

The Actuary

Actuaries Online: What can it do for you?

by Peggy J. Grillot

SOA Bulletin Board Services Manager

A few years ago, if an actuary could price a product within a month, that was considered good turnaround. Today, with the development of sophisticated software, two or three days are the norm. Not long ago, if a document needed to be delivered within 24 hours, it was express mailed or faxed. Today, using on-line services, e-mail delivers it within minutes. What's made the

difference? Technology—a tool to be more productive, to get tasks done easier, faster, more efficiently.

How are a thousand individuals using technology to stay up-to-date in the actuarial field? They're on Actuaries Online, the Society of Actuaries electronic bulletin board service on CompuServe. Who's out there? The Society's Board of Governors, colleagues and competitors, academics and students, international members, regulators, and those in related fields are on-line.

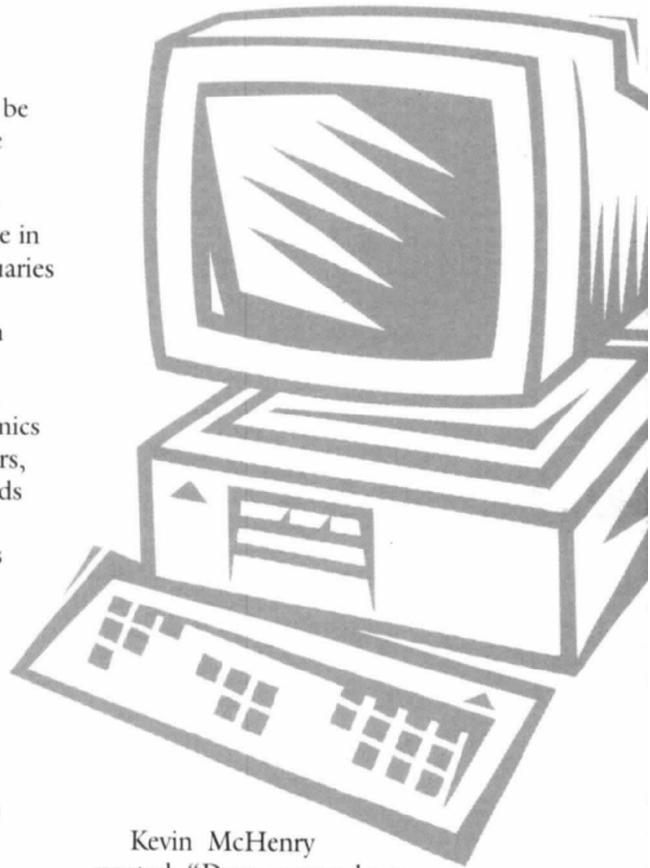
"Ah," you're thinking, "if this is going to make my life better, what can it do for me?" Here's some ways others are putting Actuaries Online to good use in each of its three components: messaging, libraries, and conferencing.

Messaging gets results

More than two dozen messages are posted daily to Actuaries Online in several topic areas, such as Life & Annuities, Health, Pension, and Finance & Investments.

At first, reading messages seems like eavesdropping on a party line or reading other people's mail.

Posting your first message can be intimidating, but the benefits are great. Jeffrey M. Robinson said, "The first message I put out was on funeral insurance policies. I got a very nice reply from Jeff Johnson, but it took me six months to put out that first message."



Kevin McHenry posted, "Does anyone know of any studies or articles relating to injuries from bungee jumping?" Warren Gratton, a subscriber in Australia, responded, "I am aware of one or two deaths, and there is some suggestion about damage to the retina. I have not come across a specific article or reliable report on the retina problem, so I can't say if it is other than a remote possibility. The deaths were not with

(continued on page 6)

Inside this issue

Editorial: Keep your mind open2
by William C. Cutlip

Editorial: The future — Actuaries and the Internet2
by Sue Ann Collins

New SOA journal to replace the TSA4
by Cecilia Green

Actuarial Circles links actuaries and reporters9
by Linda Heacox

Board Report10
by Bill Carroll

On the Lighter Side12

Retiree Corner14

Letters to the Editor15

Actusearch16

The Actuary

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Society of Actuaries

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EDITORIALS

Keep your mind open

by William C. Cutlip

Sometimes we're real actuaries. We believe if it can't be proven with a formula, it's not true. And those who don't understand that...well, they just don't understand.

Cindy Forbes wrote an article for the April 1995 issue of *The Actuary* called "Understanding Your Management Style." It described the Myers-Briggs Type Indicator (MBTI), a tool in use for many years to help people understand their own style of operation and how they relate to others. It was a good description and explanation of the system.

One person took exception to it (see this month's letters to the editor). He feels people are far too complex to be categorized into 16 "personality types." He has a good point...if we take our MBTI profiles as literal "facts."

Part of our responsibility as actuaries is to communicate our findings and understandings to others. For us to be most effective, we need to do it in

their language, not ours. By understanding how we typically process and communicate information and how others hear it and process it, we can modify our approach so others can hear us better. That's what MBTI and the interaction of people is all about.

Looking at something like an MBTI reminds us of the opportunity we have to grow in our profession. We approach actuarial science as a probabilistic science offering a range of opportunities and solutions. If we take that same probabilistic approach to social sciences such as communications, our possibilities for success increase.

Next time a new idea comes across your desk, stop for a minute and think about how it can help you in your work. Don't limit yourself by looking at whether ideas fit a formula and then discard them if they don't. Rather, see what possibilities your imagination can conjure up. You'll be a better actuary for it.

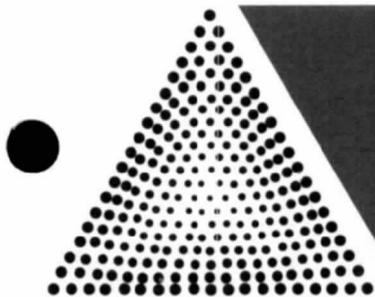
The future: Actuaries and the Internet

by Sue Ann Collins

In reviewing this issue of *The Actuary*, I am again struck by how technology influenced my career. During my relatively short time with the life insurance industry, I was among the first at my company exposed to a desktop computer and APL. Later came Lotus and the first portable PC, which by today's standard was hardly portable. Today's

version made the initial prototype awkward by comparison. Our work environment has changed dramatically as traditional actuarial tasks became easier and faster to perform.

If all the references in this issue to electronic bulletin boards such as Actuaries Online and the Internet are any indication, I believe we are on the edge of the next major technological



foundationupdate

SOCIETY OF ACTUARIES FOUNDATION
Preparing for tomorrow's possibilities

Volume 1, Issue 2
September 1995

Call for Charter Investors

The Society of Actuaries Foundation is offering Society of Actuaries members the opportunity to become **Charter Investors** in the Foundation's initial fund-raising campaign entitled, *Preparing for Tomorrow's Possibilities: The Leadership Investment*. The campaign was launched in April by Campaign Chair Ian Rolland. The goal of the campaign is to raise \$1,000,000 in funding over the next three years.



Ian Rolland, Trustee, and Jim Tilley, Chair, discuss potential education projects with SOA board member Mike Sze, and SOA Director of Research, Harry Panjer, at the SOA Foundation Board of Trustees meeting, which was held June 15 and 16, 1995 at the Harrison Conference Center in Lake Bluff, Illinois.

The Society of Actuaries is covering the cost of the Foundation's administrative expense; thus 100% of all contributions will go directly to covering education and research project expenses. Thanks to a matching grant, the SOA will match dollar for dollar every donation up to the first \$500,000 raised. If coupled with a corporate matching gift, an individual's donation could be quadrupled!

To become a **Charter Investor** of the Foundation, individuals must pledge a minimum of \$1,000. Any campaign pledge may be paid in installments over the next three years.

