

## CORRESPONDENCE.

## THE ACTUARIAL SOCIETY OF AMERICA.

*To the Editor of the Journal of the Institute of Actuaries.*

SIR,—No doubt all of your readers are aware of the fact that there is now in successful existence an association of American and Canadian actuaries, known as the Actuarial Society of America. The details regarding the formation and growth of a new and vigorous organization, with kindred aims and using the same language, can hardly fail to be interesting to the members of the old Institute. It has, therefore, occurred to me that a few words on these points, from one who enjoys the privilege of belonging to both societies, may not be out of place.

Early in 1889 several American actuaries, after informal consultations, decided that the time was opportune for the formation of a society on this side of the Atlantic, which would occupy a place somewhat similar to that of the Institute in Great Britain. The result was that in March of that year, a circular was addressed by Mr. David Parks Fackler, consulting actuary, of New York, to the actuaries of all the leading companies in the United States and Canada, suggesting the formation of such an institution. This circular met with a most favourable reception, and was followed by one calling a meeting at the Astor House, New York, for 25 April, for the completion of details. The result was that on the date named the organization was effected, a constitution drawn up, and the Actuarial Society of America fairly launched with a membership of 38—34 from the United States and 4 from Canada. Most of these charter members were present in person, and much enthusiasm was manifested. The importance of the step which was being taken was fully realized, and the greatest care exercised that the foundations of the new Society should be well and solidly laid, so as to allow of the building of a structure which would not only be permanent and useful, but would add honour and dignity to the profession, as the Institute has done in the old land. The original idea of the promoters had been to call the Society the "American Actuarial Association" (A.A.A.), but in deference to the Canadian members, and in order to emphasize the International idea, it was baptized the "Actuarial Society of America", the noun "America" not being limited to the United States, as the adjective generally is. In view of past experience in the "Chamber of Life Insurance", the membership was clearly defined to be a personal one, and not one of representatives of companies. Precautions were carefully taken to prevent the admission of undesirable or unqualified members, the constitution providing that two adverse votes from members of the council (11 in all) shall disqualify any applicant, and that even if recommended by the council, a three-fourths vote of the members present shall be necessary for election. There is a strong desire to

keep out all company rivalries and business controversies. An indication of this is seen in a clause of the constitution, which declares that no resolution expressive of opinion can be entertained at any meeting of the Society. The keenness of the competition between some of the offices renders these safeguards very necessary. The actuaries as a class are, however, freer from business jealousies than the presidents or managers, and one happy result which has already followed the establishment of the Society is, that persons who previously knew each other only by name are now intimately acquainted and, in many cases, warm friends. The effect which this will have in toning down business rivalries can easily be imagined.

The distance which many members have to come renders monthly meetings impossible. The Society assembles, therefore, but twice a year. The annual meeting is held in April, and the fall meeting usually in October, and each session lasts, at present, two days. The April meeting is always held in New York, but the other may be elsewhere. That for October 1890 was held in the Senate Chamber of the Capitol in Hartford, Connecticut, by the invitation of the Hartford members and the Governor of the State. The fall meeting this year will be held on 30 September and 1 October in Toronto, at the invitation of the Canadian members.

The programme followed on these occasions is admirable. The Society gathers at, perhaps, two o'clock on the first day, and after routine business the real work is proceeded with. The papers read at the previous meeting are first taken up. As a rule, no discussion has as yet taken place on these, the plan being to postpone criticisms until next meeting. The members have now had these papers before them in print for six months, and are ready to discuss them intelligently. This system may have its disadvantages, but the benefits far outweigh them. Off-hand criticisms are almost of necessity superficial, and any plan by which they can be replaced by deliberate and carefully-thought-out remarks is certainly a move in the right direction. Natural evolution is, moreover, carrying this idea still further, for in the circulars announcing the approaching meeting at Toronto, the council request that as far as possible the criticisms be written out, and copies sent to the secretary for printing 10 days before the meeting is held. When the discussions close, the members adjourn for dinner, and, after the good things have been disposed of, the evening is spent in social intercourse. At the last April meeting the time passed very pleasantly, while those present narrated personal reminiscences in answer to the question, "How I became an Actuary." Next morning at, say, 9.30 business is resumed. The discussions of the previous day are continued. The reading of original papers is then begun. These have been previously submitted to the council, and are already in print. If any are unusually long, the whole or part may be taken as read. The end is generally reached some time in the afternoon, and the members then adjourn, after completing any routine business which may remain.

