Newsletter
The Society of Actuaries in Ireland
July 2003

Editorial

Welcome to the last Newsletter of the 2002/03 session. The past year has been very busy for the Society with its first Professionalism Course, seminars, evening meetings, consultation meetings and of course its regular social events such as the annual ball, the Christmas drinks and Captain's Day. We hope that you have found the Newsletter of benefit in keeping up with the active schedule and that it has given some flavour of the social side of the Society.

Over the last year the Newsletter has continued with its News in Brief section, which aims to keep members up to date with the issues being addressed by the various committees. We also added the occasional guest article, in addition to the regular reviews of meetings and the "back page". Space requirements meant that we had to cut back on Question Time and Quiz Time, which is something we hope to redress after the summer break.

We would like to thank all those who have contributed to the Newsletter over the past year and would remind members that suggestions or articles for the Newsletter are always welcome. Contact Mary Butler, John Caslin or Frances Kehoe at info@actuaries.ie

Enjoy the summer!

Contents

The Search for Alpha Continues

Alexander Ineichen,

Managing Director, Equity Derivatives Research, UBS Warburg

"One cannot manage return, one can only manage risk"

The above quotation was the central thesis of Alexander's presentation to a well-attended evening meeting of the Society on 3rd June 2003.

Pat Healy, the new President, was in the chair for the first evening meeting of his term of office and in opening the meeting remarked how delighted he was that the first meeting he chaired was on an investment topic as he was primarily an "investment actuary". Here is a summary of the main points that Alexander made during his presentation:

Central thesis

Alexander put forward five points to back up his central thesis that "one cannot manage return, one can only manage risk" and these points are set out below.

1. The financial community has not yet reached the pinnacle of investment wisdom.
2. "Risk = Exposure to Change" which Alexander said can be interpreted, as we don't know what we don't know.
3. Financial theory probably doesn't hold all the answers.
4. Uncertainty is the only certainty.
5. Risk and opportunity are two sides of the same coin.

Alexander's slides, which develop these points, are available on the Society's web site.

Long-only & hedge fund industries – the differences

The difference between the long-only asset management industry and the hedge fund industry is in their approaches to risk management. The hedge fund industry focuses on total risk management (volatility of the capital value of an investor's portfolio) while the long-only asset management industry focuses on managing risk relative to a benchmark. The long-only industry sees risk as a failure to beat the return on the benchmark – no one ever asks: "How risky is the benchmark?" When you manage risk relative to a benchmark you ignore total risk and we have seen the implications of that approach for the capital value of investors' portfolios in recent times.

Different kinds of risk

Alexander said that there were many definitions of risk including asset-liability risk (as used by actuaries) and value-at-risk (as used by investment banks and others) and one had to be clear as to how one defined risk and which kind of risk one wished to take.

Confusion of risk measurement & risk management

Risk measurement is often confused with risk management.
Risk measurement is a tool whereas risk management is very judgemental.

The Search for Alpha Continues...

Asset managers – long bias

The long-only asset management industry has an extremely long bias influenced by a few outliers on the positive side of the distribution of real returns on equities (see slide 6). There is too much focus on returns and not enough focus on risk. Investors need to start asking questions about the return distribution and this means looking at risk measures like the standard deviation of returns and the drawdowns (drops in the capital value of an investor's portfolio). Alexander stressed the need to pay attention to the drawdowns in a portfolio because large losses just kill a portfolio's compound rate of return.

Why are hedge funds different?

The main distinction between an equity fund and a hedge fund is that the equity portfolio manager is trying to outperform the fund's benchmark so he is focusing on tracking error rather than the volatility of the capital value of the equity fund. By contrast, the typical hedge fund is focusing on total risk (volatility of the capital value of the investor's portfolio).

Different kinds of risk! A clear illustration that investors need to ask the question: "What risk is the investment manager managing?"

Hedge funds are focusing on an asymmetric return profile (skew towards positive returns) by design whereas the long-only manager is trying to push the return distribution of his portfolio to the right of that of the benchmark.

Slide 19 headed "Investment Philosophy" shows the differences in approach very well. The results of managing risk in the hedge fund industry are that downside risk is significantly reduced compared with the long-only industry.
Managing long-only funds relative to a benchmark with a mandate to keep the tracking error to within, say, 200 basis points of the benchmark return gives rise to what Alexander called "deadweight" in long-only portfolios. If a manager has to track an index with a tracking error of 200 basis points, his portfolio must hold between 80% and 90% of the stocks in the index. These are stocks about which he has no particular conviction – they must be held to stay within the tracking error. By contrast, in the hedge fund world, the manager has conviction about each of his positions.

Alternative v long-only asset management

Alexander compared the long-only and alternative investment management industries using criteria that focus on investor protection like regulation, transparency and benchmark. Table 1 has the comparison.

