

## MINUTES OF THE 1973 SPRING MEETING

May 20—23, 1973

NEVELE COUNTRY CLUB, ELLENVILLE, NEW YORK

### *Sunday, May 20*

The Board of Directors held its regularly scheduled meeting at the Nevele Country Club from 2:00—6:00 p.m.

Advance registration was held from 5:00—6:00 p.m. for early arrivals.

A reception was held 6:30—7:30 p.m.

### *Monday, May 21*

The registration period began at 8:30 a.m. The 1973 Spring meeting was formally convened at 9:00 a.m. with opening remarks by President Hewitt who then introduced Superintendent of Insurance Benjamin R. Schenck of the State of New York. Superintendent Schenck welcomed the Society to New York and spoke on the purposes of insurance to provide for contingencies, as a means of financing public purposes and as a contributor to loss prevention or loss reduction.

The following reviews of papers were presented:

Reviewer	Paper	Author
John A. W. Trist Associate Actuary Insurance Company of North America (pre- sented by James A. Hall)	“How Adequate are Loss and Loss Ex- pense Liabilities?”	Ruth E. Salzmann Vice President & Actuary Sentry Insurance Group
Waldo A. Stevens Senior Vice President Blue Cross Association (presented by Robert B. Foster)	“Joint Underwriting as a Reinsurance Problem”	Emil J. Strug Assistant Vice President Massachusetts Blue Cross, Inc. Massachusetts Blue Shield, Inc.
Robert L. Hurley Associate Actuary Insurance Services Office	“An Actuarial Note on Experience Rating Nuclear Property Insurance”	Richard D. McClure Assistant Actuary Kemper Insurance Group

Following a coffee break, there was a panel discussion entitled "GAAM—A CAS Position for the Future". Participants in this part of the program were as follows:

*Moderator:* Harold W. Schloss, Senior Vice President  
Royal-Globe Insurance Companies

*Panel:* Stanley C. DuRose, Jr., Commissioner of Insurance  
State of Wisconsin

John S. McGuinness, President  
John S. McGuinness Associates

Robert H. McMillen, Vice President & Actuary  
The Travelers Insurance Companies

Paul M. Otteson, Vice President and Actuary  
Federated Mutual Insurance Company

C. L. Breslin, Partner  
Peat, Marwick, Mitchell & Co.

The panel discussion was concluded at 12:00 noon.

The afternoon program convened at 1:30 p.m. with a panel discussion "Redefinitions Under No-Fault". Participating on the panel were:

*Moderator:* Paul J. Scheel, Vice President & Senior Actuary  
United States Fidelity & Guaranty Company

*Panel:* Rex C. Davis, Assistant Vice President  
Allstate Insurance Company

Robert A. Bailey, Director, Insurance Bureau  
State of Michigan

Walker Richardson, Assistant Vice President  
Liberty Mutual Insurance Company

Robert D. Bergen, Associate Actuary  
Insurance Services Office

The panel discussion was concluded at 2:45 p.m.

After a fifteen minute coffee break the meeting convened at 3:00 p.m. with two concurrent sessions:

- A. Continuation of the Non-Fault subject on an informal basis.
- B. Panel Discussion: "The Actuary and Marketing Research".

The participants in the panel discussion on marketing research were:

- Moderator:* Robert Pollack, President  
Colonial Penn Insurance Company
- Panel:* Morris Gottlieb, Vice President  
Market Facts, New York
- John Gragnola, Director of Market Research  
Allstate Insurance Company
- Wayne Sorenson, Director of Research  
State Farm Mutual Automobile Insurance Company
- A. E. Billings, Jr., Director, Office of Consumer  
Information  
The Travelers Insurance Companies

At 4:00 p.m. after a short break there were two more concurrent sessions as follows:

- A. Panel Discussion: "Ratemaking and Reserve Problems in Professional Liability".
- Moderator:* William J. Hazam, Vice President and Actuary  
American Mutual Liability Insurance Company
- Panel:* Robert A. Anker, Assistant Actuary  
Employers Insurance of Wausau
- Robert G. Oien, Staff Actuary  
St. Paul Fire and Marine Insurance Company
- David G. Hartman, Associate Actuary  
Chubb & Son, Inc.
- B. Continuation of the market research discussion on an informal basis.

These sessions were concluded at 5:00 p.m.

The President's reception for new Fellows and their wives was held from 6:00—7:00 p.m.

*Tuesday, May 22*

President Hewitt convened the business session at 9:00 a.m.

President Hewitt presented diplomas to the following new Fellows and Associates:

FELLOWS

Robert G. Eyers	Dennis E. Hoffmann	James P. Ross
E. Frederick Fossa	Costandy K. Khury	

ASSOCIATES

Roger W. Bovard	Robert A. Daino	Raymond S. Lis, Jr.
-----------------	-----------------	---------------------

By vote, the membership ratified the election of Ronald L. Bornhuetter to the Board of Directors to fill the vacancy created by the election of George D. Morison as General Chairman of the Education and Examination Committee.

