

**TRANSACTIONS OF SOCIETY OF ACTUARIES
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MINUTES OF THE REGIONAL MEETING
of the
SOCIETY OF ACTUARIES

**HELD AT THE HOTEL FORT DES MOINES
DES MOINES, IOWA
JUNE 3-4, 1971**

The meeting was called to order by the President, Mr. E. B. Lancaster, on Thursday, June 3, 1971, at 9:15 A.M. The following is a summary of the attendance at the meeting:

SUMMARY

Fellows	291
Associates	182
Guests	108
Total	<u>581</u>

The President introduced Mr. James S. Maine, President, Fraternal Actuarial Association and Vice-President and Actuary, Woodmen of the World Life Insurance Society, Omaha, Nebraska; Dr. Robert I. Mehr, Professor of Finance, University of Illinois; Mr. Robert L. Posnak, Manager, San Francisco Office, Ernst & Ernst; Mr. J. Theodore Arenberg, Partner, Arthur Andersen & Co., Chicago, Illinois; Mr. Alvin R. Colles, Chief Accounting Officer, Occidental Life Insurance Company, Los Angeles, California; and Mr. Donald A. Rholl, Office Manager, Milliman & Robertson, Inc., Milwaukee, Wisconsin.

The President extended a welcome to the new Fellows and Associates who were attending their first meeting of the Society after attaining their present ranks.

The President then introduced Mr. John C. Angle as moderator of the panel session on "The Actuary's Responsibility to His Various Publics." Panel members were Mr. Reuben I. Jacobson, Dr. Robert I. Mehr, and Mr. Gerald I. Wilson. Following the panel presentation, the President thanked the panelists.

The President introduced Mr. Stephen G. Kellison, who gave a brief summary of the paper, "Actuarial Functions as Expected Values," that he coauthored with Mr. John A. Fibiger.

The President also introduced Mr. Joe B. Pharr, the author of the paper "The Natural Reserve Concept and Life Insurance Earnings."

The President advised that the Society had received word of the deaths of nine members since the Annual Meeting in November, 1970: Robert N. Griswold, John T. Hoyt, Mrs. Estella C. King, John W. Lincoln, John B. St. John, Frank A. Shailer, and Robert N. Stabler, Fellows; and Harold M. Horne and Clair C. Kirkpatrick, Associates. The members observed a moment of silence in respect for the memory of these members. Obituaries are printed in this volume of the *Transactions*.

At 10:45 A.M. there was a brief recess, after which the meeting assembled in three concurrent sessions. Concurrent Session A, "Alternate Route," was moderated by Mr. William A. Spare; panel members were Messrs. James C. Hickman and Stephen G. Kellison. Concurrent Session B, "Elections by Mail," was moderated by Mr. John M. Bragg; panel member was Mr. Paul A. Campbell. Concurrent Session C, "Smaller Company Forum," was moderated by Mr. David R. Carpenter; panel members were Messrs. Thomas F. Eason, Royal A. Johnson, and Robert L. Pawelko. These sessions adjourned at approximately 12:15 P.M.

The meeting reconvened that afternoon at 1:45 P.M. in general session. This session was moderated by Mr. Herbert L. DePrenger, and the following five presentations were made: "Uses and Objectives of Financial Statements"—Robert L. Posnak; "Background of the Problem of Reporting Earnings"—Dale R. Gustafson; "Structure of the Accounting Profession"—J. Theodore Arenberg; "Overview of the Audit Guide"—Gary E. Corbett; and "Philosophy of Matching Costs and Revenues"—W. James D. Lewis. There was a discussion period following these presentations. The paper "The Natural Reserve Concept and Life Insurance Earnings," by Joe B. Pharr, was also discussed. This session adjourned at approximately 5:00 P.M.

On Friday, June 4, the meeting convened at 9:00 A.M. in fourteen workshops (ten pertained to nonmutual companies and four pertained to mutual companies). The topic of these workshops was "'Adjusted Earnings' for Individual Policies." The co-chairmen were Messrs. Joseph R. Pickering, Barton H. Clennon, Thomas F. Eason, Richard W. Kling, Joe B. Pharr, Donald A. Rholl, Daniel G. Stewart, Richard A. Swift, Gerald T. Walker, Jack E. Wood, Alvin R. Colles, John T. Glass, Richard L. Files, James W. Kemble, Roland A. Dieter, Gary E. Corbett, William P. Morrow, Dale R. Gustafson, Richard G. Horn, Paul J. Overberg, Joseph C. Noback, Carroll H. Brown, Russell R. Jensen, Robert C. Winters, Paul A. Knies, Robert D. MacLennan, John K. Booth, and Louis M. Weisz. These meetings adjourned at approximately 12:15 P.M.

The meeting reconvened that afternoon at 1:45 P.M. in general session. This session reviewed the activities of three groups which have replied to the AICPA exposure draft. The groups and their respective speakers were as follows: "ALC-LIAA Joint Committee on Financial Reporting Principles"—Daniel F. Case; "Joint Actuarial Committee on Financial Reporting"—Samuel H. Turner; and "American Academy of Actuaries Committee on the Role of the Actuary"—Charles B. H. Watson. Mr. Robert C. Winters, moderator of this session, outlined possible future developments. This session adjourned at approximately 2:45 P.M.

Following this general session, the meeting continued in one panel session and three workshops. The panel session "Deferred Tax Considerations" was moderated by Mr. H. Edward Harland; panel members were Messrs. Robert L. Lindsay and Alan Richards. The topic of the three workshops was "'Adjusted Earnings' for Other Lines of Business." Workshop I was moderated by Mr. Richard S. Robertson, assisted by Mr. John A. Schutz. Workshop II was moderated by Mr. Leroy V. Botkin, assisted by Mr. Norman E. Hill. Workshop III was moderated by Mr. Richard S. Leggett, assisted by Mr. Theodore S. Rosky. These meetings adjourned at approximately 4:45 P.M.