Table 1

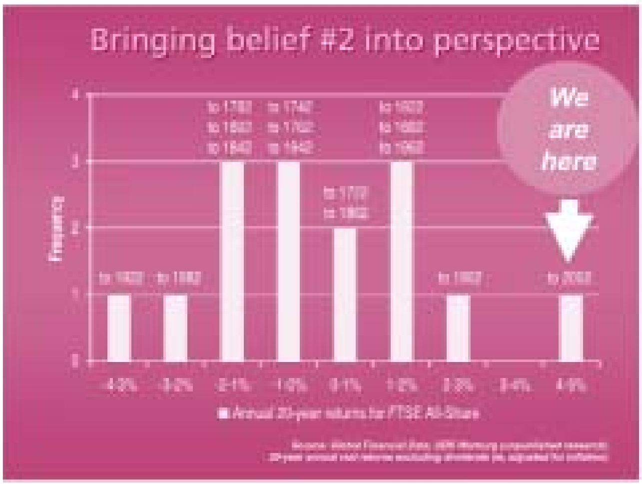
	Long-Only	Hedge Fund
Regulation	High	Low
Transparency	High	Low
Benchmark	Yes	No

However, when the comparison is expanded to include wealth protection, using derivatives, leverage and short selling, the picture looks surprisingly different. Most people think the long-only asset management industry is about wealth protection – well what a surprise. Table 2 has the investor protection and wealth protection comparisons of the two industries.

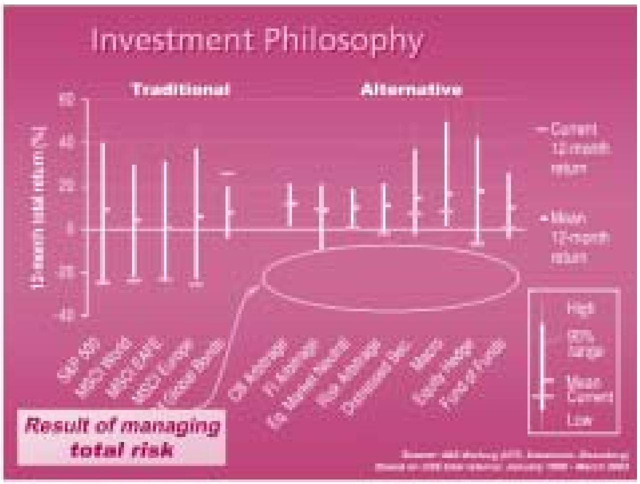
Table 2

	Long-Only	Hedge Fund
Regulation	High	Low
Transparency	High	Low
Benchmark	Yes	No
Derivatives	No	Yes
Leverage	No	Yes
Short Selling	No	Yes

Slide 6



Slide 19



When Alexander completed his presentation, the President, Pat Healy, invited the audience to comment on the presentation and put some questions to him. The following paragraphs provide a brief outline of a selection of the comments/ questions and Alexander's replies:

Pension funds view a portfolio of hedge funds as riskier than a portfolio of stocks

There is a big difference between a stock portfolio and a portfolio of hedge funds. Firstly, the stocks in a portfolio tend to be highly correlated and therefore tend to move in the same direction at the same time giving little diversification. Secondly, when stock markets fall the correlation between the stocks rise (in other words the volatility of correlation between stocks is high) and this amplifies the drawdowns.

By contrast, the correlation between hedge funds is a lot lower. Consider the likely links between the direction of the price of pork bellies and Japanese debt. In addition, the volatility of correlation between different hedge fund strategies is about half that of stocks.

Pension fund trustees are conservative and will not invest in a hedge fund with low levels of investor protection

Perhaps pension funds are focusing too much on investor protection and not enough on wealth protection. For pension funds, conservative ought to mean low drawdowns. In Germany, the finance minister demonised hedge funds about a year ago; he has now done a 180-degree turn on this issue!

Will the high fees for fund of hedge fund products (two fee layers) come down over time?

The dispersion between the good and the bad fund of hedge fund managers will widen, mainly because the fees for the successful hedge funds will increase.

Hedge fund returns have beaten those of the S&P 500 index in recent times but they were poor in 1998. Is there more diversification among hedge funds now than in 1998?

Some hedge funds follow short volatility strategies. This means that they lose money when volatility rises – like one loses money when writing options if volatility rises. An insurance analogy of such hedge funds is that they take in lots of small premiums but then get hit with a big claim which severely damages their returns.

In 1998, spreads between government and corporate bonds widened significantly and liquidity dried up.

A portfolio of hedge funds should have a balance between those hedge funds that follow short volatility strategies and those that follow long volatility strategies.

How do fees for hedge funds compare with those of long-only funds when the "deadweight" of long-only funds is taken into account?

