

**ACTUARIES' CLUBS AND THE SOCIETY OF ACTUARIES**

- A. How can Actuaries' Clubs be best adapted to varying local conditions, such as the number of members of the Society available?
- B. What phases of the operations of Actuaries' Clubs have proved to be most useful to members and their companies?
- C. How can the Society of Actuaries and Actuaries' Clubs be of greater usefulness to their younger members?

MR. E. D. BROWN, JR., stated that the Conference of Actuaries in Public Practice was formed in January 1950 to meet the need of consulting actuaries for an organization to consider their special problems. The basic purposes of the Conference are to have an organization through which members may discuss their problems, to establish certain standards of qualification in the consulting field, to develop certain ethical standards to be observed in public actuarial practice, and to cooperate with the Society of Actuaries and local actuaries' clubs.

Membership in the Conference is divided into three classes, members, associate members and affiliate members. A member must be actively engaged in consulting practice in a proprietary capacity and have at least fifteen years of actuarial experience. An associate member must be engaged in actuarial practice but not necessarily in the consulting field and must have had at least five years of actuarial experience. Affiliate members include anyone interested in the Conference and may include actuaries not qualified as associate members, insurance company executives, retirement fund managers, and representatives of banks, trust companies or industry who have an interest in the consulting actuarial field.

The first annual meeting of the Conference was held in Chicago in October 1950, and was attended by 37 of the 51 who were members at that time. He stated that the membership has increased since then and includes consulting actuaries from every section of the nation whose practice covers practically every field of insurance and pension and retirement plans.

The Society of Actuaries cannot devote special attention to the consulting field since its basic objectives and purposes are to cover the general field of actuarial science. He emphasized that at no time was there any thought of conflict between the Conference and the Society of Actuaries or any other actuarial organization. The Conference aims to fill a need apart from and supplementary to the Society and hopes to enjoy none but the friendliest relationships with the Society.

He expressed the opinion that, except where the size of the club would be too large, requirements for membership in an actuaries' club should not be too stringent because there are many people in a community who would benefit from the opportunity to meet with the club.

MR. W. D. PATTERSON reviewed the activities of the Canadian Association of Actuaries which was formed in 1906. The present membership of 278 includes practically every active or retired Fellow or Associate residing in Canada, together with a group of actuaries in the United States who were formerly employed in Canada and have retained their connection with the Association. Meetings are held in Toronto in October, November, December, February, March and April. The annual meeting, early in June, is usually held at London or Waterloo. Attendance averages slightly over 80.

He felt that the most useful phases of the Association are the dinner before the meeting, the committees' work, and the discussion of topics. The dinner gives an opportunity for a member to get to know other members, to discuss intercompany problems and to check on his own thoughts on any subject.

The committees are of two types, the permanent or nearly permanent committees and the temporary committees. The permanent committees are as follows:

*a) Educational Committee:* The work is subdivided by examination parts. For Parts 2, 3 and 4 correspondence courses on a fee basis are supplied, while for Parts 5 to 8 Study Circles are organized in Toronto and in one or two other centers where there is a sufficient number of students. A Fellow supervises each Study Circle and makes arrangements for the students to help themselves. A student sets problems on each subject and allocates them to the others to prepare answers. Mimeographed copies of the problems and answers are sent before each meeting to the other members of the group. Arrangements are made for an "expert" to attend each meeting. The most efficient size of such a group seems to be between 3 and 10. Copies of the problems and answers of the Toronto Study Circles are mailed without charge to other Canadian students.

*b) Occupational Committee:* This committee gathers data to supply members of the Association with information for rating hazardous occupations. If need be they even visit the industry.

*c) Yearly Renewable Term Reinsurance Committee:* This committee reviewed work done by a small group of companies and from it has set up a comprehensive set of rules for Canadian reinsurance.

*d) Mortality Committee:* This committee was originally asked to report on whether or not the companies should pool their Canadian standard

ordinary mortality experience and to suggest common data which should be incorporated on any new mortality card adopted by a company. More recently, it has drafted rules whereby this mortality experience may be assembled year by year.

*e) Other Committees:* There are permanent committees on Papers and Social Insurance. The latter committee is to suggest the basic amount of reading which members should do to keep reasonably up to date on this subject.

The executive of the Association, comprising the President, Secretary-Treasurer and four council members, is responsible for a year's topics. A completely new executive is appointed each year.

