

ACTUARIAL SOCIETY OF AMERICA.

An occasion which deserves to be memorable is the first meeting on Canadian soil of the Actuarial Society of America, which embraces in its membership actuaries of both the United States and Canada. The gathering was the third since the organization of this important society, which now numbers over sixty members, and more than half the membership was present. We have already described the purposes and scope of this organization, and need not now dwell at length upon its sitting, especially as we purpose to give the address of the president, Mr. Fackler, in full. But we shall not let the opportunity pass of saying how gladly the profession in Canada welcomes such able and earnest men as were present at the actuarial meeting in the Board of Trade building on Wednesday. It was the privilege of the Toronto members of the society to entertain the visiting members by a banquet in the Queen's hotel, when Mr. W. McCabe, of the North American Company, occupied the chair, and the vice-chairs were filled by Messrs. W. Hendry, of the Ontario Life, T. B. Macaulay, of the Sun Life, and W. C. Macdonald, of the Confederation Life. And we misinterpret the feelings of our American friends very much if they were not heartily pleased with their visit to Canada.

OPENING ADDRESS BY THE PRESIDENT.

Gentlemen.—We may congratulate ourselves on the good attendance at this meeting. The warm invitation of our Canadian members has brought us together here, several hundred miles west of what might be styled the centre of actuarial population, but though some of our more southern members have been kept away by the distance, and others by having to attend the Convention of State Insurance Commissioners, which meets on this day in St. Louis, we have, nevertheless, a good number present here, in the middle of our third year. The able and judicious administration of my predecessor, assisted by wise advisers in the Council and seconded by the cordial co-operation of all our members, carried us through the critical period of corporate birth and infancy, during which, according to all experience, mortality is highest.

Last spring we entered on our third year with the largest meeting we have had yet, and since then much business has been transacted by the Council, the members of which deserve our gratitude for their faithful attention to the affairs of the Society at much cost of personal inconvenience—and at this time the condition of the Society, as shown by the attendance here, and also by the number and character of the papers to be read, may well afford us satisfaction.

Before our organization there had been several attempts to form an Actuarial Society on this continent. The first effort, some twenty years ago, resulted in only one meeting; after that there were two or more attempts that did not even go as far as that, for most of us saw that circumstances were not favorable to the formation of such a society as we wished. The trouble was there were too many persons with the title of actuary, and some of them in prominent positions who had few or no professional qualifications as such. A society could not well be formed without them, but giving them full membership and possibly office in such a society, would be tantamount to dispensing with all requirements in the way of qualification.

Gradually, however, the increasing complexity of actuarial calculations compelled the companies to give the rank and title of actuary only to those who were properly qualified, and when this proper condition of affairs was attained the natural instinct of co-operation caused us to come together into this society as an essential factor of our professional life.

Now that we are on a firm footing let us hope that our society may not only continue a

source of pleasure and advantage to ourselves, but may also become a means of benefiting and elevating the whole business of life insurance. Though we are not here as representatives of companies, we may reasonably hope to afford a basis for bringing about that degree of comity between companies which has so often been unsuccessfully sought by means of representative gatherings of their officers. Though we do not formally represent our companies, we are, nevertheless, something of a bond of union between some forty companies, insuring four millions of persons under policies of all sizes, and with assets rapidly approaching one thousand millions of dollars. Surely we have a field large enough to inspire a lofty ambition and a large benevolence!

In England and in Europe the scientific character of actuarial work has long been recognized; Government annuities and the valuation of complicated and large life interests in vast entailed estates, gave a wide scope for service outside of the life companies, and led the public to appreciate the professional standing of actuaries. In this country, however, until quite lately, there has been but little employment for the profession outside of the companies, and thus the character of their work has not been understood and has often been supposed to be perfunctory routine.

Twenty or twenty-five years ago this was indeed true of the actuarial departments of some of our companies, but about that time a decided change began. Our companies entered on a period of rapid growth and began to issue numerous varieties of policies, requiring much nicety of calculation for the proper adjustment of the premiums, reserves, and dividends, and requiring great ability, experience, and judgment to keep the whole system well in hand. As an example, I may state that one of our large companies publishes 139 different rates for varying terms and modes of insurance—this statement is based on a careful count. Thus the field for actuarial work on this continent has increased enormously, and now probably far exceeds what is found in European offices. In consequence, as before stated, our companies have been compelled to obtain the services of men highly gifted and trained, not only to be the heads, but also as the assistants in their actuarial departments.