It was announced that the Nominating Committee for the November 1973 election consists of Daniel J. McNamara, Chairman, William J. Hazam, Richard L. Johe, Harold W. Schloss, and LeRoy J. Simon and that a preferential ballot would be distributed to Fellows in July.

By invitation, Gary L. Countryman, Research Associate, Liberty Mutual Insurance Company, presented his review of Raymond W. Beckman and Robert N. Tremelling II's paper, "The Relationship Between Net Premiums Written and Policyholders' Surplus". Reviews of the same paper were presented by David J. Grady, Assistant Actuary, The Travelers Insurance Company and Roger C. Wade, Chief Actuary, Utica Mutual Insurance Company.

Lester B. Dropkin, General Manager, California Inspection Rating Bureau, presented a review of John P. Welch's paper "No-Split Experience Rating Plans".

David G. Halmsted, Metropolitan Life Insurance Company, presented by invitation a review of LeRoy J. Simon's paper "Actuarial Applications in Catastrophe Reinsurance".

Following a coffee break the meeting reconvened at 10:15 a.m. at which time President Hewitt introduced the featured speaker Mr. J. Albert Burgoyne, President, Metropolitan Property and Liability Insurance Company. Mr. Burgoyne spoke about the challenge the insurance industry faces to meet the new demands of the consumer.

At 11:00 a.m. the Committee on Experience Requirement presented the pros and cons of an experience requirement. Ronald L. Bornhuetter, Chairman of the committee, provided background information. LeRoy J. Simon presented arguments in favor of an experience requirement. John H. Muetterties substituting for James MacGinnitie described arguments against an experience requirement. Differing opinions were advanced by several members of the Society after the presentations had been made.

At 11:30 a.m. there was a one hour presentation by the Committee on Government Statistics, Phillip N. Ben-Zvi, Chairman, on the subject "Outside Statistics and Their Impact Upon Insurance". Presentations were made by Harold E. Curry, Darrell W. Ehlert, J. Robert Hunter, Jr. and Michael A. Walters.

After lunch, which was served at 12:30 p.m., various Committee meetings were held starting at 1:30 p.m.

A reception was held at 6:00 p.m. for members, wives (or husbands) and guests followed by a banquet at 7:00 p.m.

### *Wednesday, May 23*

The meeting convened at 9:00 a.m. The following papers were presented:

"Expense Analysis in Ratemaking & Pricing" by Roger C. Wade, Chief Actuary, Utica Mutual Insurance Company.

"A Survey of Loss Reserving Methods" by David Skurnick, Assistant Actuary, Insurance Company of North America.

"Underwriting Individual Drivers: A Sequential Approach" by Professor John Cozzolino and Leonard R. Freifelder, both of the University of Pennsylvania. This paper was submitted by invitation and was presented by Leonard R. Freifelder.

The following reviews of papers were presented:

John C. Woody, Senior Vice President, North American Reassur-

ance Company, Charles R. Rinehart, Assistant Actuary, Fireman's Fund American Insurance Companies, and Costandy Khury, Associate Director, Prudential Property and Casualty Insurance Company presented reviews of LeRoy J. Simon's paper "Actuarial Applications in Catastrophe Reinsurance".

A reply to the reviews was made by the author, LeRoy J. Simon, Vice President, Prudential Property and Casualty Insurance Company.

Earl F. Petz, Actuary, Kemper Insurance Group reviewed the paper "Allocated Loss Expense Reserves" by Allie V. Resony, Associate Actuary, The Hartford Insurance Group.

The author's reply was presented by George C. Munterich.

Reviews of "The Actuary and IBNR", jointly authored by Ronald L. Bornhuetter, Vice President and Actuary, General Reinsurance Corporation and Ronald E. Ferguson, Assistant Vice President, General Reinsurance Corporation, prepared by Warren Cooper, Vice President & Actuary, Chubb & Son, Inc. and Hugh G. White, Assistant Actuary, The Travelers Indemnity Company of Canada, were presented by David G. Hartman and David J. Grady respectively.

The business session ended at 10:30 a.m. and was followed by a fifteen minute coffee break.

At 10:45 a.m. there was a panel discussion "Group Marketing—Rate-making and Problems". Participating in this panel discussion were:

*Moderator:* LeRoy J. Simon, Vice President  
Prudential Property and Casualty Insurance Company

*Panel:* John W. Carleton, Senior Vice President  
Liberty Mutual Insurance Company

Robert G. Young  
Robert G. Young and Associates

John H. Rowell, Vice President  
Marsh & McLennan, Inc.

Richard E. Munro, Actuary  
California Casualty Group

The panel discussion was concluded at 12:15 p.m.

President Hewitt then adjourned the meeting.

It is noted that the registration cards completed by the attendees and filed at the registration desk indicated attendance by 104 Fellows, 47 Associates, 27 invited guests and in addition, 57 wives.

