Mort then discussed the suggestion with the other members of the Program Committee. They agreed such a discussion should be of interest to our members, and I was asked to invite the other three actuarial organizations to participate in the panel discussion which we will now have.

It is with great pleasure that I introduce to you William Leslie, Jr., President of the Casualty Actuarial Society. He is also General Manager of the National Bureau of Casualty Underwriters. Bill has a unique professional distinction as his father, an Associate of our Society, was also a President of the Casualty Actuarial Society, the seventh in its history. He retired three years ago after a long outstanding professional career, and I understand has embarked on a new career as a landscape gardener in Connecticut.

WILLIAM LESLIE, JR.:

Casualty Actuarial Society

The Casualty Actuarial Society is in a very real sense the daughter or the son—I don't know which is preferable—of this organization.

In 1911 there came into existence for the United States a new form of insurance, workmen's compensation. A wave of such laws were passed across the country, including one in the State of California. Reinie's allusion to my father brings this to mind: perhaps it is the best example I can give of how the Casualty Actuarial Society really got going.

Dad was freshly out of college, graduated from the University of California in 1910, and went to Pittsburgh with Reliance Life Insurance Company in their actuarial department. Albert Whitney, then on the faculty of the University of California, wrote letters to a number of his students wanting to know whether in their memory of other students they knew of any who would like to come to San Francisco and assist in running the newly formed State Insurance Fund, which was going to be a competitor with private industry in the workmen's compensation field. Among those who got this letter was my father, and he wrote right back that he knew somebody who would be very much interested—one William Leslie.

He is an Associate of the Society of Actuaries and one of the charter members in 1914 of the Casualty Actuarial Society, a very high proportion of whom were either associates or fellows of the existing Actuarial Societies in your field.

The workmen's compensation line of insurance which attracted them away had some characteristics of life insurance: widows' pensions, for example, or the compensation payable for life to an injured workman and so on. It also has, moreover, some characteristics which I think you would agree are quite similar to group life insurance or group accident and

health insurance. Indeed, I understand that in one important life insurance company the actuaries who handle their group problems spend one or two years in the casualty and property field in the course of their training, dealing with such things as retrospective rating plans. This is a form of rating similar to that which exists in the group life and accident and health field.

Not long after 1911 the automobile became a major factor in the American economy. Right now, I suppose it is fair to say that the automobile and things related to it, the highways, gasoline, oil, steel, glass, etc., comprise nearly the largest single factor in our whole economy. It is just about the largest problem that the fire and casualty insurance industry has—how to go about successfully writing automobile insurance, marketing it, making a profit on it. That is a very difficult job. As a matter of fact, a number of very well-run companies have not made a profit in that line for some years.

The work of the casualty actuary is related to these kinds of insurance, where the event or the risk of loss is a sort that may happen anytime, and may happen over and over again. Thus mathematical statistical analysis is fast becoming one of the most important facets of our work.

We have had many papers in the *Proceedings* of the Casualty Actuarial Society which have brought to our business some of the more esoteric aspects of the mathematics of statistics. The result of this has been that the Casualty Actuarial Society can with some confidence say that it has, in a sense, grown up.

A possible further change which may take place in the casualty society, one about which I am sure especially the younger members of this organization are somewhat familiar, relates to the disparity between the examinations of our two groups.

In getting together some notes for this talk, I had asked Longley-Cook and Joe Linder, both of whom are members of your Society, about this. Each of them is a fellow in the Casualty Society. Longley-Cook is Chairman of our Educational Committee and is a vice-president of our Society. Joe Linder is Chairman of our Committee on Professional Status.

I am just going to read, if I may, what Longley-Cook wrote to me about these examinations. If you get a British phrase or two in here, the reason is that that is the way he talks.

Examinations of the CAS are similar in length to those of the Society of Actuaries, there being four examinations for associate and four for fellowship. Part 1, general mathematics, and Part 2, probability and statistics, of the associateship are similar in scope to parts 2 and 3 of the Society of Actuaries' examinations. The Casualty Actuarial Society general mathematics examination

paper is rather easier than the Society of Actuaries paper, but the passing mark is higher, so that the difference between the two is more apparent than real.

I would like to interject here just a personal remark. I thought about this a bit and, whatever influence I can be, it seems to me if there is a difference more apparent than real, we should get rid of the difference. I still don't see why we cannot have identical examinations for at least those parts which are the general or beginning sections.

Then he says:

CAS students need only have a rudimentary knowledge of life contingencies, but are required to have a considerable knowledge of ratemaking techniques in casualty and property lines.

The CAS fellowship examination requires considerable detailed knowledge, and, as in the case of the Society of Actuaries' Fellowship Examination, success is hardly possible unless study is associated with practical experience.

The standards of the Casualty Actuarial Society examination were lower at some periods in the past than they are now, and fellows of the Society of Actuaries should not judge the present casualty actuarial examination on these standards.

He goes on to say:

... there is still considerable debate in the casualty field as to the standard of mathematics that should be required. Work in the more difficult areas of credibility theory requires a very high standard of mathematics, higher than is required in any life actuarial work, but to ask every student to be able to carry out such advanced theoretical research would be quite impractical, and the Casualty Actuarial Society has always tried to attract and develop a rounded individual rather than the back room expert.

I should say that it seems to me we need both.

I would like to conclude by saying that following a number of conversations, most of them with Mr. Hohaus, our Society has appointed a committee, very ably chairmaned by Joe Linder, to look into professional status.

The key question there is, I believe, as posed to us by Jim Donovan the day we had lunch with him: What is an actuary? How can any legislature or any court or any administrative body be able to say, "That man is an actuary and that man is not"?

Somehow or other, we, all of us, Casualty, Life and other related fields, have got to solve this problem reasonably soon. I don't think we can let it drag on. I am encouraged to believe, by what I already know of the cooperative attitude back and forth, that this is not going to be too difficult a task.