He felt that the Association could do more to make sure that its newer members meet more of their contemporaries and more of the older members in executive positions and that consideration should be given to holding an occasional meeting in some part of Canada outside Ontario. He stressed the need for each member to be constantly aware of his duty to the other members and to the profession.

MR. R. E. EDWARDS reported on a development among Baltimore members of the Middle Atlantic Actuaries Club. The meetings of this four-state club gave them the opportunity to seek the company of members from localities other than their own. The unintentional result was that they spent comparatively little time with each other. This is being remedied by monthly luncheons for social purposes with no program and no speakers. Of the 20 club members in Baltimore, 10 to 15 have attended each luncheon.

MR. H. G. PAFF expressed the general opinion that there must be around 20 to 30 members for an Actuarial Club to be successful. If membership is confined to Associates and Fellows there are few areas where a club of that size can be formed and, therefore, it is probably necessary to adjust membership requirements so that at least 30 will be eligible.

Membership in the Los Angeles Actuarial Club is open to (a) members of the Actuarial Club of the Pacific States, (b) persons who have passed at least three examinations of the Society and (c) persons who have been engaged in constructive actuarial work for at least three years and who are recommended for membership by the senior actuarial officer of their organizations.

He stated that one type of program that has proven useful is the presentation of a topic of current interest by a qualified speaker. Topics discussed have included State cash sickness legislation, the proposed annual statement blank, investments in real estate, and many other topics.

He believes that one of the principal advantages of the local clubs is that the meetings are smaller than those of the Society and the younger members are less hesitant about participating in the discussion. In many cases it is desirable to ask specific members to be prepared to take part in the discussion.

MR. G. F. WAITES reviewed the general pattern that Actuarial Clubs have followed to meet local conditions. Generally the club begins as a luncheon or informal meeting to discuss mutual problems but tends to become more formal with planned programs and specific topics for discussion as the number of members increases. The topics discussed are influenced by the nature of the membership. For example, a club deriving its membership primarily from small insurance companies will discuss problems quite different from those discussed by a club which draws its membership from one or two large companies.

In addition to the discussion of mutual problems, an Actuarial Club gives the younger members an opportunity to meet with and profit from the experience of the older members. This is particularly valuable to the younger members from the large companies where work becomes specialized, and where it is difficult to obtain a broad knowledge of the company's activities. He expressed the opinion that senior company officials should contribute to the club meetings as part of their obligation to the younger members of the profession.

MR. C. L. TROWBRIDGE described the operations of the Des Moines Actuaries' Club. Membership is available to those who have undertaken actuarial work as a vocation and have passed any actuarial examinations other than the present Part 1. There are 50 members, of whom 22 are Fellows of the Society. More than half of the membership is from the two largest insurance companies in Des Moines but there are representatives from eight insurance companies and from Drake University, together with the actuary of the Iowa Insurance Department.

The purpose of the Club is partly professional and partly social. The members have an opportunity to become acquainted with others in the community who have actuarial interests, to exchange ideas on a formal and informal basis. For the younger members the Club furnishes an opportunity for self-expression on a professional level before a sympathetic audience and to profit from the experience of the older members. At each meeting a relatively formal presentation is made by a junior member on a relatively simple subject of general interest, and a discussion topic is led by a panel of the senior members. No attempt has been made to help students directly in preparation for the examinations.

MR. A. E. ARCHIBALD reported on the Chattanooga Actuarial

Club which is now in its third year. It operates informally with no written constitution, no by-laws, and no dues. Any man in actuarial work who is recommended by the actuary of his company is eligible for membership. There are about 15 members of whom five are Fellows or Associates of the Society. Meetings are held each month except January. A member is assigned the responsibility of organizing each meeting, and the topic for discussion is announced a few days before the meeting.

MR. R. E. TRABER discussed the special problems of the Actuaries Club of New York which arise from the size of the membership and the somewhat different interests of the younger and older members. Having approximately 340 members, it is probably the largest actuarial club in the country. It is divided into two branches which are called the Senior and Junior Branches. He reported on the activities of the Junior Branch. Eligibility in the Junior Branch is determined by Associateship in the Society of Actuaries (with a few nonmembers of the Society by special election) while the criterion for automatic membership in the Senior Branch is seven years of Fellowship in the Society. Membership in the two branches is approximately equal. The Club is quite informal with a Standing Committee of three being the only official organization. The activities of each branch are planned by a Program Committee.