All **Charter Investors** will be listed in the *foundation update* and in *The Actuary*. **Charter Investors** will have their names included on a special plaque that will be displayed at the Society of Actuaries office and will receive a special thank you memento. All contributors to the campaign will also be invited to attend the annual **Charter Investor** recognition dinner to be held next year.

For more information on how you can become a **Charter Investor**, please call the Foundation office at 708-706-3600 or complete and return the **Charter Investor** interest form on the reverse side.

SOA Foundation Marks First Anniversary

Just over one year ago, the Society of Actuaries Foundation was incorporated. By anyone's measure it has been an extremely significant year in the life of this new organization. The Foundation received its 501(c)(3) status, formed and met three times as a board, activated five committees, identified projects, and began actively fund-raising.

In the past year, Ian Rolland, FSA, was recruited to Chair the Foundation's initial fund-raising campaign. Lincoln National Corporation has led the way in corporate sponsorship by pledging \$125,000 in funding for the Foundation's first research project, the Financial Economics Textbook.

Trustees of the Foundation have already committed their support to the Leadership Investment Campaign by personally pledging nearly \$120,000 in funds amongst themselves, thereby raising 12 percent of the Campaign's fund-raising goal in four months.

In the upcoming year the Foundation hopes to kick off several new projects, expand volunteer participation, develop funding partnerships, and increase fund raising efforts.

Field Trips Meet with Success

New York

Nearly 50 people attended the SOA Foundation's field trip program held on May 23, 1995 at New York University, Stern School of Business. The program focused on quasi-Monte Carlo (low discrepancy sequence) techniques in the evaluation of options and other derivative products.

Vancouver

A Foundation-sponsored field trip was held on June 28, 1995 at the University of British Columbia with nearly 100 people in attendance. Noted health care economist Jane Fulton, Ph.D.; Professor of Business Ethics, Michael McDonald, Ph.D.; Mark Cloutier, Bioethics Consultant, and John Bertko, actuary, led a lively discussion on health care issues from both the U.S. and Canadian perspectives. The speakers focused on ethical issues and practical experiences in rationing health care in the context of the current reshaping of health care provisions on both sides of the border.

Society of Actuaries Foundation - Mission Statement

The mission of the SOA Foundation is to contribute to the understanding and resolution of present and future social and economic problems by:

- Investing in innovative research, education and communications initiatives
- Using actuarial capabilities
- Collaborating with universities, governments, industry, professions, and others with similar missions.

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Monetary gifts, bequests and other estate gifts to the Society of Actuaries Foundation are encouraged and greatly appreciated. As a 501(c)(3) non-profit organization, contributions are tax deductible to the extent the law allows.

Please feel free to contact the Foundation for further information at:

475 N. Martingale Road, Suite 800
Schaumburg, IL 60173-2226
(708)706-3600

Foundation Project Update

Financial Economics Textbook Project

Authors who have been recruited and are actively working on the Financial Economics Textbook project include the following: Professors Phelim Boyle, Elias Shiu, Daniel Dufresne, Hans Gerber, Freddy Delbaen, Heinz Mueller, Michael Sherris, Sam Cox, and Hal Pedersen. Practitioner authors, under the leadership of Dave Becker, will be recruited over the next few months.

A completion date for the project is 1996. Lincoln National Corporation is contributing \$125,000 in funds, which will help cover publication and distribution costs.

Social Security Public Education Campaign

A draft brochure has been developed as part of a campaign to inform the public about the long-term health of the Social Security system in the U.S. A public education campaign involving extensive partnerships with targeted organizations is being designed.

Education Public Service Initiative

The Foundation has identified the public education system as an area to which actuaries, as individuals and as a group, should contribute for the benefit of society as a whole. The Foundation is now investigating opportunities and co-sponsors for a project of limited scope in this area. See the October issue of *The Actuary* for more information on this initiative.

In Brief...

The Foundation recently recruited four new Trustees who will serve two-year terms. The new Trustees are:

Roland C. Baker, President, First Penn Pacific Life Insurance Co.

Dwight K. Bartlett, III, FSA, Insurance Commissioner, Maryland Insurance Administration

Edwin F. Boynton, FSA, Vice President (Retired), The Wyatt Company

Robert C. Winters, FSA, Emeritus Chair and CEO, Prudential Insurance Company.

Founding Trustee **Robin B. Leckie**, FSA, retired from the Board of Trustees in June and was thanked for his dedicated term of service at the Foundation-sponsored field trip in Vancouver, British Columbia.

The Society of Actuaries Foundation wants your support! Invest in the future of your profession and help us meet our \$1,000,000 Campaign goal by becoming a **Charter Investor**.

Tell me how I can become a **Charter Investor** in the Society of Actuaries Foundation.

Name _____

Work Phone _____

Please fax this form to: The SOA Foundation
708-706-3599

influence on how we carry out our work.

The influence of the PC is felt not only in our traditional areas of work, but also in new areas of practice that have emerged or expanded over the past decade. They include:

- Development of sophisticated software systems for PCs in pricing, product development, valuation, asset and liability management
- Expansion of the valuation actuary role by using these new tools
- Rapid growth of actuaries as investment professionals

New products go to market at a faster rate than ever before. Ideas for new bells and whistles are not constrained by lack of technology. Illustration systems developed in the home office are now regularly available in field offices.

For the uninitiated, an electronic bulletin board is similar in concept to the familiar bulletin board where individuals post messages, such as, "Anyone with information about proposed changes to the standard valuation law, please contact Sue Collins."

The electronic nature of this process means that anyone can transfer any document or response of any length quickly from one computer to another.

Think of the Internet as a gigantic network that links thousands of computer networks worldwide. This means any person with access to the Internet has access to data appearing within any of these networks. With a vast array of topics, the Internet continues to expand at a phenomenal pace.

As you can tell from the contents of this newsletter, our own Actuaries Online bulletin board is being used in many ways. Tom Corcoran tells us how the Disability Special Interest Group plans to use Actuaries Online. And, the SOA announces Frank Stone as the lucky 1,000th subscriber to Actuaries Online.

A recent issue of the U.K. publication, also named *The Actuary* and published by the Staple Inn Actuarial Society, provides information on some resources available on the Internet. Examples include a discussion group

run by the actuarial science program at the University of Nebraska, Balducci's Home Page at the University of Calgary that provides access to more than a dozen actuarial-related resources, and networks run by the three U.K. universities: City, Heriot-Watt, and Kent.

It is interesting to speculate on the impact this technology will have on the actuarial profession in North America. The speed and frequency of research data and ideas exchange will mean actuarial techniques and approaches (pricing, product development and valuation) become dynamic; new product ideas will emerge and be quickly copied; and our information sources will not be confined to North America. It is not difficult to imagine that publications such as *The Actuary*, *The Record*, and *Transactions* will eventually be available through the Internet. I fully expect the changes in the actuarial profession between now and my retirement to exceed those I have experienced to date.

Journal calls for papers

Actuaries and other interested parties are invited to submit articles to the *Journal of Actuarial Practice*, Vol. 3, No. 2, on any subject (e.g., life, health, pensions, property/casualty, investments) related to actuarial science or insurance. The journal accepts technical papers, commentaries, essays, and book reviews which have relevance for actuarial practice.

Fax or mail a short abstract (150 words or less) to Colin M. Ramsay, Editor, *Journal of Actuarial Practice*, P.O. Box 22098, Lincoln, NE 68542-2098. Phone and fax: 402/421-8149.

Five copies of the completed paper must be submitted by Monday, October 16, 1995.

