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MY GREAT-GRANDFATHER THE ACTUARY

by Daniel F. Case

The flurry of accounts of three-generation actuarial families having waned pro tem, perhaps I may spark new genealogical interest by reporting the actuarial spanning of four generations.

Charlton T. Lewis (1834-1904), my mother's grandfather, became a Fellow of the Actuarial Society of America in October 1889, six months after its formation. No actuarial proclivities showed up in the next two generations, so fifty-nine years were to pass between his death and the arrival on our family scene of the next Fellowship.

My great-grandfather's qualification for membership seems to have been twofold: the right background—he was a mathematics professor at age 22—and his role in 1871 as organizer and then secretary of the Chamber of Life Insurance. That organization of life companies, though destined to last only seven years, was described in Lewis's obituary as in a sense the forerunner of the Actuarial Society (because of its fact-gathering efforts); it was equally a precursor of the American Council of Life Insurance.

Lewis had two papers in our old *Transactions*, both on trends in interest rates. Testimony to his forecasting success can be found in a 1919 discussion of inflation and interest rates (R.A.I.A. VIII):

"You will perhaps recall that just about twenty years ago one of the large life insurance companies published letters from distinguished financiers on the future course of the interest rate. Those letters were almost unanimous . . . in predicting

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THE E. & E. CORNER

(Ed. Note: Please send your questions for future response to James J. Murphy at his Year Book address).

Ques.: How is the passing grade determined? Is the resulting proportion of successful candidates a factor? How is the minimum score (grade zero) arrived at?

Ans.: The minimum passing score is determined by considering: quality and difficulty of the examination compared to prior years; the passing scores of those prior exams; a review of scores near the tentative pass mark to see if there's an empty space that would clearly separate "pass" from "fail". A grade "0" signals any score less than 50% of the minimum passing score.

Ques.: How are multiple-choice questions graded?

Ans.: A correct answer receives 1 point, a wrong answer no points, an omitted answer 1/5th of a point. Any question discovered to be defective is thrown out, leaving scores and rankings as they would have been if the defective question hadn't been asked.

Ques.: In the multiple-choice exams, does anybody read the written solutions that the candidate sends in along with the answer sheet? Is any credit given?

Ans.: No. Only the answer sheet determines the score. No partial credit is granted even if the booklet shows a partially worked or correct solution.

J.J.M.

REASON BY NUMBERS

Nearly, not quite, all readers' requests for P. G. Moore's book (reviewed last October) have been filled by bulk order from London. And actuarial friends over there are sending us another (third) shipment. E.J.M.

CANADIANS CONSIDERING ECONOMIC FORECASTING

by Chris D. Chapman

The Committee on Economic Statistics of the Canadian Institute of Actuaries has recommended that the Institute sponsor an Economic Forecasting "Board" composed of actuaries and economists. Its role would be to develop formal projections of interest rates, inflation rates, productivity and wages. These would be "pure" projections (i.e., with no built-in margins or intentional bias), to serve as reference points for assessing the reasonableness of existing or proposed assumptions used by Institute committees, by regulators or by the courts.

Why This Comes Up

More and more, questions that arise between actuaries and public bodies such as provincial pension commissions, courts of law, company auditors, insurance departments and the Department of National Revenue, hinge upon views about the economic outlook. In the absence of any authoritative, well researched source of long-term forecasts or officially sanctioned actuarial guidelines, such bodies have shown increasing inclination to employ their own favored economic factors. Each public unit tends to promote its own version, and practicing actuaries have been plagued by differences between these assumptions. Also, the Institute's Guiding Principles call for internally developed technical support to assist the Canadian actuarial profession to discharge its responsibilities.

Now Or Never?

At the Institute's meeting on March 10th, members had the opportunity, which they readily grasped, to debate

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