

MINUTES OF THE REGIONAL MEETING

of the

SOCIETY OF ACTUARIES

HELD AT THE CHALFONTE-HADDON HALL

ATLANTIC CITY, NEW JERSEY

MAY 15-16, 1972

The meeting was called to order by the President, Mr. R. J. Myers, on Monday, May 15, 1972, at 9:00 A.M. The following is a summary of the attendance at the meeting:

SUMMARY

Fellows.....	296
Associates.....	139
Guests.....	19
Total.....	<hr/> 454

The President welcomed Mr. Eugene J. Rubel, of the United States Department of Health, Education, and Welfare; Mr. George D. Sutherland, C.L.U., Director of Consumer Affairs, Connecticut General Life Insurance Company; Mr. Derek Bourdon, F.I.A., of the Prudential Assurance Company, London, England; Mr. Randolph H. Waterfield, Jr., C.P.A., of Arthur Young and Company; and Mr. Christopher J. Cox, of North American Reassurance Company.

The President advised that the Society had received word of the deaths of six members since the annual meeting in Toronto, November, 1971: Robert F. Preston and LaRue S. Wagenseller, Fellows; and Saul S. Lipkind, Robert A. Richardson, Paul W. Steward, and Robert Edward White, 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*.

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 Secretary presented an oral summary of the major items of business transacted at the Board of Governors meeting held December 14, 1971, as follows:

1. The Board adopted revised By-Laws covering elections by mail made necessary by the constitutional amendments which were passed by

- the membership at the annual meeting of the Society on November 8, 1971.
2. The Board instructed the Committee on Elections to conduct future elections entirely by mail and to develop the rules and regulations which it proposes for the 1972 and subsequent elections so that the Board may consider them for adoption prior to June 1, 1972.
 3. The Board approved the recommendations of the Executive Committee with respect to the course of action to be followed concerning the nineteen detailed recommendations contained in the Report of the Committee on Professional Development. The recommendations will be referred to various committees who will be asked to study them, take any appropriate action, and report back to the Board at its meeting on May 16.
 4. The Board appointed the firm of Touche Ross and Company as auditors for the current fiscal year.

The President introduced the authors of papers being presented: Mr. Francisco Bayo, author of "Mortality of the Aged," which had been discussed at the meeting in New Orleans in March; Mr. Donald D. Cody, author of "Adjusted Earnings for Mutual Life Insurance Companies"; Mr. William A. Dreher, coauthor with Mr. Neil R. Cronquist of "A New Look at the Frequency of Pension Plan Actuarial Valuations"; Mr. Joe B. Pharr, author of "Schedule for Amortization of Acquisition Costs versus Amortization of Acquisition Costs by Use of Natural Reserve Factors"; and Mr. Irwin T. Vanderhoof, author of "The Interest Rate Assumption and the Maturity Structure of the Assets of a Life Insurance Company." The authors gave brief summaries of their papers.

The President then introduced Mr. Ernest J. Moorhead, who presented a lecture on the forthcoming sequel to the 1966-67 Future Outlook Study of the Institute of Life Insurance. Mr. John H. Miller, who was project director of the 1966-67 study, joined Mr. Moorhead on the platform. Following the presentation, the President thanked Mr. Moorhead and Mr. Miller.

The President thanked all of the meeting participants and those who had helped plan the meeting.

After a brief recess, the meeting reconvened at 11:00 A.M. in three concurrent sessions and four workshops. Concurrent Session A, "Health Insurance in Transition," was moderated by Mr. James H. Hunt; panel members were Messrs. Eugene J. Rubel and Bernard J. Villa. Concurrent Session B, "Fulfilling Stockholders' Objectives," was moderated by Mr. Robert C. Dowsett; panel members were Messrs. Daniel J. Gross, Will R. Mullens, and Samuel H. Turner. Concurrent Session C, "Life Insur-

ance Product Development," was moderated by Mr. Walter L. Grace; panel members were Messrs. Alvin B. Nelsen, Ian M. Rolland, and Walter S. Rugland. Workshop 1, "Substandard Life and Health," was moderated by Mr. W. Glenn McCormick, assisted by Mr. Christopher J. Cox. Workshop 2, "Adjusted Earnings," was moderated by Mr. Bennie W. Baucom, assisted by Mr. David H. Wood. Workshop 3, "State Taxation," was moderated by Mr. Peter W. Plumley, assisted by Mr. Albert H. Forsythe, Jr. Workshop 4, "Financial Outlook for Group Life and Health Insurance," was moderated by Mr. Robert D. Carpenter, assisted by Mr. Myron H. Margolin. These sessions adjourned at approximately 12:30 P.M.