Meeting and seminar calendar

September 13	Risk Transfer in Reinsurance Transactions Seminar Chicago Hilton & Towers, Chicago
September 13	Financial Reporting for Product Development Actuaries Chicago Hilton & Towers, Chicago
September 13	Managing Yourself in the Midst of Change Chicago Hilton & Towers, Chicago
September 14-15	Valuation Actuary Symposium Chicago Hilton & Towers, Chicago
September 21-22	Maintaining Tax Deferral: Policyholder Tax Compliance Issues for Life Insurance & Nonqualified Annuity Products The Willard Inter-Continental, Washington, D.C.
October 13-14	Financial Risk Management: A Case Study The Westin Hotel/Copley Place, Boston
October 15-18	Annual Meeting Marriott Copley Place & The Westin Hotel/Copley Place, Boston
October 23	Stop Loss and Large Claims The Dolphin, Orlando
December 3-5	Critical Issues in Underwriting Pointe Hilton at Squaw Peak, Phoenix

New SOA journal to replace the TSA in 1997

by Cecilia Green
SOA Public Relations Manager

The Society of Actuaries is developing a new refereed quarterly journal to be equal to the major actuarial journals of Europe and the scientific journals of other professions. The first issue of the *North American Actuarial Journal* will be published early 1997, and its authors will come from both within and outside SOA membership.

“This journal is an important step in enhancing the professional reputation and image of the Society of Actuaries to a broader audience,” said Robert L. Brown, SOA director of publications and Board of Governors member. “As we make it known that we publish the best works in a practice field,

regardless of professional memberships, we increase the opportunity to attract cutting-edge papers. Opening the journal to the best actuarial scholarship on a competitive basis will help establish the NAAJ as the leading journal of its type in the world.”

At its May 1995 meeting, the Board of Governors approved the Committee on Paper’s recommendation that this journal replace the current annual refereed publication, *Transactions*. It approved the following structure for three publications on the chart below.

Current situation

Most scientific information generated by the Society of Actuaries now appears in three publications: the

Transactions (primarily refereed papers focusing mostly on traditional insurance and pension matters); the *Transactions Reports* (experience studies and other committee and task force reports); and stand-alone books. The *Transactions* papers volume is published annually, with preprints distributed to subscribers three or four times a year. The *Transactions Reports* appears every 18-24 months. Stand-alone books are produced as needed to publish completed research projects authorized by the Society of Actuaries.

With the SOA’s increased emphasis on research, nontraditional applications of actuarial science, and internationalism, the once-a-year publication of the

	<i>North American Actuarial Journal</i>	<i>TSA Reports</i>	<i>Monograph Series</i>
Principal Audience	Actuarial profession & related disciplines, policy-makers, plan sponsors, libraries	Society of Actuaries members, industry organizations, libraries	Actuarial profession & related disciplines, nontraditional employers, policy-makers, academia
Authority	Board-appointed editor has broad authority	Board-appointed editor has broad authority	SOA staff operates under Board policy
Publication Frequency	Four issues per year	One issue per year	On demand
Distribute as Benefit of Membership	Yes, but subscription for nonmembers	Yes	No, copies sold for profit
Typical Products	Research, exposition, surveys, practice papers, discussions, book reviews. Three expert reviews required on papers to be refereed.	Peer-reviewed mortality studies, task force reports, industry studies, Presidential Address, Financial Statement, obituaries	Books on topics needed by actuaries, usually not available elsewhere. Also may create a track series to accommodate information in specialities, i.e. health series, pension series, etc. Also used for publication of SOA-authorized research
Advertising	Possibly	No	No

Transactions does not meet the needs of the actuarial profession in North America to share research and exchange ideas on a timely basis. The quarterly journal will replace the *TSA*; the *TSA Reports* will continue to publish experience studies and other committee reports. The monograph series will publish the types of actuarial subjects now being published as books by the SOA. The series could also be developed to include practice-specific tracks as needed.

The *NAAJ* and the *TSA Reports* will be provided as part of SOA membership, but the monograph series will be sold to members and nonmembers. The SOA will promote subscriptions to the *NAAJ* to nonmembers. Some journal articles also will be reprinted and distributed to other publications and organizations to begin the process of building relationships with nontraditional markets.

Journal editorial board

The SOA Board of Governors has appointed Dr. Samuel H. Cox, Jr., FSA 1980, as the first editor of the *North American Actuarial Journal*. Cox is chairperson of the Committee on Papers, which will cease to exist after the journal begins publishing. He is professor of actuarial science and insurance at Georgia State University, Department of Risk Management and Insurance, Atlanta. He also has taught at Michigan State University, University of Nebraska-Lincoln, and the University of Texas at Austin. He received his B.A. and M.S. degrees in mathematics from Texas Christian University and a Ph.D. in mathematics from Louisiana State University. With co-author Patrick Brockett, Cox has written two papers that appeared in the *Transactions*.

"Sam is an excellent choice for this journal's first editor," said Brown. "Not only has he worked tirelessly to improve the papers process while chairperson of the Committee on Papers, he has been instrumental in

developing the journal concept. He holds memberships in the most prestigious math, statistical, financial, and risk management organizations and has been published in all the major journals in the field in North America and abroad."

The *NAAJ* editorial board will consist of Cox and several associate editors, who will represent practice areas across the profession and internationally. Non-SOA associate editors will be experts from other disciplines that intersect with actuarial science.

The editor and associate editors will be responsible for soliciting papers and encouraging authors to prepare papers. Practice areas and SOA Sections will be encouraged to identify topics and potential authors. Also, all papers submitted to the *Transactions* after June 16, 1995, will be processed for the first issue of the new journal.

The editor and associate editors will select independent experts, actuaries and nonactuaries, to review papers. They will recommend whether to publish a paper. The editor will attempt to build a consensus among the reviewers, but the ultimate decision to accept or reject a paper will be the editor's. The appeals process for papers will remain the same as under the *Transactions*.

Discussions of papers and authors' replies will be encouraged and published either with the paper or in subsequent editions.

Although not all associate editors were selected at the time this article was being written, the following had agreed to serve:

- Howard J. Bolnick, FSA, recently retired president of Celtic Life Insurance Co., Chicago
- Dr. Allan Brender, FSA, FCIA, principal, William M. Mercer Ltd., Toronto
- Dr. Patrick L. Brockett, director of the Center for Cybernetic Studies, director of the Risk Management and Insurance Program, University of Texas at Austin

- Shane Chalke, FSA, MAAA, president, CHALKE, a division of SS&C, Chantilly, Virginia
- Dr. J. David Cummins, editor, *Journal of Risk and Insurance*, Wharton School, University of Pennsylvania
- Dr. Hans U. Gerber, ASA, professor, University of Lausanne, Switzerland
- Jeffrey C. Harper, FSA, FCA, Tillinghast/Towers Perrin, Atlanta
- Dr. James C. Hickman, FSA, ACAS, emeritus professor and dean, School of Business, University of Wisconsin at Madison
- Dr. Harry Panjer, FSA, FCIA, professor, Department of Statistics & Actuarial Science, University of Waterloo, Waterloo, Ontario
- Dr. Esther Portnoy, FSA, associate professor, Mathematics Department, University of Illinois
- Anna Rappaport, FSA, MAAA, FCA, EA, managing director, William M. Mercer Inc., Chicago
- Dr. Robert R. Reitano, FSA, second vice president, John Hancock Mutual Life Insurance, Boston
- Klaus O. Shigley, FSA, EA, vice president, John Hancock Mutual Life Insurance, Boston
- Dr. Elias Shiu, ASA, principal Financial Group professor, Department of Statistics and Actuarial Science, University of Iowa
- Dr. Gregory Taylor, FIA, FIAA, Consultant, Tillinghast, Sydney, Australia

"Our goal is a high-quality, widely distributed and read scholarly journal," Cox said. "We aim to give our readers information that can be applied to practice, whether actuarial or in a related discipline. We plan to give our authors good service by shortening our review process to two to three months and giving them high-quality reviewers. Then, we'll give our authors good visibility by comprehensive distribution of our journal. We want to become recognized as the leading scholarly journal of the actuarial profession."