#### FELLOWS

Aldrich, W. C.	Ferguson, R. E.	McGuinness, J. S.
Alexander, L. A.	Fossa, E. F.	Menzel, H. W.
Anker, R. A.	Foster, R. B.	Mohnblatt, A. S.
Bailey, R. A.	Fowler, T. W.	Morison, G. D.
Balcarek, R. J.	Gibson, J. A.	Muetterties, J. H.
Beckman, R. W.	Gillam, W. S.	Munro, R. E.
Ben-Zvi, P. N.	Gillespie, J. E.	Munterich, G. C.
Bergen, R. D.	Grady, D. J.	Nelson, D. A.
Bevan, J. R.	Graves, C. H.	Newman, S. H.
Bickerstaff, D. R.	Hachemeister, C. A.	Niles, C. L., Jr.
Bill, R. A.	Hartman, D. G.	Oien, R. G.
Bondy, M.	Hartman, G. R.	Otteson, P. M.
Bornhuetter, R. L.	Harwayne, F.	Petz, E. F.
Boyajian, J. H.	Hazam, W. J.	Phillips, H. J.
Boyle, J. I.	Heer, E. L.	Pinney, A. D.
Brannigan, J. F.	Hewitt, C. C., Jr.	Pollack, R.
Brian, R. A.	Hoffmann, D. E.	Portermain, N. W.
Carleton, J. W.	Honebein, C. W.	Richards, H. R.
Comey, D. R.	Hughey, M. S.	Richardson, J. F.
Cook, C. F.	Hunter, J. R., Jr.	Rinehart, C. R.
Crowley, J. H.	Hurley, R. L.	Roberts, L. H.
Curry, A. C.	Jacobs, T. S.	Rodermund, M.
Curry, H. E.	Kallop, R. H.	Rosenberg, N.
Dahme, O. E.	Khury, C. K.	Ross, J. P.
DeMelio, J. J.	Leslie, W., Jr.	Rowell, J. H.
Dropkin, L. B.	Levin, J. W.	Ruchlis, E.
Ehlert, D. W.	Linden, J. R.	Salzmann, R. E.
Eide, K. A.	Linder, J.	Scheel, P. J.
Eliason, E. B.	Lino, R.	Scheibl, J. A.
Eyers, R. G.	Liscord, P. S.	Schloss, H. W.
Farnam, W. E.	McLean, G. E.	Simon, L. J.

## FELLOWS

Skelding, A. Z.  
Skurnick, D.  
Snader, R. H.  
Stewart, C. W.

Tarbell, L. L., Jr.  
Walters, M. A.  
Ward, M. R.  
Wilcken, C. L.

Wilson, J. C.  
Wittick, H. E.  
Zory, P. B.

## ASSOCIATES

Balko, K. H.  
Bovard, R. W.  
Chorpita, F. M.  
Cohen, H. S.  
Conner, J. B.  
Daino, R. A.  
Davis, R. C.  
Drennan, J. P.  
Durkin, J. H.  
DuRose, S. C.  
Golz, J. F.  
Gould, D. E.  
Hall, J. A.  
Hardy, H. R.  
Haseltine, D. S.  
Head, T. F.

Jensen, J. P.  
Kolodziej, T. M.  
Krause, G. A.  
Lindquist, R. J.  
Lis, R. S., Jr.  
McClenahan, C. L.  
Miller, M. J.  
Miller, P. D.  
Moore, P. S.  
Napierski, J. T.  
Nelson, J. K.  
Ori, K. R.  
Powell, D. S.  
Plunkett, J. A.  
Rice, W. V.  
Richardson, H. F.

Schultz, J. J.  
Sheppard, A. R.  
Singer, P. E.  
Stephenson, E. A.  
Thompson, E. G.  
Torgrimsen, D. A.  
Trees, J. S.  
Tverberg, G. E.  
Wade, R. C.  
Woll, R. G.  
Wilson, O. T.  
Winkleman, J. J., Jr.  
Wood, J. O.  
Woody, J. C.  
Young, R. G.

## GUESTS

\* Anderson, E. V.  
\* Bell, A. M.  
Billings, A. E., Jr.  
Breslin, C. L.  
Burgoyne, J. A.  
\* Butcher, R. W.  
Countryman, G. L.  
\* Dunn, R. P.  
\* Eddins, J. M.

\* Farmer, R. J.  
Freifelder, L.  
Gottlieb, M.  
Gragnola, J. B.  
Guaschi, F.  
Halmstad, D. G.  
\* Hatfield, B. D.  
\* Hoyt, F. A.  
Jones, T. L.

\* Kaminoff, H.  
\* Kedrow, W. M.  
Knox, F.  
McMillen, R. H.  
Richardson, W.  
Schenck, B. R.  
\* Stevens, V. I.  
Sorenson, W. W.  
\* Yoder, R.

\*Invitational Program

Respectfully submitted,  
Robert B. Foster  
*Secretary-Treasurer*