The meeting reconvened that afternoon at 2:00 P.M. in two concurrent sessions and five workshops. Concurrent Session D, "A Critical Look at the Standard Nonforfeiture and Valuation Laws," was moderated by Mr. Robert L. Pawelko; panel members were Mr. Daniel F. Case, Miss Martina E. Doyle, and Mr. Ardian C. Gill. Concurrent Session E, "Participation in Society Activities," was moderated by Mr. Dale R. Gustafson, with representatives of various Society committees explaining the functions of the committees and answering questions from the audience. Workshop 5, "Individual Health Insurance," was moderated by Mr. James J. Olsen, assisted by Mr. Sherwood G. House. Workshop 6, "Variable Annuities," was moderated by Mr. Lewis P. Roth, assisted by Mr. Donald S. Grubbs, Jr. Workshop 7, "Trends in Marketing Group Life and Health Insurance," was moderated by Mr. Arthur W. Ericson, assisted by Mr. Dean L. Oleson. Workshop 8A, "Federal Income Taxation (United States)," was moderated by Mr. Abraham Hazelcorn, assisted by Mr. William J. Kiernan. Workshop 9, "Canadian Taxation," was moderated by Mr. William J. Fox, assisted by Mr. W. Paul McCrossan. These sessions adjourned at approximately 4:30 P.M.

On Tuesday, May 16, the meeting convened at 9:00 A.M. in three concurrent sessions and four workshops. Concurrent Session F, "Current Developments in Group Life and Health Insurance," was moderated by Mr. Richard A. Burrows; panel members were Messrs. George L. Berry, George Y. Cherlin, and Harold Gilbert. Concurrent Session G, "Actuarial Principles and Practices for Pension Plans (Committee to Study Pension Plan Problems)," was moderated by Mr. John K. Dyer, Jr.; panel members were Messrs. Raymond W. Bender, Samuel Eckler, and Paul H. Jackson. Concurrent Session H, "Underwriting the Catastrophe Accident Hazard," was moderated by Mr. Julius Vogel; panel members were Messrs. John M. Boermeester and David G. Halmstad. Workshop 10A, "Marketing," was moderated by Mr. Paul A. Campbell, assisted by Mr. Wilfred L. Thornthwaite. Workshop 11, "Adjusted Earnings (Health

Insurance)," was moderated by Mr. Joe B. Pharr, assisted by Mr. George E. Moore, Jr. Workshop 12, "Variable Life Insurance," was moderated by Mr. Ian M. Charlton, assisted by Mr. John K. Booth. Workshop 13, "Expense Control," was moderated by Mr. A. Donald Clerihue, assisted by Miss Mary Ellen Yardley. These sessions adjourned at approximately 10:45 A.M.

After a brief recess, the meeting reconvened at 11:00 A.M. in four concurrent sessions and three workshops. Concurrent Session F was continued from the 9:00 A.M. session. Concurrent Session I, "Consumerism," was moderated by Mrs. Anna M. Rappaport; panel members were Messrs. William A. White, John H. Harding, and George D. Sutherland. Concurrent Session J, "Investment of Assets—the Other Half of the Balance Sheet," was moderated by Mr. Irwin T. Vanderhoof; panel members were Messrs. Derek Bourdon, James C. Hickman, and Robert L. Lindsay. Concurrent Session K, "Adjusted Earnings," was moderated by Mr. Norman Brodie; panel members were Messrs. Frederick S. Townsend, Jr., Phillip A. Turberg, and Randolph H. Waterfield, Jr. Workshop 14A, "Individual Life Product Design," was moderated by Mr. Wilfred A. Kraegel, assisted by Mr. Donald R. Sondergeld. Workshop 15, "Individual Life Mortality and Underwriting," was moderated by Mr. William E. Wilson, assisted by Mr. LaVerne W. Cain. Workshop 16, "Pensions (Taft-Hartley Situations)," was moderated by Mr. Robert C. Ochsner, assisted by Mr. Ross J. Wilson. These sessions adjourned at approximately 12:30 P.M.

The meeting reconvened at 2:00 P.M. in one concurrent session and seven workshops. Concurrent Session K was continued from the 11:00 A.M. session. Workshop 8B, "Federal Income Taxation (United States)," was moderated by Mr. Richard A. Park, assisted by Mr. Gilbert W. Hart. Workshop 10B, "Marketing," was moderated by Mr. Kenneth T. Clark, assisted by Mr. Richard J. Willemin. Workshop 14B, "Individual Life Product Design," was moderated by Mr. Robert D. Shapiro, assisted by Mr. Richard W. Ziock. Workshop 17, "Pensions (Non-Taft-Hartley Situations)," was moderated by Mr. Manuel F. Castells, assisted by Mr. Eugene Schloss. Workshop 18A, "The Actuary as a Professional," was moderated by Mr. Steve P. Cooperstein, assisted by Mr. Franklyn J. McGrath. Workshop 18B, "The Actuary as a Professional," was moderated by Mr. Robert C. Benedict, assisted by Mr. Robert A. Bacon. Workshop 18C, "The Actuary as a Professional," was moderated by Mr. Leonard E. Tandul, assisted by Mr. Robert H. Dreyer. Concurrent Session K adjourned at 3:30 P.M. The other sessions adjourned at approximately 4:30 P.M.