

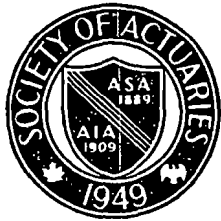


SOCIETY OF ACTUARIES

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PUBLIC HEARINGS OF SOCIAL SECURITY ADVISORY COUNCIL

by Richard G. Schreitmueller

The Social Security Advisory Council, established every four years to review the program, held public hearings in five cities between October 1978 and January 1979. Individuals and organizations turned out in force to testify and to listen. Most speakers advocated liberal positions, but there was a conservative minority including the American Council of Life Insurance, the American Academy of Actuaries, and one retired actuary giving personal views. Employers in the private sector had little to say.

On issue after issue, most speakers wanted more benefits paid to more people; raising the retirement age was strongly opposed. Initial entitlement to disability benefits and accompanying Medicare was criticized as restrictive and slow. Once on the rolls, however, disabled workers were said to need more help and incentive to get back to work; on this liberals and conservatives agreed.

Universal coverage is a hot topic. For federal employees and members of Congress mandatory coverage was urged (except by representatives of the federal employees; they pointed with satisfaction to present arrangements, and viewed with alarm merger of their retirement funds into Social Security). At the state and local governmental level, spokesmen for teachers, police, and firefighters opposed mandatory coverage, pointing to problems in coordinated plan design. Testifying in favor, however, was the American Federation of State, County and Municipal Employees.

Among proposals supported by several were these: (1) paying for the welfare elements in OASDI benefits by general revenue financing, (2) taxing benefits, using those tax receipts to support the social security program, and (3) educating the government and the public on how the system now operates. □

WHY HE'S WHO HE IS

A Conversation with John O'Connor

It was at that modern crossroads of America—bustling O'Hare airport. Our new Executive Director, fourth incumbent since that post was created in 1968, was genially answering the customary questions. The reporter's tacit purpose was to find out just why the Board of Governors' search had ended with an offer to, and acceptance by, this man, John E. O'Connor, Jr.

To begin with, who is he?

- John's married, 36 years old—lives in Arlington Heights, Ill. — father of four, all boys aged between 12 and 4 years. Necessarily he's part way through a lengthy stint in Little League, with considerable assistance and support from his wife, Judy.
- He's by no means strange to professional association work — has been at it 12 years as Director of Finance & Operations for American College of Hospital Administrators (ACHA), a 40-year-old 20,000 professional membership society.
- Actuaries and our ways aren't new to him either. He's worked with a few of us, mainly in designing and running fringe benefit plans for ACHA affiliates.
- John is a graduate in business administration (Loyola University). He qualified as a C.P.A.; in the mid-1960's he practiced briefly as a public accountant.

What is John expected to do for the Society?

The Board of Governors departed from tradition this time by opening the position to either F.S.A.s or non-F.S.A.s. That one of the latter got the nod means that the task is now to be one of managing the concern and its staff and services, not performing as an actuary.

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NATHANIEL INGERSOLL BOWDITCH

by Dwight K. Bartlett, III

Perhaps others interested in the history of actuarial science and the actuarial profession were intrigued, as I was, by the reference to Nathaniel Ingersoll Bowditch (rhymes with Now'ditch) in the little volume, *From Actuarial to Actuary* by Robert C. Mitchell, as one of the early actuaries in the United States.

Bowditch was undoubtedly the leading American mathematician of the early 19th century. He was primarily known for his work in celestial navigation and celestial mechanics. The volume of tables he produced for celestial navigators is still in use today in much revised form and is familiarly known as "Bowditch's". That aspect of his career is well documented in a variety of works including an excellent biography of Bowditch, *Yankee Stargazer*, by Robert C. Berry.

Bowditch's career as an actuary and insurance executive is not nearly as well documented, nor as familiar even to those of us with an interest in insurance history. With this in mind I undertook an investigation of this facet of Bowditch's career.

Bowditch (1776-1838) grew up in Salem, Massachusetts, and in early life engaged in a variety of maritime activities, including clerking in a maritime supply store, serving on merchant vessels in several capacities including ship's captain, and being president of a maritime insurance company. In 1823 he was offered the position of actuary of the Massachusetts Hospital Life Insurance Company at a \$5,000 annual salary. He happily accepted the position since it gave him financial means to publish his scientific works. He served in that capacity until his death. Most of the company's papers and records from that era,

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