Actuaries Online: What can it do for you? (continued from page 1)

the major operators. I'll see if we have anything in the office in the next couple of days." McHenry had his answer.

"Where might I find historical investment data tables such as S&P 500 or government bond index levels for the last 50 years?" asked David M. Walczak. Debbie Jay, systems operator for *Actuaries Online*, responded the same day, "In May '95 a message thread was started on Historical Data discussing source data for S&P and government bond information." She uploaded the information that day. Wade Luther, who also saw the message, contributed a worksheet containing S&P 500 month-end values. Walczak's response? "Thanks very much for the guidance; you folks are awesome!"

Joanne Janssen joined *Actuaries Online* to stay connected to other actuaries. "I have made several acquaintances that I've spoken to on the phone and shared information off-line. I even got a referral to a new

Mortality table database update

The Society of Actuaries Computer Science Section has developed version 1.0 of a mortality table database. The system is available in the Software & Worksheets Library of *Actuaries Online* as the file TABLEMGR.ZIP. A Windows-based program manages the database and extracts tables to ASCII and .WK1 files. The database contains 126 tables, including all versions of the 1980 CSO and CET, the new 1994 group annuity tables and projection scales, and many other tables. Also included are an APL workspace and a C++ API for accessing the database directly. By early August, the system had been downloaded over 100 times.

client when an attorney in Tulsa contacted a Society member who had exchanged messages with me on the forum. I also store messages that relate to my specialty. For example, whenever there is a discussion of health trend rates, I save it in my filing cabinet. Then when I need to do a trend study, I can review the messages and call the authors to discuss the issues."

Libraries and exam results

Another use of *Actuaries Online* is its libraries. There are more than 500 files on-line, including early release transcripts from the spring meetings. Transcripts start appearing on-line as soon as a month after the meeting.

Are you looking for a copy of the NAIC's Draft-Life Insurance Sales Illustration Model? It's on-line in the Actuarial Standards Board section. Do you need a mortality table? Download the Mortality Table Database in the Software & Worksheets library.

Craig Kalman is one of two actuaries with the Missouri Department of Insurance. "Actuaries Online has given me information that would otherwise be hard for me to get. I've used downloaded files to get information quickly and accurately into reports."

In July, more than 50 anxious students waited on-line for lists of passing candidate numbers, made available shortly after activation of the hotline. "Getting exam results quickly is a good fringe benefit," said Kalman.

Special interest groups

Another great use of *Actuaries Online* is conferencing. Special interest groups and companies have found this to be a boon to their work. Tom Corcoran, chairperson of the Disability Special Interest Group (DSIG) of the Health Section, believes, "The on-line system can greatly improve the effectiveness of the DSIG as a communication forum. Members who join *Actuaries Online* can access accurate, up-to-date information in one place rather than trying to maintain that data themselves. The DSIG is actively promoting building databases on this bulletin board."

Barbara Choyke, director of Continuing Education, moved CE into a new realm by posting her first message requesting suggestions for SOA Spring 1996 Meeting topics. She received a few responses, including one from Tom Bakos, who would like to learn "how to interpret and apply the Actuarial Standard of Practice on Illustrations." Steve Cooperstein wanted a session "on the various ramifications of financial planning."

New sections

Actuaries Online recently added two new sections: Advertise Online and Opportunities. On Advertise Online, subscribers can promote their products and services free of charge. You might find universal life program demonstrations from software firms or an interactive introduction to group reinsurance services. On Opportunities, subscribers can post job opportunities—free of charge. Listings are accepted in the following categories: positions available, situations wanted, and resumes. For further information, download the guidelines found in the Opportunities library. (Note: The confidential resume-matching service through Pat Holmberg at the Society office continues to be available to unemployed members and students with 100 or more credits.)

So, with all this power at your fingertips, why not join the electronic age? As subscriber Angelica Michail said, "There's so much out there."

A new price structure for *Actuaries Online* makes it more attractive than ever. Effective September 10, 1995, CompuServe basic services are \$9.95 a month, with five free hours of on-line access and \$2.95 an hour after that. Of course, *Actuaries Online* offers unlimited use of that forum for the \$5 a month fee, now reduced from \$8 a month.

For more information about CompuServe and Actuaries Online, contact Debbie Jay, BBS Assistant, at 74431.2444@compuserve.com or phone 708/706-3539.

Frank Stone is one in a thousand

Frank Stone, ASA, an independent consultant, became the 1,000th member to join Actuaries Online this summer. An actuary since 1970, Stone is a University of Oklahoma graduate. Born in Oklahoma City, he still lives there with his wife and two children. He can be reached by e-mail at 73231.121@compuserve.com

Q. When did you join Actuaries Online?

A. I joined Actuaries Online the first half of June.

Q. Why did you decide to join Actuaries Online?

A. I'm a small practitioner, and it's important to have information for a small business. It's one way to have access to information.

Q. What was your reaction when you found out you were the 1,000th member?

A. I was absolutely surprised and really appreciated the Society picking up the tab for Actuaries Online for one year and my CompuServe fees for one year. On a tight budget like mine, it's great.

Q. What have you used from Actuaries Online so far?

A. I've looked at some of the new mortality tables for pension plans because I do some work in pension plans. I'm a pension and life and health actuary and also an Enrolled Actuary.

Q. What else?

A. I just enjoyed seeing some of the notes from Donna Claire about the regulation activities she is involved in.

Q. How does Actuaries Online help you with your work?

A. It offers access to some very good reference material. I need to keep up with the regulatory environment, what the NAIC is working on. It's very important for me, because I have several small insurance companies as clients. It's difficult for me to go to all these seminars out of town. This way, I can keep up to date on some things.

Q. What experience have you had with the Internet or with on-line services?

A. We had Prodigy at home for two years. I signed up for CompuServe at the same time as Actuaries Online.

Q. How did you find out about Actuaries Online?

A. I had been reading about Actuaries Online in Section newsletters and received information in the mail.

Q. What experience did you have before you became a consultant?

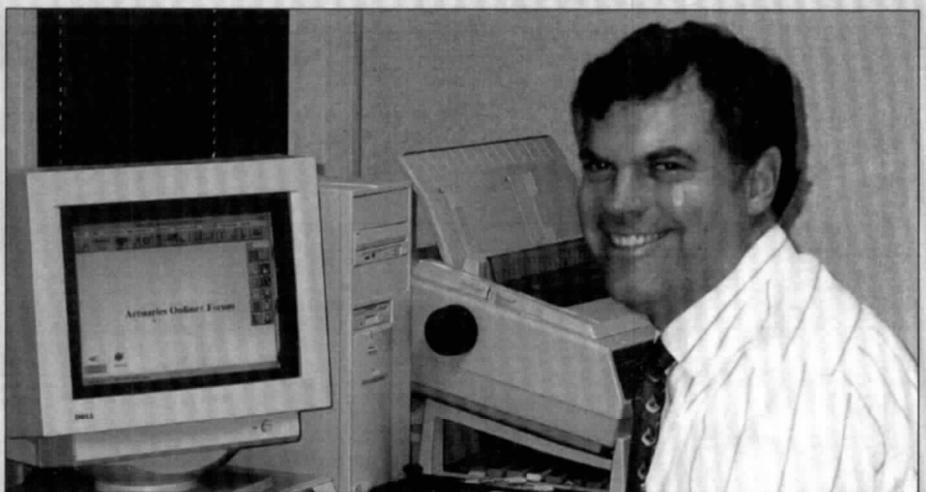
A. I spent my first 10 years with the home office of a company in Oklahoma City, then 10 years with a local pension firm. I've been on my own since 1990.

