

MINUTES OF THE 1985 SPRING MEETING

May 8–11, 1985

BOCA RATON HOTEL AND CLUB, BOCA RATON, FLORIDA

*Wednesday, May 8, 1985*

The Board of Directors held their regular quarterly meeting from 1:00 p.m. to 4:00 p.m.

Registration was held from 4:00 p.m. to 6:00 p.m.

The Officers held a reception for the new Fellows and their spouses from 5:30 p.m. to 6:30 p.m.

A general reception for all members and guests was held from 6:30 p.m. to 7:30 p.m.

*Thursday, May 9, 1985*

Registration continued from 7:15 a.m. to 8:00 a.m.

President C. K. Khury opening the meeting at 8:00 a.m. The first order of business was the admission of members.

Mr. Khury recognized the sixty-eight new Associates and presented diplomas to the nineteen new Fellows, who were introduced by Mr. Wayne Fisher, Vice President—Membership. The names of these individuals follow.

FELLOWS

Francois Bertrand	John R. Forney, Jr.	Allan R. Neis
Raja R. Bhagavatula	Loyd L. Fueston, Jr.	Donald W. Palmer
William P. Biegaj	Alan J. Hapke	Lois A. Ross
Terry J. Biscoglia	Heidi E. Hutter	James Surrago
Jeffrey R. Carlson	Michael J. McSally	Diane M. Symnoski
Stephan L. Christiansen	Robert E. Meyer	David L. White
Warren S. Ehrlich		

## ASSOCIATES

Mark S. Allaben	Gregory L. Hayward	Daniel A. Reppert
Leonard A. Bellafiore	Wayne D. Holdredge	Richard D. Robinson
David M. Bellusci	Jeanne M. Hollister	Jeffrey C. Salton
Joseph A. Boor	Ruth A. Howald	Joseph F. Sarosi
Brian Y. Brown	Charles D. Kline, Jr.	Jeffrey R. Scheuing
George R. Busche	Frederick L. Klinker	Timothy L. Schilling
William M. Carpenter	Robert H. Lee	David C. Scholl
Andrew R. Cartmell	Martin A. Lewis	Roger A. Schultz
Daniel B. Clark	Barry C. Lipton	Arlyn G. Shapiro
Frederick F. Cripe	Mark W. Littmann	John Slusarski
Kathleen F. Curran	Rebecca B. Lyons	Michael B. Smith
Janice Z. Cutler	Brian P. Maguire	Edward C. Somers
Todd H. Dashoff	Eugene McGovern	Kathleen W. Terrill
Thomas J. DeFalco	David L. Menning	Joseph P. Theisen
Robert V. DeLiberato	William J. Miller	Nancy R. Treitel
Jacques Dufresne	Warren D. Montgomery	Jean Vaillancourt
Bruce G. Earwaker	Robert V. Mucci	Gerald R. Visintine
Kenneth Easlon	Robert G. Muller	Joseph L. Volponi
Kirk G. Fleming	Thomas G. Myers	Stacy J. Weinman
Robert W. Gardner	James W. Noyce	Robert G. Whitlock, Jr.
Daniel F. Gogol	Arthur C. Placek	Robert L. Willsey
Kevin M. Greaney	Jeffrey H. Post	Susan K. Woerner
Christy H. Gunn	Richard A. Quintano	

Mr. Khury then introduced Mr. Thomas Murrin, a past President of the Society, who addressed the new members concerning their professional responsibilities.

Mr. Khury announced the first winner of the Harold W. Schloss Scholarship: Steven Book at the University of Iowa.

Mr. Charles A. Bryan described the recent activities of the Committee on Review of Papers, and summarized the five new *Proceedings* papers.

Oakley E. Van Slyke presented a discussion of Lee Steeneck's paper, "Reinsuring the Captive/Specialty Company." Richard E. Sherman, author of "Extrapolating, Smoothing, and Interpolating Development Factors," responded to a discussion of that paper by Stephen Lowe and David Mohrman.

Mr. Michael Walters summarized the activities of the Discussion Paper Program Committee, which had led to the current set of Discussion Papers related to "Analysis of Results, Forecasting and Corporate Planning," and introduced the Discussion Paper topic for 1986, "Reinsurance."

Mr. Khury concluded the business session at 9:00 a.m. and introduced Dr. Michael J. Kami, President, Corporate Planning, Inc. who delivered a very stimulating Keynote Address. Dr. Kami stressed that change is the single greatest force with which managers must deal, and highlighted that point with a discussion of the progress, in the most recent four years, of those corporations singled out for their excellence in 1981.

