

MINUTES OF THE MEETING

May 18, 19 and 20, 1964

WENTWORTH-BY-THE-SEA, PORTSMOUTH, NEW HAMPSHIRE

Prior to the formal convening of the meeting on Monday, May 18, a meeting of the Council was held on May 17 and there was an informal buffet supper that evening for early arrivals.

The official attendance record shows the following attendance of 74 Fellows, 30 Associates and 17 Guests including 9 subscribers to the Invitational Program.

FELLOWS

Allen, E. S.	Hazam, W. J.	Niles, C. L., Jr.
Bailey, R. A.	Hewitt, C. C., Jr.	Otteson, P. M.
Barber, H. T.	Hobbs, E. J.	Phillips, H. J.
Barker, G. M.	Hope, F. J.	Pollack, R.
Bennett, N. J.	Hunt, F. J., Jr.	Richards, H. R.
Berkeley, E. T.	Hurley, R. L.	Roberts, L. H.
Berquist, J. R.	Johe, R. L.	Rodermund, M.
Bevan, J. R.	Klaassen, E. J.	Salzmann, R. E.
Bornhuetter, R. L.	Linder, J.	Schloss, H. W.
Boyajian, J. H.	Lino, R.	Simon, L. J.
Boyle, J. I.	Longley-Cook, L. H.	Simoneau, P. W.
Brannigan, J. F.	MacGinnitie, W. J.	Skelding, A. Z.
Crowley, J. H.	Mackeen, H. B.	Smick, J. J.
Curry, H. E.	Makgill, S. S.	Smith, E. M.
Dickerson, O. D.	Masterson, N. E.	Tapley, D. A.
Dropkin, L. B.	Matthews, A. N.	Tarbell, L. L., Jr.
Elliott, G. B.	Maycrink, E. C.	Trist, J. A. W.
Fairbanks, A. V.	McClure, R. D.	Trudeau, D. E.
Fitzgibbon, W. J., Jr.	McNamara, D. J.	Uhthoff, D. R.
Fowler, T. W.	Miller, N. F.	Valerius, N. M.
Gillam, W. S.	Mills, R. J.	Walsh, A. J.
Goddard, R. P.	Morison, G. D.	Wieder, J. W., Jr.
Graham, C. M.	Muettertities, J. H.	Wilcken, C. L.
Graves, C. H.	Murrin, T. E.	Wolfrum, R. J.
Harwayne, F.	Nelson, S. T.	

ASSOCIATES

Aldrich, W. C.	Gill, J. F.	McDonald, M. G.
Amlie, W. P.	Gillespie, J. E.	McIntosh, K. L.
Craig, R. A.	Hammer, S. M.	McLean, G. E.
Curry, A. C.	Jensen, J. P.	Muniz, R. M.
DeMelio, J. J.	Jones, N. F.	Peel, J. P.
Durkin, J. H.	Lange, J. T.	Riccardo, J. F.

ASSOCIATES—Continued

Richardson, H. F.	Singer, P. E.	Switzer, V. J.
Roth, R. J.	Stern, P. K.	Webb, B. L.
Scammon, L. W.	Stevens, W. A.	Young, R. G.
Shaver, C. O.	Strug, E. J.	Zory, P. B.

GUESTS

*Benson, C. R.	Hartman, G. R.	McSherry, H.
*Bertram, A. P.	Haught, D. D.	*Nagel, J. R.
*Connolly, C. T.	Hayden, R. C.	*Peterzon, R.
*Donovan, H. S.	*Kedrow, W. M.	*Reiner, J. G.
Fertig, I. J.	Markell, A. S.	Sabbagh, M. J.
*Foody, W. M.	Marshall, R. E.	

*Participants in the Invitational Program.

Although not participating in the full session, the following guests were also present:

Guest Speaker: Shelby Cullom Davis, Managing Partner
Shelby Cullom Davis & Company

Panelists: Robert C. Capasso, Deputy Registrar
Massachusetts Motor Vehicle Bureau
(Mr. Capasso had kindly consented, at extremely short notice, to substitute for Mr. William Colvin, Director of Research, Illinois Secretary of State, who was unable to attend.)

Dr. Charles F. Haner
Grinnell Mutual Reinsurance Company

Dr. Edward M. McAlister, Industrial Psychologist
Rohrer, Hibler and Replogle

Dr. Basil Y. Scott
Director of Motor Vehicle Safety Research
Department of Motor Vehicles
State of New York

The session was convened at 10:10 A.M. on Monday, May 18, 1964 by President Thomas E. Murrin who then turned the meeting over to Vice President Harold E. Curry.