Q. Why did you begin working on your own?

A. The way my family situation is, it's great. Our daughter has cerebral palsy, and it gives me the flexibility to work around her needs. I don't have to worry about the 8-to-5 job.

Q. What else do you like about Actuaries Online?

A. Working with the Society is very helpful, and I encourage people to look at Actuaries Online and see what's there.



Independent consultant Frank Stone, the 1,000th member of Actuaries Online, enjoys the access to information and people all over the world right from his home office in Oklahoma City.

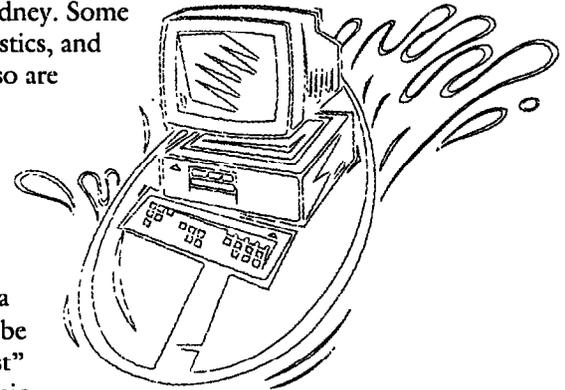
Surfing the Internet

There's lots to surf on the Internet, but the hottest spot today is the World Wide Web, where electronic billboards are sprouting up touting company products and services. If you haven't already surfed the WWW, it's easy to do with SPRY Mosaic, CompuServe's graphical interface. With CompuServe's basic services, you receive five hours a month free to surf the Internet.

Now that you're ready to surf, where to? You may want to visit the Canadian Institute of Actuaries World Wide Web site (<http://www/actuaries.ca>), which debuted in June. One of its goals is to provide valuable resources to actuaries and the public using the Internet. It is hotlinked to several other academic actuarial departments, such as the University of Waterloo in Ontario, the University of Calgary in Alberta, the University of Melbourne, Heriot-Watt University in

Edinburgh and Macquarie University in Sydney. Some economics, statistics, and financial sites also are linked.

Listed below are some related WWW insurance sites Tyrone Wilson put together in a format that can be used as a "hotlist" with SPRY Mosaic.



A to Z Insurance Legacy Group insurance medical life pensions annuities

<http://branch.com/legacy/legacy.html>

Allstate

<http://www.shopping2000.com/shopping2000/allstate/>

ARIAWeb — The American Risk and Insurance Association (ARIA) World Wide Web Server

<http://riskweb.bus.utexas.edu:80/aria.html>

Balducci's Actuarial Home Page

<http://balducci.math.ucalgary.ca/index.html>

C.A. Rauschenberg, Inc., Insurance Information Center

<http://www.newsouth.com/016/016.html>

Department of Insurance

<http://www.sips.state.nc.us/DOI/>

Emerald Coast FP Home Page

<http://amaranth.com:80/~emerald/homep-revised.html>

GE Insurance Source

<http://www.ge.com/gec/insserv1.html>

KPMG and the Insurance Industry

<http://www.kpmg.ca/insurance.html>

Insurance Links

http://www.kpmg.ca/insurance_links.html

Insurance One

<http://www.america.com:80/mall/store/insone.html>

ITT Hartford

<http://www.itthartford.com>

Massachusetts Mutual Life Insurance Company

<http://www.massmutual.com/>

MFS International

http://www.olworld.com:80/olworld/mall/mall_us/c_servic/m_mfs/index.html

Premier Insurance Group

<http://www.cybersim.com:80/premier/>

RMIWeb — the UT-Austin Risk Management and Insurance World Wide Web Server

<http://riskweb.bus.utexas.edu:80/rmi/rmiweb.html>

The Insurance Resource Center

<http://web.sunbelt.net:80/~thigham/insure.html>

Welcome to Great-West Life

<http://www.gwl.ca/>

Welcome to Insurance News Network

<http://www.insure.com:80/>

What is Risk Management and Insurance?

<http://riskweb.bus.utexas.edu:80/riskmgmt.html>

GFOA: The Government Finance Officers Association has just posted abstracts published in the 1994 issues of the GFOA's magazine, *Government Finance Review*, to a new menu area in the GFOA's FinanceNet home page and gopher. Anyone interested can access the abstracts via the FinanceNet home page (<http://www.financenet.gov/>) and then use the following path:

/Welcome to the FinanceNet's Electronic Library
/State and Local
/Professional Associations
/Government Finance Officers Association
/GFR Abstracts

The GFOA home page can also be accessed directly using the following universal resource locator address:

<http://www.financenet.gov/gfoa.htm>

Actuarial Circles program seeks to link actuaries and reporters

by Linda Heacox
SOA Public Relations Specialist

Since its kickoff session last March, Actuarial Circles attracted such interest that two more meetings had to be added. With a goal to establish or improve relations between individual actuaries and their local media, the program offers basic media relations guidelines, SOA staff support, and help in contacting the media.

The first meeting in Chicago last March attracted 39 actuaries. The next session in Toronto was attended by 32. More than 200 other members asked about upcoming sessions, so the SOA added a Circles briefing at the Boston Annual Meeting on October 18.

When President Bob Berin took office last October, he introduced the concept to SOA members in his incoming presidential address. As he explained, this grassroots effort demonstrates how actuaries can lend their expertise to financial issues being discussed in the media. While not a full-scale media training program, each session gives guidelines on how to approach and work with the media. The local Actuarial Circles creates a loose organization that helps actuaries respond to the issues and generate media interest on their own. The SOA program gives actuaries some tools and tips on how to become sources for their local press, TV, and radio.

Participants make media contacts on issues about which they are knowledgeable. Those issues do not have to be strictly actuarial. One Canadian actuary reported that he had been a source in a local story regarding investment opportunities in Southeast Asia. Two other Circles members have been sources of insurance information for stories on state health care reform. Many others focus on writing letters to the editor on subjects ranging from

Social Security, to Medicare, to local tax issues.

SOA Communications staff supports the program in several ways. Regular updates called "Circles Alerts" let members know what their colleagues are doing media-wise. Staff also sent local business editors Circles members' names and phone numbers to use as sources on stories. Sometimes staff members call Circles' members, asking them to speak to the media on specific information requests involving the member's area of expertise.

Circle members benefit personally by gaining new communications skills, and the profession benefits by having knowledgeable actuaries stepping forward to make sure the profession is being heard. If you are interested in finding out more about Actuarial Circles or in attending future sessions, please call Cecilia Green (e-mail: 76041.2773@compuserve.com) or Linda Heacox (e-mail: 102234.2544@compuserve.com) at the SOA (phone: 708/706-3500).



Linda Heacox (left), SOA PR specialist, responds to Tom Edwalds' (center, below) question about dealing with the media during the March 14 Actuarial Circles briefing in Chicago. Ken Krebbiel, American Academy of Actuaries associate director of communications (center, left photo), and Linda Delgadillo, SOA director of communications, (right, left photo) also participated.



SOA Board meeting report

by Bill Carroll

The Society of Actuaries' Board of Governors took several significant actions at meetings on January 10 and on May 11.

New basic education system

A special Board Task Force on Education will oversee the design and implementation of a new basic education system. The new system represents a fundamental change in the SOA's Education and Examination system to bring the education of future actuaries in line with the needs of future publics. Plans are to change focus and structure of its examinations.

