

**TRANSACTIONS OF SOCIETY OF ACTUARIES
1953 VOL. 5 NO. 13**

BOOK REVIEWS AND NOTICES

ACTUARIAL AND INSURANCE PUBLICATIONS

Ilse, Louise Ealters. *Group Insurance and Employee Retirement Plans*. Prentice-Hall, Inc., New York, 1953. Pp. 448.

This book is a discussion of the development, growth and nature of group insurance, as it has progressed in the past and as it is at present. It describes how the industrial revolution produced a need for such insurance and the rapid development and acceptance of it. The author discusses the social and economic aspects of group insurance, the laws and regulations by governing bodies, and the cost. She also discusses the more recent developments in the field of group accident and health, and annuities. In addition State and Federal disability coverages are described.

Investment of Life Insurance Funds. Edited by David McCahan. University of Pennsylvania Press, Philadelphia, 1953. Pp. 319.

This book is the fourth volume in the series issued by the S. S. Huebner Foundation for Insurance Education known as the "Huebner Foundation Lectures." It contains a series of lectures given at the University of Pennsylvania under the supervision of the Foundation, to fellows and students of the Foundation and teachers from the faculty of the Insurance Department of the University.

The speakers who prepared these lectures are outstanding authorities on the subject assigned to them. The subjects cover, among others, the supply of savings, management of the investments, government securities, real estate mortgages, corporate debt, preferred and common stocks and methods of valuation of assets for use by insurance companies in their annual statement.

Life Insurance Fact Book 1953. Prepared and published by Institute of Life Insurance, New York, 1953. Pp. 107.

This is the eighth issue of this reference volume published annually by the Institute and covers the activities of the year 1952. It is intended to provide a handy source of factual and statistical information about the life insurance business. Where further information has been obtained, totals for past years have been revised and thus may differ from those appearing in previous Fact Books.

Osler, R. W., and Robinson, C. C. *Guide to Life Insurance*. The Rough Notes Co., Inc., Indianapolis, 1953. Pp. 207.

This is the second edition of this book. It has been completely revised, and new developments and trends in the business since the first edition have been covered. Among these are new policy forms introduced, developments in group and pension trusts and changes in the fields of government insurance and pension plans. Also statistics on the business have been brought up to date. All phases of life insurance are covered except accident and sickness. This subject is available in a separate *Guide to Accident and Sickness*.

Pensions and Profit Sharing. Edited and published by Bureau of National Affairs, Inc., Washington, D.C., 1953. Pp. 283.

This book deals with the various aspects of pension and profit-sharing plans, including designing a plan, getting it approved for tax purposes, financing it, administering

it, and helping employees to understand it. Included is a special chapter on present-day bargaining patterns and union demands in the pension field. The various subjects are handled by specialists in their respective fields, including three Fellows of this Society.

The Life Insurance Policy Contract. Published under auspices of The American Society of Chartered Life Underwriters by Little, Brown and Company, Boston, 1953. Pp. 438.

This book is a series of nineteen articles prepared by well-known authorities on various parts of the contract. They originally appeared in the *C.L.U. Journal*. A discussion of contract law is followed by a clause-by-clause coverage of the various provisions of the policy and the riders or supplementary agreements which may be attached. The last chapter is devoted to a discussion of the development of state legislation as it affects the life insurance contract.

PENSION FUNDS AND SOCIAL INSURANCE

Consultants on Social Security. *A Report to the Secretary of Health, Education and Welfare on Extension of Old-Age and Survivors Insurance to Additional Groups of Current Workers.* Washington, D.C., 1953. Pp. 39.

This report, as is stated therein, is sort of a "command performance," and one limited to that part of extension that would add quite a lot to the current tax receipts and nothing much for a couple of years to benefits.

This group report deals with adding more categories of *employment*—not very many *people*, since most adults are already covered to some extent. The report states that this treatment will call for less tax. These categories have to a considerable extent been barred heretofore because of recognized administrative difficulties. Here there is the hopeful statement that the difficulties may not be too pronounced.

Joint Committee on Railroad Retirement Legislation. *Retirement Policies and the Railroad Retirement System. Part 1. Issues in Railroad Retirement.* Pp. 870. *Part 2. Economic Problems of an Aging Population.* Pp. 198. Government Printing Office, Washington, D.C., 1953.

Over 1,000 pages of discussion, tables, charts, index make this a rather pretentious performance. Part 2 recognizes that any class system is but a part of the whole national economy.

