance and related products, discussions of the articles published in the REPORTS will be allowed (and indeed are desired) by the various Experience Committees of the Society. Discussions will be published in the REPORTS. Such discussions may include, but will not be limited to, such items as the implications of results, additional data analysis, additional data available to the discussant, or other items of related interest.

Availability of preprints of the REPORTS articles will be announced via notices in *The Actuary*. The date any discussion is due will be indicated in the notice. A written discussion should be sent to Mark Doherty, Director of Research, at the Society's Itasca office. □

NOTICE TO CANDIDATES WRITING FELLOWSHIP EXAMS IN '87 OR '88

The Fellowship examinations to be given in May 1988 will follow the current Part (6-10) structure. Reorganization of the Fellowship examinations into a Flexible Education System (FES) structure will be in place no earlier than the November 1988 exam administration.

A decision as to the timing for the implementation of FES for the Fellowship examinations will be made in June 1987. Candidates will be notified of the scheduled implementation shortly thereafter. □

VALUATION PRINCIPLES: TODAY'S STATUS, TOMORROW'S HOPES

By Robert D. Shapiro

In October 1984, the Committee on Life Insurance Company Valuation Principles (COLICVP) was formed by the Society of Actuaries Board of Governors. The mission of COLICVP was twofold:

- to develop life insurance company valuation principles for the actuarial profession, and
- to define practical research and continuing education in the valuation area.

Several related events spurred the Society Board to form COLICVP. The 1985 Report of the Joint Committee on the Role of the Valuation Actuary in the United States included recommendations on the role of the valuation actuary and on valuation principles. Also, the American Academy of Actuaries' Committee on Life Insurance Financial Reporting prepared a draft of proposed standards for valuation actuaries. The future valuation environment envisioned in these committee activities accentuated the need for articulated valuation principles, as well as additional research and continuing education in the valuation area.

COLICVP's First Two Years

COLICVP's primary activity during its first two years was to develop and refine life insurance valuation principles. The Committee encountered a myriad of difficult issues that needed to be addressed before the principles could be refined. For example, the line between "principles" and "standards" was blurry and required constant Com-

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LETTERS

50-Year FSAs — and FCASs

Sir:

I inadvertently omitted the name of Russell O. Hooker from my short list of actuaries who are 50-year Fellows in both the SOA and the CAS (March). He should have been included as FSA 1933 and FCAS 1924. The list, now hopefully complete, has six names: Batho, Burling, Fitzhugh, Glenn, Hooker, Lyons.

James B. Gardiner

FEM White Paper (Continued from page 1)

SOA office by July 1. The results of the survey will be tabulated, and presented at the 1987 annual meeting in Montreal. The Board of Governors clearly indicates that it will carefully consider membership opinion before making decisions on any of the FEM proposals.

There will be several opportunities before the survey due date to become familiar with the FEM proposals. There will be a session on FEM at each of the spring meetings, and local actuarial clubs have access to a FEM speakers' bureau, described in an insert with the March issue of *The Actuary*. The White Paper in itself is quite enough for the careful reader.

The E&E Committees recognize that FEM is more controversial than the more easily adopted and already partially implemented FES, and hence are providing a maximum of opportunity for discussion and debate. Final decisions are not to be expected for at least six months, and implementation of any proposals adopted will surely take longer. □

Sightings (Continued from page 7)

nal, 21% chose law because they "didn't know what else to do." The biggest surprise for 25% of those surveyed: "The amount of money I'm not making." More than two-thirds earn less than \$50,000 a year from practicing law.

Submitted by Selig Ehrlich, with a question about how actuaries might respond to these issues

Ulpian To Anderson

Sir:

In November 1985, the Institute of Actuaries' Students' Society — since then quietly renamed the Staple Inn Actuarial Society — placed on exhibit a small but potent collection of books and papers constituting "Some Landmarks in Actuarial Science".

The first item in that exhibit's chronological catalogue was the table of 211 A.D. for valuation of annuities by Domitius Ulpianus, a resident, we suppose, of a suburb of Rome.

The closing item was a 1959 paper, in TSA XI, "Gross Premium Calculations and Profit Measurement for Nonparticipating Insurance," by a resident of suburban Atlanta.

It is comforting to observe, e.g., on p.53 of our 1987 *Yearbook*, that the merits of the latter paper were recognized at the time by a triennial prize award to its author, James C.H. Anderson.

E.J. Moorhead

Actuarial Density

Sir:

I have determined the following from the 1987 *Yearbook*:

The twin cities of Kitchener/Waterloo

are home to 118 actuaries. More specifically, there are 118 Society members who live and work in Kitchener/Waterloo. The population of these two cities is 214,000, leading to an actuarial density of .55 per thousand.

We challenge readers to find other North American cities of greater actuarial density. We impose the following reasonable rules:

1. Only active actuaries count (no retirees please).

2. The geographical areas selected for numerator and denominator must correspond.

3. There must be 10 actuaries in the numerator.

Are we the densest, or not?

Robert L. Brown

Three Brothers

Sir:

The recently published pass list for the November 1986 exams includes:

Robert Kobrine—Part 1

Stephen E. Kobrine—Part 3

David P. Kobrine—EA2

I have good reason to believe that the three Kobrines are brothers.

Readers can surmise how I came to notice.

Ronald Kobrine

MEMBERSHIP GROWTH

The 1987 *Yearbook* shows that the Society added 500 members during 1986 and thereby crossed the 10,000 mark.

The growth rate for the year ended Nov. 1, 1986 was 5.2%, lower than the 5.6% of the previous year, but higher than the 3.7% rate for 1984.

The uneven growth rates for membership segments continue their recent trends.

<u>By membership status</u>	<u>Number</u>	<u>% of total</u>	<u>1986 growth</u>
FSA	5604	54.5	3.6%
ASA	4680	45.5	7.1
<u>By type of employment</u>			
Insurance company	5182	50.4	3.5
Consultant	3624	35.2	6.9
Other (including retired)	1478	14.4	7.0
<u>Total</u>	<u>10284</u>	<u>100.0</u>	<u>5.2</u>

The faster growing segments (ASAs and consultants) are increasing in membership share, while the percentages of FSA and insurance company employment continue their slow decrease. □