A panel presentation, "Managing the Insurance Industry into the 1990's," followed. The panel was moderated by Dr. Edwin S. Overman, President of the Insurance Institute of America. The panel members were Mr. John E. Fisher, Chairman, Nationwide Insurance Company; and Mr. Peter B. Walker, Director, McKinsey and Company, Inc.

A buffet luncheon followed from noon to 1:30 p.m.

The afternoon was devoted to presentations of the sixteen Discussion Papers, five new *Proceedings* papers, and a workshop presentation by the Membership Committees.

The Discussion Papers were presented in eight sessions, listed below.

Session 1. *Moderator:* James E. Biller  
Chubb Group

"Corporate Planning: An Approach for an Emerging Company"

*Authors:* Irene K. Bass and Larry D. Carr  
Crum & Forster Personal Insurance

"Budget Variances in Insurance Company Operations"

*Author:* George M. Levine  
National Council on Compensation Insurance

Session 2. *Moderator:* Eric F. Gottheim  
GEICO

"Branch Office Profit Measurement for Property-Liability Insurers"

*Author:* Robert P. Butsic  
Fireman's Fund Insurance Company

“Measuring Division Operating Profit”

*Author:* David Skurnick  
Argonaut Insurance Company

Session 3. *Moderator:* Stephen W. Philbrick  
Tillinghast, Nelson & Warren, Inc.

“A Formal Approach to Catastrophe Risk Assessment and Management”

*Author:* Karen M. Clark  
Commercial Union Insurance Companies

“An Econometric Model of Private Passenger Liability Underwriting Results”

*Authors:* Richard M. Jaeger and Christopher J. Wachter  
Insurance Services Office

Session 4. *Moderator:* Bruce C. Anderson  
General Reinsurance

“Measuring the Impact of Unreported Premiums on a Reinsurer’s Financial Results”

*Author:* Douglas J. Collins  
Tillinghast, Nelson & Warren, Inc.

“Projecting Calendar Period IBNR and Known Loss Using Reserve Study Results”

*Authors:* Edward W. Weissner and Arthur Beaudoin  
Prudential Reinsurance Company

Session 5. *Moderator:* Richard I. Fein  
Insurance Technical & Actuarial Consulting Corp.

“Pricing, Planning and Monitoring of Results: an Integrated View”

*Author:* Stephen P. Lowe  
Tillinghast, Nelson & Warren, Inc.

“Application of Principles, Philosophies and Procedures of Corporate Planning to Insurance Companies”

*Author:* Mary Lou O’Neil  
Department of Insurance-New Jersey

Session 6. *Moderator:* Frank Harwayne  
National Council on  
Compensation Insurance

“The Cash Flow of a Retrospective Rating Plan”

*Author:* Glenn G. Meyers  
The University of Iowa

“Bank Accounts as a Tool for Retrospective Analysis of Experience on Long-Tail Coverages”

*Authors:* Claudia S. Forde and W. James MacGinnitie, Jr.  
Tillinghast, Nelson & Warren, Inc.

Session 7. *Moderator:* Sanford R. Squires  
Commercial Union Insurance Companies

“Actuarial Aspects of Financial Reporting”

*Author:* Lee M. Smith  
Ernst & Whinney

“Contingency Margins in Rate Calculations”

*Author:* Steven G. Lehmann  
State Farm Mutual Automobile Insurance  
Company

Session 8. *Moderator:* Leroy A. Boison, Jr.  
Insurance Services Office

“Interaction of Total Return Pricing and Asset Management in a Property/Casualty Company”

*Author:* Owen M. Gleeson  
General Reinsurance Corporation

“Projections of Surplus for Underwriting Strategy”

*Author:* William R. Gillam  
North American Reinsurance Corporation

The five new *Proceedings* Papers are listed below.

“An Estimate of Statistical Variation in Development Factors Methods”

*Author:* Roger M. Hayne  
Milliman & Robertson, Inc.

“A Simulation of the Efficiency of Loss Reserve Estimation Techniques”

*Author:* James N. Stanard  
F & G Reinsurance, Inc.

“On Stein Estimators: Inadmissibility of Admissibility as a Criterion for Selecting Estimators”

*Author:* James E. Buck, Jr.  
Prudential Insurance Company

“Loss Portfolios: Financial Reinsurance”

*Author:* Lee R. Steeneck  
General Reinsurance Corporation

“A Practical Guide to the Single Parameter Pareto Distribution”\*

*Author:* Stephen W. Philbrick  
Tillinghast, Nelson & Warren, Inc.

