

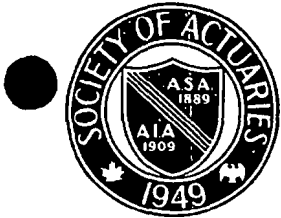


SOCIETY OF ACTUARIES

Article from:

The Actuary

May 1972 – Volume 6, No. 5



The Actuary

The Newsletter of the Society of Actuaries

VOLUME 6, No. 5

MAY, 1972

"GROW OLD ALONG WITH ME"

by J. Darrison Sillesky

The 1971 White House Conference on Aging required only four days to draft, polish, print, and distribute to the 3,500 participating delegates a 176-page report on the concerns and the needs of the aged. This was the culmination of a distillation process that began about a year earlier when roughly 250,000 local representatives deliberated in thousands of community conferences to provide grass roots recommendations.

The Conference was called by President Nixon. Its purposes were: (1) to develop a national policy on older Americans, (2) to involve older people in helping solve their own problems, and (3) to involve national organizations in the problems of the aging. The first of these purposes was further defined: (a) to develop specific objectives feasible at the present time, (b) to develop short-range action plans, and (c) to establish long-range goals.

There were 14 topical sessions. Nine dealt with needs identified as Education, Employment and Retirement, Physical and Mental Health, Housing, Income, Nutrition, Retirement Roles and Activities, Spiritual Well-Being, and Transportation. The remaining five sections discussed ways of meeting these needs in terms of Facilities, Programs and Services, Government and Non-Government Organizations, Planning, Research and Demonstration, and Training.

Background papers on each of the major topics were commissioned from experts in the various fields. These extensive studies were summarized into workbooks organized around the principal "issues" that had surfaced in the community conferences and from other sources. Thus, the work of the delegates

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COMMITTEES

Editor's Note: This is the second report on the operations of the Society's Committees. Mr. Fibiger is Chairman of the Education and Examination Committee.

Education and Examination Committee

by John A. Fibiger

Most readers of *The Actuary* have already come in contact with the Education and Examination (E&E) Committee, which is responsible for administering the examinations of the Society of Actuaries and selecting and preparing the related study material. The educational and examination work for a particular examination Part is handled by a Part Committee, working under the direction of the Part Chairman. There are 11 such committees (the work for Parts 1 and 2 is done by one committee).

The Part Committees operate under the direction of seven General Officers who have overall responsibility for the E&E Committee's work. Also among the nearly 200 people on the Committee are individuals whose responsibility is limited to preparation of multiple choice examination questions, and Consultants who, as individuals of recognized competence on a particular topic, review drafts of educational and examination material and suggest revisions of the Course of Reading.

The work for an examination for a given year begins more than one year before the examination with a review of existing educational material by the Part Chairman, the Consultants to the Part, and the Part Committee members. From this review comes a recommendation as to changes in the Course of Reading, which is submitted for review to the

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SOME IMPLICATIONS OF TRENDS IN EDP

by John Kirkman

In December 1971 the Committee on Computers and Data Processing of the Actuaries Club of New York sponsored a panel presentation on the current trends in Electronic Data Processing (EDP). This was followed by a workshop in February 1972. Following are some of the problems discussed at these meetings and some solutions that computer users have developed.

The Changing Personnel Mix

The first problem is personnel. With turnover and retirements, simple insurance and pension administration knowledge within current clerical staffs is disappearing. It is not sensible, however, to make computer programs the sole repository for this working knowledge. In fact, higher competence within remaining clerical staffs is needed to deal with computer input and output and to handle "exception cases" varianced by the EDP system. It is difficult to hire and train clerical talent of this calibre.

Some companies are solving problems in actuarial applications of the system by having actuarial students write and maintain the required programs. For applications involving the daily administration of individual policy records, however, only a smattering of suggestions was offered. These included the use of taped instructions to aid in training for routine clerical operations; systems of personnel rotation; one-shot monetary bonuses for success on LOMA examinations; development of expensive but highly desirable clerical procedure manuals to be used by personnel servicing an EDP system; and following the "Project Team Approach" to systems development where representatives of the cleri-

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Committees

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Education Chairman of the E&E Committee and the particular Vice-Chairman for Education who is assigned to work with the Part involved.

