



SOCIETY OF ACTUARIES

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International Congress

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Saturday the 24th. The meetings will be held in the recently built University Center situated about 3 miles from the center of the city. The University Center is accustomed to International Congresses of various kinds and consequently there will be adequate space for both large and small meetings. In addition the Center is a self-contained unit with restaurants, a bank, a Post Office and other facilities.

The following is a brief outline of the subjects for the Congress.

National Reports on the Government control and supervision of the private insurance industry.

Individual Papers:

- (a) Life and Pension Insurance with variable sum insured or variable premiums.
- (b) Methods for forecasting the development of an insurance company in the next ten years.
- (c) Private pension schemes and social insurance.
- (d) Problems with actuarial treatment of the risk process in an insurance company.

Papers by the younger generation of actuaries have not been too common in other Congresses and I think that young actuaries should be encouraged to send in papers and to take part in the discussions.

The official languages of the Congress are English, French and German. Simultaneous translation will be provided for, not only at the general meetings, but also for some of the special meetings. Language difficulties will hardly exist for English-speaking visitors to Norway, and certainly not at the Congress. English is the most important foreign language in our schools. French and German are also taught. Any linguistic difficulties should be easily overcome by the camaraderie of actuaries.

Details of the social side of the Congress are not yet complete, but I hope that our guests will find it interesting, varied and pleasant. Excursions to the beautiful surroundings of Oslo will be included, and there will of course be a special Ladies' Programme.

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NEWS FROM THE QUAKER CITY

by Marianne Baeckstrom

The Actuaries Club of Philadelphia had the honor and privilege of having as its guest speaker, at its meeting of February 17, 1970, the President of the Society of Actuaries, Mr. Jack Moorhead. Mr. Moorhead gave a most delightful and interesting speech, "Anybody's Mail."

He then proceeded to outline the more serious recommendations he was making as President. The Executive Committee has authorized resubmitting the constitutional amendment concerning "Public Expression of Professional Opinion" to the Board of Governors this Spring with three changes:

1. If passed, the amendment will expire after a fixed term and have to be passed again if it is to remain in effect.
2. There will be provision for the expression of minority opinion.
3. Before this proposed amendment can be brought to the floor at an Annual Meeting, such action will have to be requested by 2/3 of the Fellows and Associates responding by mail. This will give all the members a chance to express their views and serve a second purpose as a test of mail voting, which has been requested by some of the membership.

Mr. Moorhead also stressed the importance of the actuary not only in his field, but as a person who has a close contact with management and who may influence its decisions. To emphasize the role of the actuary, he quoted Mr. Redington, a noted British actuary with the words: "The actuary who is only an actuary is not an actuary." □

SOCIAL SECURITY NOTES

Robert J. Myers, *Comparison of Medicare Expenditures With Estimates, First Three Years of Operation*, Actuarial Note No. 60, pp. 2. Social Security Administration, Washington, D. C., August 1969.

Actual HI expenditures for benefits and administration during the 3-year period July 1966-June 1969 were \$11,236 million for HI and \$4,171 million for SMI. The HI figure was 41% above the original estimate made in 1965, but on an accrual basis (after adjustment for the higher contribution income), the ratio of actual to expected expenditures was only 118%. As for SMI, expenditures on an accrual basis were 7.4% higher than corresponding income from premiums and Government contributions.

Cost of Crediting Prior Service Under the Railroad Retirement Act, RRB Actuarial Note No. 3-69, Railroad Retirement Board, Chicago, August 1969, pp. 4.

This note traces the costs attributable to prior service (railroad service rendered before 1937) from 1936 through 1968. During that period, the prior service benefits amounted to \$5.4 billion or 44% of all employee annuities paid by the Railroad Retirement Board. It is expected that another \$1.2 billion will still be paid out from the railroad retirement fund on account of prior service.

Life Insurance Equivalents of Railroad Retirement Survivor Benefits, RRB Actuarial Note No. 2-69, Railroad Retirement Board, Chicago, April 1969, pp. 6.

The life insurance equivalent at any point of time in a railroad worker's life is taken as the present value of the survivor benefits that would be payable to his family if he were to die at that time. The note projects the story for a young man with a typical family composition. The life insurance equivalent (before adjustment for the 1969 social security amendments) ranges from a high of \$70,000 to \$20,000, depending on the worker's age and his family composition at that time. It should be noted that the corresponding social security amounts are of the same general order with the differential being only about 10% in favor of railroad retirement (memorandum from Robert J. Myers, dated December 23, 1969).

Copies of these notes may be obtained gratis from Robert J. Myers, Chief Actuary, Social Security Administration, Washington, D.C. 20201, or from A. M. Niessen, Chief Actuary and Director of Research, Railroad Retirement Board, Chicago, Illinois 60611.