The CAS Membership Committees Workshop was presented in an effort to give Society members a better understanding of the structure and responsibilities of these committees. The Chair of each Committee described the committee's functions, reporting hierarchy and goals. The participants were:

Wayne H. Fisher	<i>Vice President—Membership</i>
Linda L. Bell	<i>Chairman—Education Policy Committee</i>
Allan Kaufman	<i>Chairman—Examination Committee</i>
David L. Miller	<i>Chairman—Syllabus Committee</i>

The President's Reception was held from 6:30 p.m. to 7:30 p.m.

*Friday, May 10, 1985*

Friday was devoted to a continuation of the Thursday afternoon sessions.

A reception was held from 6:30 p.m. to 7:30 p.m.

*Saturday, May 11, 1985*

A panel entitled “Actuarial Malpractice: How Can It Be Avoided?” was held from 8:30 a.m. to 10:15 a.m. The panelists were:

*Moderator:* Philip N. Ben Zvi  
Senior Vice President  
Continental Insurance Cos.

*Panelists:* William Hager  
Principal  
Hager & Associates

M. Stanley Hughey  
Consulting Actuary  
Tillinghast, Nelson & Warren, Inc.

A film from Peat, Marwick, Mitchell & Co. concerning accountants' negligence was shown, followed by a presentation by Mr. Hager on current case law, and a presentation by Mr. Hughey on professional standards.

At 10:45 a.m., Mr. Khury reconvened the business session. The Michellbacher Prize was jointly awarded to Robert Butsic and David Skurnick.

At 11:00 a.m., Mr. F. Lee Bailey addressed the membership concerning his career as a lawyer, with particular emphasis upon negligence suits in which he has been involved. This discussion included the Union Carbide plant in Bhopal, Johns-Manville asbestos litigation, and the DC-10 crash at O'Hare Airport.

Mr. Khury adjourned the meeting at 12:15 p.m.

In attendance by registration records were 261 Fellows; 146 Associates; and 32 guests and subscribers. The list follows.

#### FELLOWS

Addie, B. J.	Berens, R. M.	Brooks, D. L.
Adler, M.	Bertrand, F.	Brown, N. M., Jr.
Aldoriso, R. P.	Bhagavatula, R. R.	Brown, W. W., Jr.
Alfuth, T. J.	Biegaj, W. P.	Brubaker, R. E.
Arata, D. A.	Bill, R. A.	Bryan, C. A.
Asch, N. E.	Biller, J. E.	Buck, J. E., Jr.
Bartlett, W. N.	Biscaglia, T. J.	Burger, G.
Bashline, D. T.	Bland, W. H.	Byrne, H. T.
Bass, I. K.	Blivess, M. P.	Carlson, J. R.
Bassman, B. C.	Bocchitto, B. L.	Chanzit, L. G.
Baum, E. J.	Boison, L. A., Jr.	Cheng, L. W.
Beer, A. J.	Bornhuetter, R. L.	Chernick, D. R.
Belden, S. A.	Bothwell, P. T.	Childs, D. M.
Bell, L. L.	Bouska, A. S.	Christiansen, S. L.
Ben-Zvi, P. N.	Bowen, D. S.	Clinton, R. K.