The constitution provides that the president and vice-presidents shall not be eligible for the same offices for more than two years in succession. Notice has, moreover, been given of an amendment (since carried), that ex-presidents as such be hereafter members of

council in addition to the ordinary number. The desire is to have a steady influx of new blood into the management of the Society. Mr. Sheppard Homans has occupied the chair for two years, with great credit to himself and much satisfaction to the members. He has been succeeded by Mr. D. Parks Fackler, to whom the credit of founding the Society is chiefly due.

The membership has increased steadily, until it now embraces nearly every actuary of prominence in North America, besides some from abroad. The exact figures are: 56 from the United States, 7 from Canada, 2 from New Zealand, and 1 from Australia—in all 66. The indications are that future progress in numbers will be slower, as none but actuaries of improved standing will be admitted to full membership, and most of these on the continent have already joined. There is, as yet, but one class of members, that corresponding to fellows, the fee for all being \$10.00 per annum. The council are, however, taking into consideration the question of establishing another class, more like associates, as by this means the influence and numbers of the Society would be considerably increased.

The papers which have been read are, as a class, briefer than those to which the Institute is accustomed, but this by no means implies that they are lacking in importance or depth. The following list speaks for itself:

- “History of Dividend Systems in America”—by D. Parks Fackler, New York.
- “Are our Mortality Tables reliable”—by William Hendry, Waterloo, Canada.
- “Accumulation Formulæ”—by Edward B. Smith, Virginia (since deceased).
- “The Value of New Blood in Life Insurance”—by Bloomfield J. Miller, Newark, New Jersey.
- “Continued Life and Growth dependent upon Right Principles”—by Robert P. Field, Philadelphia.
- “The Proper Treatment of a Life Insurance Company, in which the Reserve has become Impaired”—by Sheppard Homans, New York.
- “Adverse Selection by Withdrawal”—by H. W. St. John, Hartford, Connecticut.
- “The Just Apportionment of the Expenses of Mutual Life Insurance Companies”—by W. E. Starr, Worcester, Massachusetts.
- “The Actuarial Elements involved in Fire Insurance”—by Walter S. Nichols, New York.
- “Policy-Values: One of their Relations”—by Joseph H. Sprague, Hartford, Connecticut.
- “Analysis and Disposition of Gains over Assumed Liabilities”—by Asa S. Wing, Philadelphia.
- “Formulæ for ascertaining Contributions to Surplus”—by Emory McClintock, New York.
- “Concerning Extra Premiums”—by D. Parks Fackler, New York.
- “Some Thoughts regarding Margins for Expenses and Contingencies, and Surrender Charges”—by Sheppard Homans, New York.

- “On the Provision for and Assessment of Life Insurance Expenses, &c.”—by Walter C. Wright, Boston.
- “Observations on Impaired Lives”—by J. M. Craig, New York.
- “Insurance Values as Bases for Surrender Charges”—by Sheppard Homans, New York.
- “Insurance Values and Distribution of Surplus”—by William Hendry, Waterloo, Canada.
- “Some Thoughts on the Principles involved in Graduation”—by Walter S. Nichols, New York.
- “Tate’s Arithmometer”—by Max H. Peiler, Hartford, Connecticut.
- “A Standard for measuring the Effects of Selection among Insured Lives”—by W. D. Whiting, New York.
- “A Method of Measuring the Maximum Amount which an Insurance Company may properly assume on a Single Risk”—by Clayton C. Hall, Baltimore.
- “Weight and Longevity”—by T. B. Macaulay, Montreal, Canada.
- “Double Endowments”—by I. C. Pierson, New York.

The papers read during the first two years, and the discussions thereon, have been bound into a handy volume of about 200 pages, the first of a series. Volume ii will be for the third year, and will probably be larger than its predecessor. The wonderful stimulus which the Society has already given to all actuarial studies on this side of the Atlantic is bearing good fruit, in the quality and number of papers submitted, and it is hoped and believed that the transactions of the Actuarial Society of America will hereafter rank as one of the standard publications, which no progressive actuary can afford to have absent from his library.

Yours truly,

T. B. MACAULAY.

*Montreal, Canada,*  
22 September 1891.

P.S.—Since the above was written, the meeting at Toronto, Canada, has been held. It was eminently successful, members attending from all the insurance centres of both the United States and Canada, and in many cases bringing their wives and daughters. Several important papers were read, the principal one being an elaborate comparison between American and Australian mortality, by Mr. Richard Teece, of Sydney, New South Wales. The discussions on the papers read at the preceding meeting were lengthy and unusually interesting. Most of the more important criticisms were in writing, and carefully prepared.

The publications of the Society can be obtained from the Secretary, Mr. Israel C. Pierson, 21 Cortlandt Street, New York.