



SOCIETY OF ACTUARIES

Article from:

The Actuary

June 1988 – Volume 22, No. 6

New Committee on Management Development

by William C. Cutlip

Membership enthusiasm for seminars and management panels at recent Society meetings has resulted in the creation of a new SOA Committee on Management and Personal Development.

Established at the direction of SOA President Gary Corbett, the new committee also reflects the importance of management skills to the Actuary of the Future.

The mission of the Management Committee, an arm of the Committee on Continuing Education, is to plan, implement and actively promote educational programs on management and business skills for actuaries. These programs will help actuaries build a bridge from technical knowledge to decision-making and implementation. Educational programs will stress results-oriented skills and knowledge that will give actuaries the opportunity to become more effective in the management of their businesses.

Three management sessions are on tap for the June 8-10 meeting in Boca Raton: *Managing a Project*; *Oh, How I Hate the Annual Review!*; and *Managing Change*. Three new sessions also are planned for the annual meeting Oct. 23-26 in Boston.

Committee members are Chairperson William C. Cutlip, John T. Birkenshaw, Peter J. Bondy, Robert L. Collett, Lawrence V. Durland, Jr., O. David Green, III, Donald L. Haasl, Barbara J. Lautzenheiser, Gregory S. Strong and Charles A. Wittenberg.

William C. Cutlip is Vice President and Actuary of General Life Insurance Company of Wisconsin. He is a member of the SOA Program Committee.

Problem Workshop EA-2 in October

An intensive three-day problem workshop for the EA-2 exam will be given by Actuarial Study Materials in October 1988 in New York City. For details, write to A.S.M., P.O. Box 522, Merrick, NY 11566.

Jack Moorhead's *Our Yesterdays* On Schedule

by Dwight K. Bartlett, III

The good news is that the definitive history of the actuarial profession in North America, titled *Our Yesterdays* and authored by Jack Moorhead, FSA 1938, is on schedule to be published in time for the profession's June 1989 anniversary meeting in Washington, D.C. The better news is that it will be a superbly researched and written volume in which we all will be able to take great pride and pleasure. Those of us fortunate enough to have worked with Jack in support of this project know firsthand what effort and commitment Jack has given to this work over the last few years. The profession at large has had the benefit of an earlier paper by Jack, "Sketches of Early North American Actuaries," *TSA XXXVI*. Unlike that paper, however, the current book covers all aspects of the profession's history from 1809-1979.

Jack would consider me remiss if I failed to point out that he has had the help and support of many members of the profession, as well as the staffs of the various professional offices. As was the case with his earlier article in the *Transactions*, many individuals did helpful research, as well as develop support for the project within the profession, particularly through the Council of Presidents. Still others critiqued Jack's drafts as they were completed. Undoubtedly foremost in this supporting team has been Jack's wife of 50 years, Iris. (They married when he received his Fellowship.) But let there be no mistake: The final work will be uniquely the product of Jack's outstanding skills as a historian and author.

When evaluating the half-century professional career of an outstanding individual like Jack Moorhead, it would be dangerous to say any particular period or project was the most significant. Furthermore, Jack undoubtedly will continue to look for ways to serve the profession he loves so much. Nevertheless, I believe future generations of actuaries will be most

aware of Jack's contributions to the profession through his authorship of this history. While he is too modest to say so, I suspect he is pleased at that thought.

Dwight K. Bartlett, III, is President, Mutual of America. He is a Past President of the SOA.

Book Review

An Introduction to the Mathematics of Finance, by J. J. McCutcheon and W. F. Scott, published for the Institute of Actuaries and the Faculty of Actuaries by Heinemann: London, 1986.

Summary of review by Marjorie V. Butcher

This book, written primarily for actuarial students in the U.K., develops the classical theory of compound interest (in which the force of interest is constant) as a special case of a more general model. It covers basic compound interest functions, nominal rate of interest, and internal rate of return, and there are many examples on discounted cash flow. Also discussed are applications of the theory to capital redemption policies (including a discussion of reinvestment rates), the valuation of stock market securities (with allowance for income tax, capital gains tax, and index-linking), consumer credit calculations, and an introduction to stochastic interest rate models.

The text is noteworthy for its many examples and exercises, along with clear solutions. The instructive solutions enhance the value of the book to qualified, serious readers.

The book proceeds smoothly and carries the reader along, but — if one is not careful — the reader who completes it may find the extent of the coverage and the amount of detail somewhat overwhelming. Nevertheless, the main ideas, because of the lucid presentation and repetition, should be very clear. All in all, this new *Mathematics of Finance* should be valuable and interesting to North American actuarial students, educators and Society members.

Marjorie V. Butcher is Professor of Mathematics, Trinity College.

(Ed. note: The complete version of this review will be published in *TSA*, Vol. 40.)