## FELLOWS

Cohen, H. L.	Furst, P. A.	Jameson, S.
Collins, D. J.	Fusco, M.	John, R. T.
Conger, R. F.	Gallagher, T. L.	Johnson, L. D.
Connell, E. C.	Garand, C. P.	Johnson, M. A.
Conners, J. B.	Ghezzi, T. L.	Johnston, T. S.
Covney, M. D.	Gillespie, J. E.	Jones, B. R.
Crowe, P. J.	Gleson, O. M.	Kaliski, A. E.
Cundy, R. M.	Gluck, S. M.	Kaufman, A. M.
Curry, A. C.	Goddard, D. C.	Kelly, A. E.
Curry, H. E.	Goldberg, S. F.	Khury, C. K.
Daino, R. A.	Goldfarb, I. H.	Kilbourne, F. W.
Dawson, J.	Gottlieb, L. R.	Kist, F. O.
Dean, C. G.	Govett, K. P.	Kooken, M. W.
Demers, D.	Gottheim, E. F.	Kozik, T. J.
Dempster, H. V.	Grady, D. J.	Krause, G. A.
Doepke, M. A.	Graham, T. L.	Kuehn, R. T.
Dolan, M. C.	Grippa, A. J.	Lamb, R. M.
Donaldson, J. P.	Hachemeister, C. A.	LaRose, J. G.
Drennan, J. P.	Haffling, D. N.	Lehmann, S. G.
Easton, R. D.	Hall, J. A., III	Levin, J. W.
Eddy, J. H.	Haner, W. J.	Linden, O. M.
Ehlert, D. W.	Hapke, A. J.	Lindquist, P. L.
Ehrlich, W. S.	Hardy, H. R.	Lombardo, J. S.
Engles, D.	Hartman, D. G.	Lommele, J. A.
Eyers, R. G.	Harwayne, F.	Lonergan, K. F.
Faber, J. A.	Haseltine, D. S.	Lotkowski, E. P.
Fagan, J. L.	Hayne, R. M.	Loucks, W. D., Jr.
Fein, R. I.	Henry, D. A.	Lowe, S. P.
Fiebrink, M. E.	Henzler, P. J.	MacGinnitie, W. J.
Finger, R. J.	Herder, J. M.	Mahler, H. C.
Fisher, R. S.	Hillhouse, J. A.	Makgill, S. S.
Fisher, W. H.	Hoffman, D. E.	Marks, S. D.
Flynn, D. P.	Honebein, C. W.	Mathewson, S. B.
Foote, J. M.	Hoylman, D. J.	McAllister, K. C.
Forney, J. R., Jr.	Hughey, M. S.	McCarter, M. G.
Foster, R. B.	Hutter, H. E.	McClenahan, C. L.
Fresch, G. T.	Ingco, A. M.	McClure, R. D.
Fueston, L. L., Jr.	Jaeger, R. M.	McConnell, C. W.

## FELLOWS

McGuinness, J. S.	Perkins, W. J.	Standard, J. N.
McManus, M. F.	Petersen, B. A.	Steeneck, L. R.
McMurray, M. A.	Petlick, S.	Steer, G. D.
McSally, M. J.	Philbrick, S. W.	Stewart, C. W.
Meyer, R. E.	Phillips, H. J.	Strug, E. J.
Meyers, G. G.	Pierson, F. D.	Surrage, J.
Miccolis, R. S.	Pinto, E.	Symnoski, D. M.
Miller, D. L.	Pratt, J. J.	Szkoda, S. T.
Miller, M. J.	Prevosto, V. R.	Taranto, J. V.
Miller, P. D.	Purple, J. M.	Tatge, R. L.
Miner, N. B.	Reichle, K. A.	Thompson, K. B.
Moody, R. A.	Riddlesworth, W. A.	Tierney, J. P.
Moore, B. D.	Robertson, J. P.	Tiller, M. W.
Morell, R. K.	Rodermund, M.	Toothman, M. L.
Munro, R. E.	Rogers, D. J.	Van Slyke, O. E.
Munt, D. S.	Rosenberg, S.	Venter, G. G.
Murad, J. A.	Ross, L. A.	Wacek, M. G.
Murda, P. J., Jr.	Rowland, W. J.	Walker, R. D.
Murrin, T. E.	Ryan, K. M.	Walters, M. A.
Neale, C. L.	Scheibl, J. A.	Wasserman, D. L.
Neis, A. R.	Schumi, J. R.	Weiland, W. T.
Nichols, R. S.	Schwartzman, J. A.	Weimer, W. F.
Nickerson, G. V.	Sheppard, A. R.	Weissner, E. W.
Nikstad, J. R.	Sherman, O. L., Jr.	Weller, A. O.
Niswander, R. E., Jr.	Sherman, R. E.	Westerholm, D. C.
Oakden, D. J.	Shoop, E. C.	Whatley, P. L.
Oien, R. G.	Shrum, R. G.	Whiting, D. R.
O'Neil, M. L.	Simon, L. J.	Whitman, M.
Pagnozzi, R. D.	Skurnick, D.	Wilson, J. C.
Palczynski, R. W.	Smith, L. M.	Winkleman, J. J.
Palmer, D. W.	Snader, R. H.	Wiser, R. F.
Parker, C. M.	Sobel, M. J.	Woll, R. G.
Pastor, G. H.	Splitt, D. L.	Yonkunas, J. P.
Pearl, M. B.	Squires, S. R.	Zicarelli, J. D.