- The preliminary category would involve those subjects that are probably necessary, but not actuarial, and are usually taught in universities and colleges. Examinations given in the latter categories will assume explicit knowledge of these preliminary subjects.
- The basic category would include those subjects that are actuarial in nature and that all actuaries need to master.
- An advanced category would include those subjects that actuaries in a particular field need to master but that are relatively stable over time and are not country-specific.
- The professional development category would include those subjects that are country-specific or change quite rapidly. The SOA would require some minimum initial professional development content before granting the FSA designation.

The Board believes this activity to be one of the most important changes the profession has undertaken. We are interested in members' comments and participation as we design the new educational system. As work progresses, the Board will solicit ideas and will regularly report on developments.

Reports adopted

A final report on Long-Term Care Insurance Valuation Methods and reports, including new tables for group annuity valuations (1994 Group Annuity Mortality Tables & 1994 Group Annuity Reserving Table) and uninsured pension mortality (1994 Uninsured Pensioner Mortality Table and The UP-94 and GAR-94 Tables — Issues in Choosing the Appropriate Table), were adopted. These reports have been made available to the NAIC and are being used to develop valuation standards for long-term care and a new mortality table for valuation of group annuities. The *Transactions* will

publish all the reports. A companion long-term care valuation diskette is available from the SOA for \$200.

New committees

The Board appointed three new committees: the Committee on Social Security — Retirement and Disability Income, the joint SOA/AAA Health Financial Issues Committee, and the Committee on Life Experience Studies.

Extension of grants

The Ph.D. grant program will be extended. The Board confirmed and extended its commitment to provide \$50,000 annually to fund scholarships to Ph.D. candidates. The goal of this program is to encourage academic research in areas of actuarial science.

New SOA journal

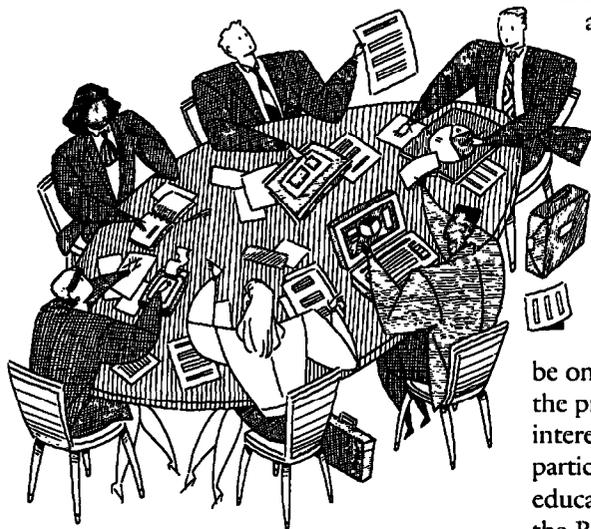
A new actuarial journal, to be called the *North American Actuarial Journal*, will be designed to appeal to a wider audience than the *Transactions* and will enable us to distribute current information in all practice areas to actuaries of all nations.

International membership

The Board took action in the international arena. The Board approved the SOA joining the International Federation of Actuarial Associations, a section of the International Actuarial Association.

The Board also took a unique membership action by passing a resolution granting Associateship status in the Society to Gennadi Falin of Moscow State University. Falin, a full professor of mathematics, has passed SOA parts 150 (Life Contingencies) and 151 (Risk Theory) and has written two actuarial textbooks. We hope he will provide a significant voice for the profession and the SOA in Russia and Eastern Europe.

Bill Carroll, an actuary with the American Council of Life Insurance in Washington, D.C., is SOA secretary/treasurer. He can be reached at 73462.240@compuserve.com



The E & E Management Committee is working to revise the focus of the syllabus to encompass the following principles:

- 1) Examine only those subjects that cover essential elements of an actuary's education
- 2) Provide a business context with rigor consistent with that of the mathematical education
- 3) Include all kinds of contingencies, not just life contingencies
- 4) Include models from outside the pension and insurance fields

Under the plan, the SOA would restructure actuarial education into four categories: preliminary, basic, advanced and professional development.

George Will keynote speaker for annual meeting

A renowned journalist whose newspaper column reaches 480 newspapers twice weekly across the United States and Europe is the keynote speaker for the Society of Actuaries' annual meeting. Syndicated by *The Washington Post* since 1974, George F. Will also is a contributing editor for *Newsweek*, for which he writes a bimonthly back page essay. The 1977 Pulitzer Prize winner for commentary, Will is the author of a book on political theory, *Restoration: Congress Term Limits and the Recovery of Deliberative Democracy*.

Will's address on "Public Affairs, Public Policy, and American Society" begins the three-day SOA conference on "Ethics and Professionalism," held in Boston October 15-18.

Many of the 157 sessions incorporate the concepts of ethics and professionalism for actuaries into their topics.

For a preliminary program or registration information, call the SOA office at 708/706-3545. Hotel reservation information is available by contacting the following:

Westin Hotel/Copley Place
Phone: 617/262-9600
Fax: 617/424-7502

Marriott Copley Place
Phone: 617/236-5800
Fax: 617/236-5885

Unique opportunity

This year's SOA annual meeting coincides with the American Academy of Actuaries annual meeting. All meeting attendees may attend Academy practice councils and the Academy luncheon on October 15. Kevin Phillips, one of the most astute forecasters of political and economic trends in the United States today, is the luncheon speaker. Besides his newsletter, *American Political*



George F. Will - Keynote Speaker

Report, Phillips is a frequent contributor to the *Harvard Business Review* and the *New York Times Magazine*. Although the luncheon is open to all attendees, tickets are \$30 per person. Advance registration is required.

The SOA Board of Governor's meeting October 15 is open to interested Society members. For more information or to request a copy of the minutes, call the Society office, 708/706-3500.

New puzzle editor needed

What's an 11-letter word for "terrific?" The answer is "Ochrymowych."

If you're one of those people who turn to the back cover of *The Actuary* first, you know that for the past three years, Julian Ochrymowych has been constructing clever, original Actucrostics and gathering Actucrossword puzzles for our newsletter. Recently, he decided he needed to turn his attention to more pressing matters, like completing his Associateship exams. A pricing consultant at Metropolitan Life in New York, Ochrymowych also is a professional "puzzler". He placed sixth overall in the 1995 national tournament and first in New Jersey. His crosswords, cryptic crosswords, acrostics and European

crossword puzzles have been published in *The New York Times*, *Dell Magazine*, and *Games Magazine*. He will end his stint with *The Actuary* at the end of 1995.

But as the old saying goes, no one is irreplaceable. That's why we're opening the position to anyone who can construct puzzles or knows people who do.

We need 8 to 10 puzzles for 1996 that the editor or author produces on his or her own software and sends us on disk or on hard copy. Another responsibility is to receive the Actucrossword solutions and make a list of 100% solvers.



"I'd say the puzzle editor must have a sense of fun and fair play," said Ochrymowych. "That sense helped me be creative while editing puzzles, interested in solver's notes on their solutions, and rueful at the errors which slipped by."

The compensation is not great (your name in the masthead and a byline on your puzzles), but the work is more like play to a real puzzle fan. If you can do all or any part of the puzzle editor's responsibilities, write to Editor Mike Cowell, *The Actuary*, Society of Actuaries, 475 N. Martingale Road, Suite 800, Schaumburg, IL 60173 or call him at his *Directory* address.



on the lighter side

Acting career, actuarial childhood

by Linda Heacox

SOA Public Relations Specialist

This conversation with actress Wendy Kilbourne and her father, Fred Kilbourne, FSA, and past president of the Casualty Actuarial Society, is the first in a series of articles on entertainment personalities who are the children of SOA Fellows. Next month, On the Lighter Side reports on movie executive Bill Ryan and his father Allan Ryan.