The Junior Branch has five meetings a year in addition to two or three social activities of the Club as a whole. The Junior Branch meeting usually consists of a dinner followed by a qualified speaker, who is normally not a member of that Branch, with an active discussion from the floor. Normal attendance is around 75. There has been some demand for meetings of the forum or informal discussion type, and he felt that this might be worth trying. Another interesting experiment would be to introduce occasional topics of a nonactuarial nature.

The Club, through an Educational Committee, offers assistance to students and arrangements have been made for classes in Parts 2 to 5, inclusive. Professional teachers for the most part are secured and the cost is covered by fees. The classes have about 30 meetings a year of  $1\frac{1}{2}$  hours each. Although no classes are held for Parts 6 to 8, the Educational Committee stimulates the formation of intercompany Study Groups for each Part.

Since the members of the Junior Branch are relatively new in the actuarial field, the opportunity to meet and talk with other actuaries is much appreciated. Social activities include a dinner, a dance, and an outing at a country club, in addition to the social period of a half hour or so before each meeting. The educational opportunities and assistance furnished by the Club is of fundamental importance.

MR. H. A. GROUT spoke on certain phases of the operation of the Actuaries' Club of Boston which celebrated its 20th anniversary this year. Membership is open to members of the Society of Actuaries and the Casualty Actuarial Society, and to actuarial officers of any life insurance company or the Massachusetts Insurance Department. The group embraces all of New England except Connecticut. Regular meetings are held four times a year, usually in October, December, March and May. An important factor in the success of the Club has been that the older members have attended meetings regularly. He paid special tribute to Mr. G. F. Knight, who has attended every meeting of the Club during its entire 20-year history.

During the last three years a joint meeting has been held each year with the Actuaries' Club of Hartford. Because of the size of these meetings, the programs have been on a more formal level but they have furnished an excellent opportunity for fellowship.

During the last four years the Club has had a program of study for those taking examinations above Part 3. Instructors are secured from local companies and include men from the legal and investment ends of the business as well as members of the Society.

MR. C. E. HERFURTH described the very informal operations of the Denver Actuarial Club which was formed about two years ago. It was decided that there should be about 20 members, and the eligibility qualifications were set accordingly. The principal objective of the Club is to get the members better acquainted.

MR. H. R. STRONG gave a brief history of the Actuaries' Club of the Southwest which covers the States of Texas, Louisiana, Arkansas, Oklahoma, and New Mexico. In this large area there are many life insurance companies but only a scant half dozen Fellows of the recognized actuarial organizations. The idea for the Club was conceived in October of 1948, and the Club was organized shortly thereafter. At present there are approximately 65 members and an average of about 45 attend each meeting. He believes that the small number of Fellows and Associates has been one reason for the spontaneity of interest and the development of the Club in its present form. The level of the discussion adapts itself to the needs of the individual members. In a Club with a large number of members of the Society the discussion will probably center around the technical aspects of a subject whereas in the Club with few members of the Society the discussion will take place on a more fundamental plane. A typical program of the meetings covers very practical problems concerning office records, expense allocation, and substandard underwriting practices.

He felt that the Society should utilize the facilities of the Actuaries' Clubs for the dissemination of information designed to encourage young men of ability to take up actuarial studies and to help guide them in their pursuit of these studies. He expressed the opinion that in his own locality the companies have been rather shortsighted in both of these important matters.

MR. HARWOOD ROSSER referred to the work of the Educational Committee of the Canadian Association of Actuaries. He knew of no counterpart in the United States of the correspondence courses offered for the earlier examinations and suggested that the Society might consider making such courses available to students, especially those in the smaller centers where facilities for training are not equal to those in the larger cities.

MR. L. F. SLEZAK referred to the difficulties experienced by the Los Angeles Actuarial Club in obtaining a suitable place for meetings at a reasonable cost and spoke of the importance of older members attending meetings if the meetings are to be attractive to the younger members.

MR. W. M. ANDERSON offered the suggestion that the programs of the Society meetings include a page listing the dates of the regular meetings of actuaries' clubs so that visiting members of the Society would be able to attend local meetings.

MR. VALENTINE HOWELL said that, as President of the Society, he had attended meetings of a number of clubs and in every case he felt that it was both pleasant and profitable.