Out of this process come decisions as to any changes in the references for the Part published in the "Requirements for Admission" booklet, and any changes to be made in the Study Notes for the examination. New Study Note material may be prepared by one of the members of a Part Committee, or by someone not on the Committee who has particular expertise in the topic covered by the Study Note. Drafts of Study Notes are also reviewed thoroughly by the General Officers assigned to educational matters.

For all essay examinations, the Part Chairman calls on his Committee Members to submit possible questions for the examination about eight months before the examination is given. After these are received, a draft examination and alternative questions are circulated for review to the Part Committee members and Consultants. After receiving comments, the Part Chairman prepares a revised draft of the proposed examination. This draft and possible alternative questions are submitted to the General Officers for review. The final text of the examination is then set at a meeting of the Part Chairmen with the General Officers and the Society's Executive Director. A similar procedure is followed for multiple choice questions on Parts 4-8, except that these questions are generally prepared by specially assigned item writers rather than by Part Committee members who have responsibilities for both suggesting and grading of essay questions.

On Parts 1-3, Part Committee members are involved only in examination preparation and the review of educational material, because there are no essay papers to grade. The Part 1 and 2 examinations are developed in connection with the Educational Testing Service, to utilize the experience of ETS in drafting test questions and to keep the examinations related to material currently included in college and university courses.

Once the text of the examination is determined, a final copy is prepared by the Part Chairman, and then reviewed for correctness by the Examination

Actuarial Science or Puzzling Pool

unearthed by E. R. Vogt

"Oh Actuary,
Quite contrary,
How does your Pool really grow?"

"From cradle to bier
With a loss each year
In an ever increasing flow."

"Oh Actuary,
Extr'ordinary,
Who covers these losses each year?"

"The insurance Pool
According to Rule
Must lose to stay in the clear."

"Oh Actuary,
Final query,
Why doesn't the Pool run dry?"

"To get a plus
Subtract each loss
And the Pool will grow by-and-by."

Chairman, the Examination Vice-Chairman, and the Society's Executive Director before it is printed.

After the examinations are given, the candidates' papers are sent to the appropriate Part Chairman. Multiple choice answer sheets are forwarded to the Educational Testing Service for machine scoring, while essay answers are distributed for the first reading, which is done "at home." Each committee member receives candidates' papers for only one essay question.

The final grading of essay papers is done at a central grading session which all Part Committee members attend. Prior to this session, scores on the first reading are sent to the Part Chairman who combines them with the multiple choice scores and determines a tentative pass mark. On the basis of this tentative mark, it is determined which candidates have clearly passed or failed, regardless of any change in score which might result from an additional reading. A list of candidates whose papers are to be read a second time is prepared and candidates' papers are exchanged so that each committee member grades a different question in the second reading.

After this reading, the Part Chairman determines an adjusted tentative pass mark, and papers of candidates whose scores are close to this pass mark are carefully examined. Any discrepancies in scores on the first two readings are resolved, either by consultation between

the Part Chairman and the two graders involved, or by a third reading of the papers by a third reader for each question. The paper may also be read in its entirety by the Part Chairman.

After grading is completed, the Part Chairman sends to the General Officers a recommendation as to the pass mark, together with data supporting his recommendation. The final pass mark is then determined by consultation among the General Officers, and the information about results is prepared and mailed by the Office of the Society.

On the basis of the grading outline used in marking the candidates' papers, Illustrative Solutions are prepared for use by future candidates for the Part. The final step in the examination year is the analysis of the performance of candidates on each question for use in developing future examinations.

Committees Need Help

With nearly 10% of the Fellows of the Society active in one form or another of Education and Examination Committee work, there exists a continuing requirement for staffing the Part Committees and finding individuals willing to write multiple choice items or educational material. Service on the Education and Examination Committee is considered to be an honor. The normal term for members of a Part Committee is considered to be at least three years, although many Committee members serve longer and it is not uncommon to find members of the General Officers with 10-15 years of service on the E&E Committee. Any Fellow interested in serving in the educational work of the Society, either on a Part Committee or as an author of study material, should contact the General Chairman of the E&E Committee or the Executive Director of the Society to determine if there is an unfilled need in the area of his or her particular specialty.

The Society of Actuaries is perhaps unique among professional organizations, both in the maintenance of its own educational and examination system and in the relatively high percentage of fully qualified professionals who are serving in this effort. Great credit and thanks are due to the many members of the E&E Committee who labor so effectively and diligently in the maintenance and improvement of this system. □