The first item was a panel discussion on the "Availability and Scope of Motor Vehicle Department Registry and Driver Performance Data":

Moderator: Harold E. Curry

Panelists: Robert C. Capasso
William S. Gillam
Dr. Basil Y. Scott

Following the presentations by the panelists, there was an exchange of questions and answers between the members of the panel and from the floor.

This session adjourned at 12:00 noon and reconvened at 2:00 P.M. with Vice President William J. Hazam presiding. The entire session was devoted to a panel presentation relating to "Accreditation of Actuaries" and the current status of the contemplated organization of an American Academy of Actuaries:

Moderator: Laurence H. Longley-Cook

Panelists: Frank Harwayne
Joseph Linder
Daniel J. McNamara

The Chairman and each of the panelists then spoke on various aspects of the problem of accreditation and the anticipated organization of the Academy. Chairman Longley-Cook then summarized the unanimous action taken by the Council at the May 17, 1964 meeting:

1. Adoption of a resolution:

- (a) Endorsing the recommendations of the Joint Committee and the CAS Committee on Professional Status that an American Academy of Actuaries be organized.
- (b) Agreeing that at the 1964 Spring Meeting the Fellows of the CAS present at that meeting would be asked to vote for or against the organization of the Academy and if the vote at the meeting was "yes," the CAS would go on record as being in favor of such organization and would agree to share in the expenses of such organization.

Note:

This resolution, summarized above, is reproduced in full as "Exhibit A" in the minutes of the Council Meeting held on May 17, 1964.

2. Nomination of officers and members of Board of Directors and Committee on Admissions:

Chairman Longley-Cook then informed the gathering that, at the

meeting of May 17, the Council had unanimously voted the following nominations for the American Academy of Actuaries:

<i>President</i>	Henry F. Rood
<i>Vice Presidents (4)</i>	John H. Miller
	Laurence H. Longley-Cook
	H. Raymond Strong
	Frank J. Gadiant
<i>Secretary</i>	John C. Archibald
<i>Treasurer</i>	George M. Bryce
<i>Admissions Committee</i>	Harold W. Schloss
<i>Board of Directors</i>	Thomas E. Murrin
	Daniel J. McNamara
	Frank Harwayne
	Norton E. Masterson
	William Leslie, Jr.

There followed numerous questions from the membership which were answered by the panel members. It was then announced that, at the Tuesday morning session, the Fellows of the Society would be asked to go on record as approving the action taken by the Council at the May 17 meeting and at that time there would be full opportunity for further discussion by all members present.

There followed a panel discussion on "Fire Insurance Statistics and Ratemaking":

Moderator: David E. A. Carson

Panelists: Norman J. Bennett
Joseph J. DeMelio
Luther L. Tarbell, Jr.

After questions from the floor, answered by the panel members, the May 18 session adjourned at 4:30 P.M.

On the evening of May 18 an enjoyable New England Clambake was held.

The meeting reconvened at 9:50 A.M. on May 19 with President Murrin presiding. In accordance with the announcement made at the Monday panel on Accreditation of Actuaries, the first order of business was the

following resolution (identified as Exhibit B) which was moved by the Secretary-Treasurer:

EXHIBIT B

“WHEREAS, the governing boards of the four actuarial bodies in the United States,

CASUALTY ACTUARIAL SOCIETY
CONFERENCE OF ACTUARIES IN PUBLIC PRACTICE
FRATERNAL ACTUARIAL ASSOCIATION
SOCIETY OF ACTUARIES

in order to establish some means whereby actuaries may be accredited, in 1963, appointed a committee consisting of one member from each of the four bodies, known as the Joint Committee on Organization of the Actuarial Profession, and

“WHEREAS, the said Joint Committee, assisted by a larger appointed Subcommittee, after due deliberation, has concluded and recommended that the said accreditation may best be accomplished by the organization under federal charter of an incorporated actuarial body to be known as the American Academy of Actuaries with the expectation that membership in the Academy will be recognized as a satisfactory standard of accreditation for an actuary, and

“WHEREAS, the said Joint Committee and Subcommittee have submitted to the Council drafts of a Federal Charter and Bylaws for the Academy, which Charter and Bylaws have been reviewed and approved by representatives of the governing boards of each of the four actuarial organizations, and

“WHEREAS, the Society’s Committee on Professional Status concurs with the recommendation of the said Joint Committee, and

