



SOCIETY OF ACTUARIES

Article from:

The Actuary

November 1994 – Volume 28, No. 9

ARC reaches 29th year

by Donald A. Jones

The 29th Annual Actuarial Research Conference (ARC), August 25-27, at Oregon State University, was the first located in the Pacific Northwest and only the second to be held west of the Rocky Mountains.

Ed Lew and Cecil Nesbitt began this series of research conferences at the University of Michigan in Ann Arbor in 1966. Nesbitt has since missed very few and spoke at the 29th ARC. In his customary style, he gave his students credit for the work on his paper, "Some Financing Options for Social Security."

Many of the early conferences focused on one topic, but many recently have had a more general scope. Some have recognized a distinguished actuarial educator and researcher, such as last year's conference marking Jim Hickman's retirement from the University of Wisconsin's classrooms. This year, Standard Insurance Company recognized its retiring chairman of the board, Ben Whiteley, FSA, at a Friday luncheon. Whiteley, a part of Standard's group operations before moving into top management, has been a supporter of actuarial education in Oregon.

The papers at this year's conference were on a variety of topics, with 30 of the 35 presented by actuaries with university affiliations. Two were from continents other than North America.

29 years of ARC papers provide history

Observing the topics passing through these conferences over the years provides a historical perspective of actuarial research. Stochastic models for investment has had the most (nine) presentations, but papers on this topic have only appeared in the last 15 to 16 years. The rebirth of Bayesian statistics was new at the time of the first conference. At the 29th ARC, four Bayesian-related papers were presented,

and one remarked that computing power has now freed us from using only conjugate prior distributions which lead to tractable posterior distributions. A new topic last year, continued this year, is the search for a joint life model for dependent lives.

The Society's Education and Research Section, one of the sponsors of ARC, presented sessions on the reorganization of the SOA Research Department and the startup of the new Foundation for education and research.

Several papers on modeling were presented, with one arguing for starting with a larger class of candidates when one is searching for a model. Other theories offered were finance models for the risk firm, discrete probability chain models for continuing care retirement communities, a Bayesian model for nonacceptable utilization rates of inpatient hospital care, and an economic model to study the delivery system of property/

casualty insurance business.

There were applications of credibility, Bayesian statistics, and fuzzy sets to underwriting, persistency, and anti-selection. Experience studies of mortality concluded that being single is more detrimental to one's longevity than being male. There were studies by trend over time among the young ages in Canada and by applying the Schuette graduation method to data by race. The experience of refinanced single family mortgages was reported.

Arnold Shapiro ended the conference with a multimedia summary of the presentations, giving us a sample of the multimedia theme of the 30th Actuarial Research Conference planned for next August at Pennsylvania State University, where Shapiro is a professor

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The beautiful Oregon State University campus was the setting for the 29th Actuarial Research Conference, the first one held in the Pacific Northwest.