The character of the work and the emoluments offered by the companies have been such as to secure the services of men who stood among the first as civil engineers, astronomers, mathematicians and otherwise, and independent of particular companies and amongst the general public there has been found employment for consulting actuaries.

Persons engaged in the same vocation find both pleasure and profit in associating themselves together. Using the word profit in its widest signification and without disparaging others, we may say that professional men associate themselves rather for mental profit, while men in other occupations seek rather for pecuniary profit; yet business men, such as those through whose courtesy we use this hall, do not fail to recognize the mental and educational advantages thus obtained, and the professional classes would be unwise to overlook and undervalue the personal advantage which comes to each member through the general elevation of his profession thus effected. Indeed, we may justly claim that in fairly promoting our personal advantage and raising the standing of our profession, we attract men of educational ability, and thus promote the public good; and, on the other hand, if we neglect our obvious interests, suffer our professional standard to fall, and allow membership in this Society to mean nothing, injury and harm will also result to the companies and their policy-holders.

This Society, being the index or exponent of our professional standing and attainments, we must jealously guard its character and reputation, which will always depend on the learning, industry and personal worth of its members. A factitious reputation based on claptrap would soon be lost; we can maintain a high standing only by deserving it. It must not be supposed that a narrow exclusiveness is advocated; on the contrary, it is desired that the Society should gradually embrace in some way or other, as may be practicable, all the best life insurance men on the continent, whether employed in the practical or in the mathematical departments of the business.

If any think this is aiming too high, I would say that inasmuch as the actuarial department of an insurance company is the essential

feature which distinguishes it from other corporations, then without derogation to the other branches we may fairly claim to be the heart and soul of the business. If, then, we constitute the essential element of the business, may not our Society reasonably be expected to afford the best common meeting place for the best men in all branches.

If it be asked, how under these circumstances can our Society retain its distinctive actuarial character? and will not the actuarial element be swamped in such a heterogeneous membership? the answer to this would seem to be that the history of similar societies in this and other professions shows that a perfect safeguard can be provided by classifying the membership and retaining the general control as now in the hands of those who are actuaries professionally. Just here I would remark that when this subject was mooted about two years ago it was laid over in deference to the supposed opposition of a distinguished member then sick and absent, but a few days after the meeting this gentleman kindly and frankly assured me that probably our views were not so different after all, as he was convinced that we must have some sort of classification. As my own views have also changed somewhat towards his, it is now probable that the subject can be considered with much hope of a general agreement.

When this Society was undergoing incubation, in the winter and early spring of 1889, it was strongly insisted by several that the invitations to the preliminary meeting should go forth only to those principally or solely employed as actuaries, so as to ensure a homogeneous nucleus of professional and responsible actuaries; since then we have had many valuable accessions to our membership from the legal, editorial and other professions, but we have been afraid to admit some other valuable men because of their occupation—a difficulty which would be entirely obviated by a classification of our future members. On the other hand, if we adopt a policy of indiscriminate liberality our standard of membership will fall beyond recovery, our best men will lose their interest, and the precious time of our meeting will be wasted by cranks, doctrinaires and ignorant critics.

That we are not a mutual admiration society has already been fully demonstrated by our free and frank discussions of each other's papers; our danger is rather the other way.

Gentlemen, I must begin to conclude this long address; I began by congratulating the Society on its past and on its present. I would now say that though all is well, we should be solicitous to have our future worthy of the promise of our birth. Stagnation of any kind will tend to decay, but a healthy progress, slow or rapid as circumstances permit, will favor vigorous and lasting life. In building for the future we should neither disregard the constitution of other similar societies, nor yet slavishly imitate them. The British Institute, with its honorable record of nearly half a century, with its world-wide and diversified membership of over 600, divided into several classes, has a constitution well worthy of our study; and here at home we have the American Society of Civil Engineers, which contains in its various classes not only civil engineers, but presidents, and other officers of railroads, contractors, mine-owners, mathematicians and even actuaries; a numerous and varied membership, which greatly increases the influence of the Society, but owing to classification does not extinguish its essential characteristics. The relations of civil engineers to railroads and other corporations so much resemble our relations to life insurance companies, that this association would seem to deserve careful consideration.

These suggestions are made with all deference, but from a sense of duty, and I trust that if any at present disagree they will at least admit that the views are well worthy of consideration as coming from one with the highest personal and professional interest in the Society. To build well we must build slowly, and any change should be made only after the fullest consideration; but on the other hand, procrastination is also to be deprecated.

Gentlemen, I must ask pardon for the length of this address, and thank you for your attention.

The following officers were present: David Parks Fackler, A. M., of New York, President.