The extent to which certain discussion has been carried is illustrated on page 5 of Part 1, thus: "the railroad retirement system would achieve savings from integration with the Social Security system because the latter, due to its very large coverage, can sell insurance benefits considerably cheaper than can the railroad retirement system."

One other point made is that "it has a reserve of about \$3 billion as of December 31, 1952, invested in Government bonds at 3% interest: and has an unfunded accrued liability of over \$10 billion of which about one-half will be financed by the Old Age and Survivors Insurance Trust Fund as the result of coordinating provisions of the 1951 Amendments."

Social Security Administration. *Present Value of OASI Benefits in Current Payment Status, 1940-52. Actuarial Study No. 35.* Louis O. Shudde. Division of the Actuary, Social Security Administration, U.S. Department of Health, Education, and Welfare, Washington, D.C., 1953. Pp. 19.

Actuarial Study No. 26, completed in 1948, had treated the Monthly Benefits as very similar to Supplementary Contracts in Life Insurance, including in that study the wives and widows, eligible to benefits save for being below age 65, discounting future

payments at interest. Along this same line, but omitting the women under 65, Actuarial Study No. 35 determines present values of benefits in current payment status.

Social Security Administration. *Long-range Cost Estimates for Old Age and Survivors Insurance. Actuarial Study No. 36.* Robert J. Myers and Eugene A. Rasor. Division of the Actuary, Social Security Administration, U.S. Department of Health, Education, and Welfare, Washington, D.C., 1953. Pp. 60.

This first cost report after the enactment of the 1950 and 1952 Amendments brings in some clues as to the slowness with which the new benefits take hold—and yet the actual extent of benefits-cost advance. Here appears some discussion of the accrued liability and the effect of increasing wage assumptions, when increasing wages are followed by bigger benefits and the relative value of the trust fund drops.

Social Security Administration. *Life Insurance in Force as Survivor Benefits under Social Security Act Amendments of 1952. Actuarial Study No. 37.* Louis O. Shudde, Division of the Actuary, Social Security Administration, U.S. Department of Health, Education, and Welfare, Washington, D.C., 1953. Pp. 22.

This report is the successor to *Actuarial Study No. 31*. In the two years between the two studies, the deferment of costs which has always been inherent in OASI has to some extent worn off. In spite of the 1952 increases seeming so small in presentation, an increase of 76% in the "Amount of Insurance in Force" is shown.

ACTUARIAL AND OTHER ARTICLES OF INTEREST IN RECENT PERIODICALS

References to allied subjects will be found in the following publications: *Mathematical Reviews*, published by American Mathematical Society—subjects: theory of probability, mathematical statistics, mathematical economics, various other mathematical topics; *Monthly Labor Review*, published by Bureau of Labor Statistics—subjects: cost and standards of living, employment and employment services, fringe benefits, handicapped, industrial hygiene, industrial relations, labor organization and activities, man-power, older workers and the aged, personnel management, social security (general); *Population Index*, published by Office of Population Research, Princeton University, and Population Association of America—subjects: mortality, fertility, marriage, divorce, and the family, various other demographic topics; *Social Security Bulletin*, published by Social Security Administration—subjects: retirement and old age, employment, maternal and child welfare, health and medical care, various other topics in social security; *Journal of the Institute of Actuaries*—the review section contains digests in English of articles appearing in foreign actuarial journals.

JOURNAL OF THE INSTITUTE OF ACTUARIES

Volume 79, Part 1, Number 351 (1953)

A Consistent System of Investment and Bonus Distribution for a Life Office—G. V. Bayley and Wilfred Perks

New Developments in Interpolation Formulae—Erich Michalup

The Recent Trend of Mortality in England and Wales—W. S. Hocking

Volume 79, Part 2, Number 352 (1953)

The Use of Sampling in Pension Fund Valuations—F. G. Smith

On the Nature of the Function Expressive of the Law of Human Mortality—M. E. Oghorn

Some Probability Results for Mortality Rates Based on Insurance Data—J. E. Walsh
The "a" and "b" Distribution Concept—E. Olifiers

TRANSACTIONS OF THE FACULTY OF ACTUARIES

Volume 21, Part 1 (1952)

The Mortality Aspect of Population Projections—L. W. G. Tutt
Valuation of Group Pension Schemes—G. C. Philip and W. I. S. Robinson