Subscribers to the left brain/right brain theory of reasoning would have a lot of fun talking to Wendy Kilbourne. Success in Hollywood has been punctuated by the pursuit of a college degree in human development and work with troubled children, an interest that may someday culminate in a law career as an advocate on children's issues.

"I always said I got the best of both sides of the brain," said the actress in a recent phone interview. "You put an actuary (her father, Fred) and an artist (her mother, Jackie Langley) together, and you get a pretty interesting environment when you're growing up."

Wendy, on the phone from Jackson Hole, Wyoming, where she and her family were on a rock climbing holiday, joined her father, speaking from his San Diego office, in a conference call to discuss her acting career and growing up with an actuary father.

Asked if she and her older sister, Laura, knew what their father did for a living when they were children, she quipped, "I don't know when I finally understood. I think it was about a year ago. When I was really little, it was a source of embarrassment. The other kids could say, 'My dad is a street worker or a doctor or lawyer,' and we'd pipe up and say, 'Our dad is an actuary.' And they'd look at you blankly. People don't understand unless you say he's the guy who sets your insurance rates. That doesn't make you very popular. Now, I just tell people he's a mathematician."

Though Fred, who heads The Kilbourne Company, has written several unpublished works, he and his daughter agree it is the maternal side of the Kilbourne clan that harbors the family artistic sensibility.

Wendy's mother, a painter and educator, is the daughter of Noel Langley, a film director and screenwriter, whose credits include the scripts for "The Wizard of Oz" and the

acclaimed 1951 version of "A Christmas Carol." Fred described Langley as "eccentric," and Wendy remembered him as a gifted storyteller.

Whatever influence led to her desire to perform, it was a predilection that was apparent early. Her father claims Wendy was three when she decided on an acting career. "She's been acting since I knew her."

Wendy, however, remembered no particular interest in it while growing up in southern California. "I never cared about being in the high school plays. I left school at 15 and entered community college dead set on an academic career and going into something like law."

While attending college in suburban Los Angeles, however, she got sidetracked into acting. "I had friends who were doing a lot of commercial work and they said, 'Come on, why don't you try this?' So, I started doing commercials."

More substantial roles started coming her way, and acting began to eclipse school, until at 17 she found herself more actress than student. Success on the small screen followed, including many guest appearances; TV movies-of-the-week; the popular Civil War miniseries, "North and South," which also starred her husband, James Read; and a hit dramatic series, "Midnight Caller," in which she played a young woman running a San Francisco radio station.

She worked on the show until she was seven months pregnant with her first child, Jackson, now 4½. At that time, she felt ready to "dive into

The SOA Risk Seekers spent a cold, rainy April Sunday in Chicago running a marathon to raise money for the Special Olympics and came in third in the corporate co-ed division with an official time of 3:56:02. It's said their inspiration to excel came from team anchor Warren Luckner's playing "Chariots of Fire" tapes in the van. Team members were (L-R) Lela Hord, education administrative assistant; Dana Mikula, human resources manager; Warren Luckner, managing director of research; Chelle Brody, director of operations; and Jim Weiss, director of information services.





Wendy Kilbourne, daughter of Fred Kilbourne, enjoys her time with family between acting assignments. Here she is holding half-sister April Kilbourne while husband, actor James Read, holds their son, Jackson Read.



Fred Kilbourne, FSA

Though she intends to return to acting soon, Wendy plans to apply to law school and become an advocate for children. "The thing about acting is that you have so much down time [on the set] that you can spend a lot of time studying," she said.

When Wendy was starting out, Fred said he never had doubts about her ability to succeed in the competitive, some might say cutthroat, world of show business. He illustrates the confidence they both had in her ability to earn a living with a favorite story. At the beginning of her acting career, she borrowed a few thousand dollars from her father. "I said, 'I'll tell you what, instead of paying me back directly, you can pay me 10% of your income for the next five years.' She thought about it and said, 'No thanks, dad, I think I'll just pay you back the money.' Of course, I'd have been way ahead if I'd been able to sell her on that."

Is this an indicator that his daughter inherited his aptitude for math? "Indeed she did. And of course, we all know her secret desire is to be an actuary." Wendy begs to differ. "At least as an actress, I didn't have to take those exams."

full-time motherhood." The birth of daughter Sydney in May 1995 has lengthened her professional hiatus.

She did a few small jobs after Jackson's birth. She remembered a stretch when she and her husband were both cast in a string of murdering lawyer roles. "Yeah, you're usually the killer, aren't you, Wendy?" her father asked cheerfully.

"Do you remember that pilot [for a television series] you were going to do?" he asked. "They were going to have a sleazy insurance company owner, like a Danny DeVito character, and you were going to play the straight arrow brains behind the operation. They said, 'This is someone called an actuary; do you know what that is?'"

"Yeah, that never sold," Wendy said. "I never understood that."

Most of her time off was spent in pursuit of her bachelor's degree, which she will complete in December at Pacific Oaks College, and in volunteer work on the board of a Pasadena home for boys called The Sycamores.

A product support actuary's favorite things

(to the tune of "These are a Few of My Favorite Things")
by Peter R. Jarvis

Redates and reviews and plan to plan changes,
Partial conversions, original ages,
Computer programs, illogical strings.
These are a few of my favorite things.
Increase or decrease—a substitute split,
Standard to non-smoker and aggregate.
Trying to fix programs as the phone rings.
These are a few of my favorite things.
Old money, new money—income tax dodges,
Adots and abars, mortality charges.

Complex requests for faxing.
These are a few of my favorite things.
As the calls come,
And the files fall,
And I'm feeling blue...
I simply remember rotations are due
And then I can say "Adieu!"

Peter R. Jarvis lives in Hamilton, Ontario. He can be reached at p.jarvis1@genie.geis.com



RETIREE CORNER

Editor's Note: Sometimes we take too much for granted. We can forget that, as actuaries, we have special skills that we can use to help others. Perhaps the following letter from John Atteridg and how he has used his expertise will trigger ideas.

You can include me in your next "Retiree Corner" detailing actuaries' volunteer work. I have been volunteering for AIDS Benefits Counselors here in San Francisco. I meet with people who are considering going on disability, or perhaps have just recently tested positive for HIV, and help them work through exactly what benefits they have available.

Technically, it's usually just a matter of helping an individual through the math. I then explain how the amounts change as they move from short- to long-term disability, as they start Social Security, and as they stop California's state-run plan. Many clients begin thinking that they cannot possibly live on 60% of their prior pay, but things look better when we take into account the tax differences.

Emotionally, I think I help them in two ways: first, by my experience as a pension actuary (all those articles about making the transition from work to retirement would apply almost equally to disability), and second, by my being on an HIV-related disability myself.

I've also used my pension background to produce a set of Q & A's on 401(k) issues for people with AIDS, which actually would apply to anybody on disability. Some of our

clients have 401(k) accounts that they really haven't thought much about. My handout has been well-received because it provides practical advice geared to someone who is disabled, in a format anyone can take home and refer to when questions come up. For example, timing when (which year) to take a withdrawal can make a great difference in taxation, particularly if the withdrawal increases your income enough to make part of your Social Security taxable.