## ASSOCIATES

Allaben, M. S.	Fleming, K. G.	McDonald, G. P.
Anderson, B. C.	Forde, C. S.	McGovern, E.
Andler, J. A.	Friedman, H. H.	Mendelssohn, G.
Bellafiore, L. A.	Gaillard, M. B.	Menning, D. L.
Bellusci, D. M.	Gardner, R. W.	Miller, W. J.
Boor, J. A.	Gillam, W. R.	Montgomery, W. D.
Brown, B. Y.	Godbold, N. T.	Moody, A. W.
Bursley, K. H.	Gogol, D. F.	Morgan, W. S.
Campbell, K. A.	Gould, D. E.	Morrow, J. B.
Carpenter, W. M.	Grace, G. S.	Mucci, R. V.
Cartmell, A. R.	Granoff, G.	Mulder, E. T.
Chiang, J. D.	Greaney, K. M.	Muller, R. G.
Chorpita, F. M.	Greco, R. E.	Myers, T. G.
Clark, D. B.	Gunn, C. H.	Nelson, J. K.
Connor, V. P.	Hale, J. B.	Neuhauser, F., Jr.
Covitz, B.	Haskell, G. E.	Nolan, J. D.
Cripe, F. F.	Hayward, G. L.	Ogden, D. F.
Curran, K. F.	Head, T. F.	Pei, K.-J.
Currie, R. A.	Hofmann, R. A.	Penniman, K. T.
Cutler, J. Z.	Hollister, J. M.	Petit, C. I.
Dashoff, T. H.	Howald, R. A.	Pilon, A.
Davis, R. C.	Hurley, P. M.	Placek, A. C.
DeConti, M. A.	Huyck, B. J.	Port, R. D.
DeFalco, T. J.	Kline, C. D., Jr.	Post, J. H.
Degarmo, L. W.	Koupf, G. I.	Potok, C. M.
DeLiberato, R. V.	Krakowski, I.	Potter, J. A.
Deutsch, R. V.	LaFrenaye, C.	Pulis, R. S.
Dufresne, J.	Lee, R. H.	Quintano, R. A.
Duperreaut, B.	Levine, G. M.	Ratnaswamy, R.
Dye, M. L.	Lewis, M. A.	Reppert, D. A.
Earwaker, B. G.	Licht, P. M.	Rice, W. V.
Easton, K.	Lipton, B. C.	Robbins, K. B.
Edie, G. M.	Lis, R. S., Jr.	Robinson, R. D.
Ellefson, T. J.	Littmann, M. W.	Roth, R. J.
Elliott, P. L.	Loper, D. J.	Ryan, J. F.
Eramo, R. P.	Lyons, D. K.	Salton, J. C.
Esposito, D. L.	Maguire, B. P.	Sandler, R. M.
Flanagan, T. A.	McConnell, D. M.	Sansevero, M., Jr.

## ASSOCIATES

Sarosi, J. F.	Smith, M. B.	Walker, L. M.
Scheuing, J. R.	Smith, R. A.	Webster, P. J.
Schilling, T. L.	Somers, E. C.	Weinman, S. J.
Scholl, D. C.	Terrill, K. W.	Whatley, M. W.
Schultz, R. A.	Theisen, J. P.	Whitlock, R. G., Jr.
Shapiro, A. G.	Treitel, N. R.	Willsey, R. L.
Silver, M. S.	Varca, J. J.	Wilson, W. F.
Singer, P. E.	Visintine, G. R.	Winter, A. E.
Skolnik, R. S.	Visner, S. M.	Woerner, S. K.
Skrodenis, D. P.	Vogel, J. F.	Young, R. G.
Slusarski, J.	Volponi, J. L.	

## GUESTS—STUDENTS—SUBSCRIBERS

Adams, M. H.	Clause, R.	Kuizenga, D.
Altschuler, M.	Dibella, J.	Leroux, D.
Benson, D. W.	Englander, J.	O'Farrell, R.
Brock, R.	Eversmann, T.	Spangler, J.
Buhl, L.	Guarini, L.	Stenmark, J.
Bühlmann, H.	Gutman, E.	Stephenson, M.
Butsic, R.	Hager, G. A.	Sterling, J. A.
Callahan, R. J.	Jacobus, J.	Thomas, A.
Carr, L.	Jensen, P.	Wade, J. E.
Chang, C. E.	Jordan, E.	Wootton, G.
Clark, K.	Kedrow, W. M.	