

Otto Gross and Friends, UNL Actuarial Science Pioneers

The roots of UNL's Actuarial Science program can be traced back to the late 1920s when Otto Gross, a 1928 University of Nebraska graduate, and three classmates, including Ray Kentzinger, talked Floyd S. Harper, a Mathematics faculty member, into teaching them actuarial mathematics. The efforts of the four students not only led to the first actuarial science instruction at the University of Nebraska, but also led to the formal study of actuarial science at Drake University and at George State University as Professor Harper helped establish the actuarial science programs at those universities after serving on UNL's Mathematics faculty from 1922-1947.

Below is the obituary for Otto Gross that appeared in the Houston, Texas, and Lincoln, Nebraska papers.



OTTO GROSS, age 98, passed away Thursday, June 17, 2004. He was born in Saratov, Russia during the reign of Russia's last tsar and came to America in 1913. Raised in Lincoln, Nebraska, he graduated from the University of Nebraska at Lincoln. Mr. Gross was employed as an actuary and executive for many insurance companies through a long career that ended in his retirement at the age of 72. Mr. Gross played tennis throughout his adult life until he was 92 years old. Mr. Gross was a man of character, integrity, friendship, love, loyalty and faith and he was a living example of "do the right thing." Surviving is his wife of 67 years, Louise; sons, Gary Gross and wife Cathy, Richard Gross and wife Ann; grandchildren, Staci Thurwalker and husband Ricco, Ashley Gross, Jessica Gross and Sonny Reil; great grandchildren, Alexa Thurwalker and Ross Thurwalker. Visitation will be held 9:00 A.M. - 11:00 A.M., Saturday, June 19, 2004 at Forest Park Westheimer Funeral Home where Funeral Services will be held at 1:00 P.M.. Serving as Pallbearers will be Gary Gross, Richard Gross, Ricco Thurwalker, Sonny Reil and Tom Rairdon. Interment to follow in Forest Park Westheimer Cemetery. Memorial contributions suggested to Actuarial Science Fund, University of Nebraska Foundation, P.O. Box 82555, Lincoln, Nebraska 68501-2555. Please specify contribution is in memory of Otto Gross.

Years later, in 1957, the Actuarial Science program was formalized through the efforts of the Nebraska Actuaries Club, which began in 1953, and, in particular, Jim MacLean, who was Club president in 1957. John Angle, former CEO of the Guardian Life Insurance company in New York, documented well the beginning of the formal UNL Actuarial Science program in the following eulogy of Jim MacLean, presented at the Nebraska Actuaries Club April 8, 2004.

James F. MacLean, FSA

July 2, 1916 - March 14, 2004

A few weeks ago I attended services for James F. MacLean, FSA, who died in a nursing home at the age of 87. Jim's four sons, their wives and children, were all on hand. One son, James MacLean, a banker in Des Moines, who looks and talks like his father, read lessons from the Old and New Testaments and led us in reading Psalm 139. His family had organized a display of family mementos that included Jim's insignia as a naval Commander during World War II and master's degree in actuarial science from Michigan. There was also a small CD player with a recording of Jim at the piano turning out cocktail music from Broadway shows.

I wish to focus these remarks on 1956-1957, Jim MacLean's year as president of the Nebraska Actuaries Club. That year ended with a new Chair of Actuarial Science at the University of Nebraska. I also want you to know that the Chair was supported by a consulting assignment with the Legislative Research Council of our Unicameral Legislature. The latter assignment led to changes that were more significant to our University system than the splendid work of the Chair.

The Nebraska Actuaries Club was formed in 1953 with Art Larson, FSA, as our first president for the year 1953-54. Jim MacLean three years later was elected our president for the club year 1956-1957. Before MacLean left office we had a Chair of Actuarial Science with Robert Larson as the occupant of the chair.

MacLean turned out to be the right man at the right time for these reasons:

- Jim was a salesman as well as an actuary. Jim, before coming to Bankers Life, was a member of Connecticut General's staff of reinsurance representatives that were judged on how much reinsurance business they brought to Connecticut General. Jim, in other words, was not afraid to ask for money.
- Jim was able to get the Nebraska Life Insurance companies to support the new Chair and to convince the University of Nebraska to start the new program.
- Jim knew the value of actuarial education: he held a master's degree in actuarial science from the University of Michigan and was a friend of C. Wallace Jordon, author of the first North American textbook on life contingencies.
- He enlisted his Banker's Life associates in the effort. John Fibiger helped sell Professor Larson on the Nebraska program and was critical in academic relations. Jim Ackerman, Banker's Life General Counsel, helped find needed support for the Chair in a two-year study of state pension plans led by a committee of the Legislative Research Council of the Unicameral (when the Unicameral is not in session, State Senators become Council Members).

I now briefly turn to the subject of faculty pensions at the University of Nebraska including, of course, the Medical Center, UNO and UNK.

Almost all colleges and universities match faculty contributions for pensions funded through TIAA - the largest private pension organization in the world and one started with capital funds contributed by Andrew Carnegie through his Carnegie Foundation for the Advancement of Teaching.

In 1909, Benjamin Andrews, Chancellor of the University of Nebraska, asked the Legislature (bicameral in those days) if the University could create a faculty retirement plan with TIAA. [All of this is recorded in Robert Knoll's History of the University of Nebraska],

"At first the legislature seemed favorably disposed. Then in February, William Jennings Bryan attacked, saying it was 'the most insidious poison that has ever entered the body politic,' for through it the professorate would become lackeys of organized wealth. After heated debate the measure was narrowly defeated."

There the matter rested for almost 50 years and the University had to settle for a non-funded, pay-as-you-go plan that promised small pensions that were a scandal in comparison with other Universities. We shall never know the talent drain or how much the University was weakened because of the legacy of Bryan's attack.

So in the fall of 1957, Robert Larson began designing the courses he would teach and began working on a study of state-sponsored pension plans.

It did not take Larson long to find that Nebraska was the only institution of higher learning that did not support pensions funded with TIAA-CREF. Bryan's legacy notwithstanding, the Senators were willing to approve a change of course. A year and a half later in the 1959 session the legislature, adopted an enabling bill sponsored by Senator Otto Liebers (chair of the legislative research council) that allowed the University to do business with TIAA in spite of the danger that professors might thereby become lackeys of organized wealth. State matching funds came in 1961, after Chancellor Hardin and state Senator Terry Carpenter agreed that state match for social security taxes and pensions would not exceed 9% of payroll. Forty-three years later I can report many professors are thrilled with their retirement checks and are grateful that they had the opportunity to make optional contributions to TIAA. I could even say that

many are delighted to be lackeys of organized wealth. All branches of the University can not possibly have attracted the caliber of talent that is now here if the University still lacked an affiliation with TIAA-CREF.

Jim MacLean, after 1957 was never again active in professional affairs. His career later took him to Atlanta and to work with Jack Bragg and the George Buck firm of consulting actuaries. He retired in Lincoln, calmly accepted the loss of his voice and woes of older age.

People have only favorable memories of Jim MacLean.