This volunteer work has been immensely gratifying, both for the direct impact on clients' peace of mind and for me personally, knowing that I'm using my career skills instead of being just a "warm body." Any actuary who is interested in starting a similar program could easily work with the local AIDS, cancer, heart, or other foundations. **John W. Atteridg is an FSA who lives in San Francisco, California.**

Fall exam preparation seminars

Waterloo Actuarial Seminars

Waterloo Actuarial Seminars will offer preparation courses for most of the Society of Actuaries exams during the month of October. Professor F. G. Reynolds will teach the following seminars: courses 151, 160, 161, 165, 220, I-342C, P-361C, P-362U, P-364C, F-385, I-440C, I-445, F-485, P-562, P-566U, F-590, and

F-595 in Waterloo. He will teach courses 220, G-320, I-343U, I-441U, G-522, and I-542 in St. Louis. Professor K. P. Sharp will teach Course 210 in Hartford and St. Louis. Professor G. E. Willmot will teach Course 150 in St. Louis. Call Reynolds at 519/886-5232, Sharp at 416/975-1850, or Willmot at 519/888-4567, ext. 5550.

S. Broverman Seminars

Exam preparation seminars for the November 1995 exam period will be held in September/October 1995, in Chicago, New York, Hartford, and Dallas for courses 120, 130, 135, 140, 150, 151, 160, and CAS4A. For details, please contact Professor S. Broverman of the University of Toronto at his *Directory* address, or call 416/978-4453 or 416/966-9111.

IN MEMORIAM

Jack M. Elkin
ASA 1955,
MAAA 1965,
FCA 1959,
EA 1976

Herbert Gardner
FSA 1941,
MAAA 1965

Ben Z. Lipshitz
ASA 1968,
FIA 1967

Charles E. Rickards
FSA 1932,
MAAA 1965

Edward G. Schafer
FSA 1934,
FCIA 1965

DEAR EDITOR

Myers/Briggs=Astrology?

"Understanding Your Management Style" in the April issue seems quite out of place in *The Actuary*. The tone and content sound like a 1990s revival (in a slightly different form) of the astrology that was so popular and widespread in the 1960s.

I find it difficult to believe that the five billion persons in this world can be neatly classified into a mere 16 "personality types." We are far too complex for that.

Furthermore, I doubt that it can be demonstrated that a "personality type," if it exists, can be accurately determined by answering a few questions about one's "preferences."

Finally, it is inevitable that in any organization that coerces its employees into participating in this sort of thing, sooner or later a manager will use "personality types" to determine work assignments and promotions. The substitution of pop psychology for serious thought and analysis is unfair to the employees and is potentially disastrous to the organization.

The actuarial profession should be especially wary of encouraging the substitution of appearances for facts and impressions for demonstrations.

Harold J. Brownlee

Editor's Note: See Editorial, page 2.

UK correspondent

The June 1995 issue of *The Actuary* has encouraged me to write one of my occasional letters on two points.

First is the interesting note by Linden Cole on the "motivating time" as a Fellow before being president. In the Faculty of Actuaries for the last eight presidents, this has been 33 years with four individuals, 31 for two, and one each for 29 and 27. As we have a two-year presidency, I have pointed out to those who qualified in even-numbered years and have ambitions that they should have waited a year.

The other item was the conference honoring the centenary of the birth of

the New Zealander, A.C. Aitken. He spent most of his adult life in Edinburgh where he was professor of mathematics. In fact, he was not an actuary, but the Faculty of Actuaries elected him an Honorary Fellow, and he contributed papers on probability theory to the *Transactions*. He was involved with the Diploma in Actuarial Mathematics established just after the First World War. The University of Edinburgh and the Faculty of Actuaries jointly awarded this diploma, which I think was the first recognition by a university of our science.

Alistair Neill

Retirement focus

I appreciate the March issue of *The Actuary's* focus on retirement issues.

However, we as actuaries are so caught up in the business of doing sums with regard to retirement that we do not focus on the concept of retirement itself. After all, if you and I are enjoying our jobs, are in good health and are able to balance work and leisure activities, why retire?

I noticed in your Retiree Corner that Lawrence Lubin was having a good time, but his "job" was in inverted commas.

Isn't it about time that we rethink the idea of putting older people "out to pasture" in a society where the average age of the population is increasing?

Denise Radix

1994 Transaction prizes announced

Winners of the Annual Prize and Triennial Prize for 1994 have been announced.

James A. Tilley, managing director of Morgan Stanley and Company in New York and chair of the SOA Foundation Trustees, has won the Annual Prize for "Valuing American Options in a Path Simulation Model," published in Volume XLV of the *Transactions*. The award goes to the author writing the best eligible paper released to members of the Society in preprint form during each year. Tilley also received the 1993 Annual Prize and the 1994 Halmstad Prize for "An Actuarial Layman's Guide to Building Stochastic Interest Rate Generators," published in Volume XLIV of the *Transactions*.

Virginia R. Young, assistant professor with the School of Business, University of Wisconsin at Madison, has won the Triennial Prize for "The Application of Fuzzy Sets to Group Health Underwriting," published in Volume XLV of the *Transactions*. This paper also received the 1994 L. Ronald Hill Memorial Prize.

The Triennial Prize, for the best eligible paper released in preprint form during each successive three-year period, goes to the Society member who has qualified as an Associate of a recognized actuarial society within five years of submitting the paper.

Correction

A sentence in the article "Mutual company GAAP: Doubly different" in the June issue was incomplete. The last sentence of the second to last paragraph should read as follows: Accordingly, "Policyholders' Equity" would be a misleading caption; "Future Policyholders' Equity" would be more accurate.

ACTUSEARCH

In each of the puzzles below, find the listed words within the grid. Answers may read backward or forward, going across, up and down, or diagonally, but always in a straight line. When you are done, the unused letters in each grid will spell a phrase.

PUZZLE 1

by **PETER ROBERT JARVIS**

Y S D A O L L H S E L A S S	A BARS	GROUP	REINSURANCE
T Y E A P K I E E M R E T S	AGENT	HEALTH	RESERVES
I T F C S E V A L A S P T O	ANNUITY	LAG	RIDER
U I E I N R E V B P L U O L	ASSET SHARE	LAPSES	RISK
N D R A E A S A A I D T A P	BANDS	LIABILITY	SALES
N I M S M H R L T Y L G H O	CLAIM	LIVES	SEX
A B E A I S P U O R G I P T	CREDITS	LOADS	SIZE
P R R N X T F A S T A I T S	DEFER	MERGE	STOP LOSS
E O G E R E I T R N N T T Y	ESSAYS	MORBIDITY	STUDY
N M E A L S N I C I I I E T	EXAM	OPINION	TABLES
S D T L I S A O O L D E N S	FELLOW	PENSION	TEAMS
I I O Z A A N N C E A E R E	FINANCE	RATES	TERM
O W E T U Y C A R R G I R X	GAAP	RATIO	VALUATION
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The editorial board recognizes the contributions of two editors for The Actuary retiring this year. Associate editors Mary Hardiman Adams (far left) and Mike McGuinness (second from the right) accept the thanks of Editor Mike Cowell (shaking hands with McGuinness). Others at the July meeting were (background, l-r) associate editors Bob Dobson and Bill Cutlip (back, center) and assistant editors J. Bruce MacDonald (center), Charles Habeck, and Curtis Huntington. The contributions of retiring assistant editors Peter Bondy and Eric Lofgren and Puzzle Editor Julian Ochrymowych (not pictured) were also noted.

E-mail your letters to the editor

One of the decisions made at *The Actuary* editorial board meeting this summer was to publish the e-mail addresses, if available, of authors and editors. That makes it easier for our readers with e-mail to respond with comments and suggestions. See the masthead on page 2 for editors' addresses and at the end of articles for authors' addresses. Of course, we still accept snail mail and faxes through the usual channels. Let us know what you think.

Note: An SOA staff directory listing can be found in *Actuaries Online*. Choose library, open the general listing, and find SOA staff listing. To see the list, choose view.