JOURNAL OF THE AMERICAN SOCIETY OF CHARTERED LIFE UNDERWRITERS

Volume 7, Number 3, June 1953

The Importance of Corporate Pension Plans—L. M. Huppeler
Group Creditors Life Insurance—E. B. Whittaker

ASSOCIATION OF LIFE INSURANCE COUNSEL—1953 PROCEEDINGS

Revival of Policy Provisions on Reinstatements—A. L. Hall
An Experiment with the Variable Annuity—G. E. Johnson

PROCEEDINGS OF THE CASUALTY ACTUARIAL SOCIETY

Volume 39, Numbers 71 and 72, 1952

Notes on the Effect of Wage Changes on Workmen's Compensation Premiums and Losses—E. S. Allen

ASSOCIATION OF LIFE INSURANCE MEDICAL DIRECTORS OF AMERICA

Volume 36, 1952

Problems in Borderline Cardiovascular Disease States—G. C. Griffith
Prolonged P-R Intervals in Apparently Healthy People—F. A. L. Mathewson
Prognosis in Latent Syphilis—C. W. Barnett
Coccidioidomycosis—W. A. Winn

BRITISH JOURNAL OF INDUSTRIAL MEDICINE

Volume 10, Number 1, January 1953

Age and Industrial Accident Rates—H. F. King and D. Speakman

AMERICAN JOURNAL OF PUBLIC HEALTH

Volume 43, Number 3, March 1953

Administrative Methods to Enhance the Quality of Medical Care under the Health Insurance Plan of Greater New York—E. F. Daily

Volume 43, Number 4, April 1953

Rehabilitation of the Severely Disabled; UMWA Welfare and Retirement Fund Experience—K. E. Pohlmann

Volume 43, Number 6, June 1953

The Use of Analysis of Covariance and Balancing in Analytic Surveys—B. G. Greenberg

The Age Relationship of Cases of Pulmonary Tuberculosis and Their Associates—A. B. Robins

United Mine Workers of America Welfare and Retirement Fund Medical Care Program—W. F. Draper

Volume 43, Number 8, August 1953

Current Status of Tuberculosis Control in the United States—R. J. Anderson
Benefits of Reducing—L. I. Dublin

Volume 43, Number 9, September 1953

Statistical Analysis As a Basis for Control in Fee-for-Service Plans—C. A. Metzner,
S. J. Axelrod and J. H. Sloss

Volume 43, Number 10, October 1953

A Procedure for Estimating Tuberculosis Prevalence—J. B. Swayne

SOCIAL SECURITY BULLETIN

Volume 16, Number 5, May 1953

Retirement Protection for State and Local Employees—Dorothy McCamman

Volume 16, Number 6, June 1953

Actuarial Aspects of Financing Old-Age and Survivors Insurance—R. J. Myers
Old-Age and Survivors Insurance Beneficiaries: Income in 1951—Margaret L. Stecker

Volume 16, Number 7, July 1953

Aid to the Permanently and Totally Disabled: Recipients with Heart Disease—C. E.
Hawkins

Volume 16, Number 8, August 1953

Old-Age and Survivors Insurance Beneficiaries: Assets and Liabilities at the End of
1951—Margaret L. Stecker

Private Pension Plans in Six Countries, a Compendium

MONTHLY LABOR REVIEW

Volume 76, Number 4, April 1953

Workmen's Compensation in the United States, Part I—An Appraisal—M. D. Kossoris

Volume 76, Number 5, May 1953

Pension Plans under Collective Bargaining Agreements: Part II—Compulsory Retirement—E. K. Rowe and T. H. Paine

Volume 76, Number 7, July 1953

Workmen's Compensation in the United States, Part IV—Occupational Diseases—
B. A. Greene

Pension Plans under Collective Bargaining Agreements, Part III—E. K. Rowe

Volume 76, Number 8, August 1953

Workmen's Compensation in the United States, Part V—Medical Services—B. A.
Greene

JOURNAL OF THE AMERICAN STATISTICAL ASSOCIATION

Volume 48, Number 262, June 1953

The Post-Enumerative Survey of the 1950 Census: a Case History in Survey Design—
E. S. Marks, W. Parker Mauldin, and Harold Nisselson

On the Distinction between Enumerative and Analytic Surveys—W. E. Deming

Volume 48, Number 263, September 1953

Electronic Computation in Economic Statistics—J. A. C. Brown, H. S. Houthakker
and S. J. Prais

Improving National Marriage and Divorce Statistics—Hugh Carter

Sampling the Federal Old-Age and Survivors Insurance Records—B. J. Mandel