“WHEREAS, at its meeting of May 17, 1964, the Council of the Casualty Actuarial Society unanimously adopted the following resolution:

That the Council of the Casualty Actuarial Society, having reviewed a draft of the Federal Charter and Bylaws of the proposed American Academy of Actuaries, including the requirements for admission to membership as set forth in Article 1, Section 2, of the said proposed Bylaws, hereby endorses the recommendation of the Joint Committee and of the Committee on Professional Status that an American Academy of Actuaries so constituted be organized and agrees as follows:

1. At the 1964 spring meeting of the Casualty Actuarial Society, the Fellows of the Society present at the meeting will be asked to vote for or against the organization of the American Academy of Actu-

aries. If the vote at the meeting is in favor of the proposition, the Casualty Actuarial Society will go record as being in favor of the organization of the American Academy of Actuaries.

2. If the Casualty Actuarial Society goes on record as being in favor of the organization of the said Academy, the Society will agree to share with the other three actuarial bodies in the expenses incurred in such organization.

“NOW, THEREFORE, BE IT RESOLVED, that the Fellows of the Society go on record as approving the action of the Council.”

This resolution was regularly seconded. There then followed a discussion of the motion including questions from the floor. The presiding officer then called for the vote by a show of hands, for or against. It was announced that the resolution carried unanimously.

The gathering then extended a vote of thanks to Laurence H. Longley-Cook for the great amount of time he had expended on behalf of the CAS in connection with the organization of the Academy; and to Joseph Linder, Past Vice President of the CAS who had announced his contemplated retirement at an early date, for his many years of devoted service to the activities, welfare, and advancement of the Society.

The session then heard an extremely interesting address by Shelby Cullom Davis, Managing Partner of Shelby Cullom Davis & Company, relating to an analysis of the fire and casualty insurance business. Mr. Davis indicated that a good title for his more or less extemporaneous remarks, might be “There Is No Such Thing As A Free Lunch.” This relates to the point, touched upon in Mr. Davis’ remarks, as to what might well be the consequences of “below cost” insurance which fire-casualty companies have been giving the public in recent years.

The gathering then welcomed, as a new Associate, Mr. Bernard L. Webb, who had completed the requirements for enrollment as an Associate by passing the November 1963 General Mathematics examination.

The Spring Meeting was then recessed to reconvene on Wednesday morning, May 20, the remainder of the afternoon being available for Committee meetings and recreation for those not otherwise occupied. In the evening of May 19 there was an informal social hour followed by a banquet.

The May 20 session convened at 9:15 A.M. with Vice President Harold E. Curry presiding.

The President first called to the attention of the membership the need

for increased activity with respect to the preparation of new papers for presentation at our meetings.

The previously presented paper "An Approximation for the Testing of Private Passenger Liability Territorial Rate Levels Using Statewide Distribution of Classification Data" by James F. Gill was then reviewed separately by Philipp K. Stern, David A. Tapley, and Peter B. Zory. (In Mr. Tapley's absence his review was read by Alan C. Curry.)

James H. Durkin then presented a summary of his paper "A Glance at Group Dental Coverage" which had previously been distributed to those who had registered for the Spring Meeting.

Matthew Rodermund, Chairman of the Committee on Distribution of Losses, reported:

"In May 1963 the Committee was given a large volume of automobile excess loss data by the National Association of Independent Insurers, through the cooperation of Vestal Lemmon, General Manager, and Jim Gill, Actuary. Although the data was useful to the Committee, it was a little too thin for the Committee's purposes.

"Accordingly, the Committee has asked for and been granted the use of private passenger excess loss data of the National Bureau of Casualty Underwriters and the Mutual Insurance Rating Bureau. The Committee is grateful to Bill Leslie and Dick Lino of the National Bureau and Joe Muir and Phil Stern of the Mutual Bureau for their cooperation."

Charles C. Hewitt, Jr. reported that the Committee on Annual Statement had rendered a report to the Council which had not as yet had time to review the report.

There followed a panel discussion on "Psychological Testing of Automobile Drivers":

Moderator: Norton E. Masterson

Panelists: Dr. Charles F. Haner
Dr. Edward M. McAlister

After conclusion of the panel presentation and a question and answer period the Spring Meeting was adjourned at 12:15 P. M.

In addition to the formal program for the Spring Meeting there were several activities that had been arranged for the entertainment of the ladies attending the meeting.

This concludes the Minutes of the Spring Meeting of the Casualty Actuarial Society.