A long-only fund tracking a benchmark with an annual management charge of 30 basis points and a tracking error of 200 basis points might well have a "deadweight" (stocks that are in the benchmark that the manager must hold to reduce his business risk and about which he has no particular conviction) equal to some 90% of the portfolio. This means investors are paying 30 basis points to have 10% of their portfolio managed, or put another way fees of 300 basis points for the part that is being actively managed. At these levels of charges, hedge fund fees don't look very expensive relative to those of long-only managers.

How liquid are hedge funds?

Part of the premium return on some hedge funds is compensation for lack of liquidity. There are however some very liquid hedge fund strategies like currency funds and managed futures.

Is there a move to hedge funds because of the bear market in equities?

The bear market is certainly driving investors to look at hedge funds and to reassess risk (in terms of the volatility of the capital value of their portfolios). Hedge funds are certainly benefiting from a migration to absolute returns.
It is perhaps similar to the gradual shift from bonds to equities that took place from 1958 on into the sixties.

What range of exposure might a pension fund have to hedge funds?

Pension funds have raised the amount invested in hedge funds from about 1% of assets five years ago to 5% of assets today. The average allocation to hedge funds ought to be about 20% of assets.

The conventional model of pension fund investing has disappointed many trustees. Are hedge funds a means to reducing absolute risk of pension schemes?

Pension funds continue to allocate to hedge funds because they recognise that absolute risk (volatility of capital value of pension scheme assets) is what is important. Risk relative to a combination of equity and bond benchmarks (tracking error) is not the right measure of risk for a pension scheme.

How relevant are hedge funds for defined contribution schemes?

Hedge funds are very relevant to defined contribution pension schemes because of their potential to reduce the downside while giving similar upside to conventional assets.

At the end of the comments and questions from the floor, Pat Healy thanked Alexander for taking the time out of his busy schedule to present to the Society. Pat also noted that the Society was very privileged to have Alexander as a speaker as he was the keynote speaker at a forthcoming hedge fund conference in New York.

John Caslin

Affiliate Membership

The Society's rules provide for four categories of membership: Fellow, Associate, Student and Affiliate. The Professional Affairs Committee has recently considered the question of Affiliate membership and has made the following recommendations to Council:

Criteria for Affiliate membership

- **Affiliate membership should be available to:**

1. Graduates of:

- o the actuarial degree programmes in UCD and DCU
- o the UCD MBS in Actuarial Science and the DCU Masters in Financial Mathematics
- o such other degree programmes as Council may decide from time to time.

2. Individuals who hold an executive position in a business or public body that is involved in any of the following areas and academics who work in any of these areas:

- o corporate finance
- o investment
- o derivatives
- o life assurance
- o economics
- o pensions
- o financial mathematics
- o personal finance
- o general insurance
- o risk management
- o health care
- o statistics

3. Members of a professional body related to any of the above areas or partners or principals in a professional firm.

These criteria are consistent with the criteria used by the Institute and Faculty of Actuaries. At the outset, the priority should be to offer Affiliate membership to those in category 1.

- Affiliate membership would **not** be available to anyone who is entitled to become a Fellow, Associate or Student member of the Society.

- Applicants for Affiliate membership would be required to have their application endorsed by two Fellows of the Society of Actuaries in Ireland.

What would Affiliate membership entail?

- **The benefits to Affiliate members would include:**

- o The opportunity to attend meetings and participate in discussions and research within the profession
- o A forum in which to present papers and discuss issues related to their field of expertise
- o Receipt of the Society's newsletter and other publications
- o The networking and social aspects associated with a profession.

- **An Affiliate member would not be entitled to:**

- o use designatory letters
- o attend or vote at a general meeting or in a postal ballot.

- All members, including Affiliate members, are required to abide by the Society's professional standards and code of conduct.

- The fee for Affiliate membership should be set at a rate of €75 initially.

The Institute and Faculty make provision for Affiliate membership on a similar basis; see http://www.actuaries.org.uk/files/pdf/profession/aff_brochure.pdf.

If you have any comments or questions in relation to this proposal, please send them by **Monday 1 September 2003** to **Aisling Kennedy** (aisling.kennedy@actuaries.ie).

Professional Conduct Standards

The Professional Affairs Committee has carried out a review of the Society's Memorandum on Professional Conduct and Advice on Professional Conduct and has recommended to Council that these two documents should be merged into a single document entitled "Professional Conduct Standards", in line with the approach adopted by the Institute & Faculty of Actuaries. The draft Professional Conduct Standards (PCS), with changes from the UK version marked, are available on the Society's website together with an explanatory memorandum outlining the background and underlying principles and also the principal changes from the Memorandum and Advice on Professional Conduct. If you require printed copies of the draft and/or explanatory memorandum, please contact **Sarah Cahill** on (01) 660 3064 or email sarah.cahill@actuaries.ie.

If you have any comments or questions about the PCS, please send them by **Monday 1 September 2003** to **Aisling Kennedy**, aisling.kennedy@actuaries.ie.

Peer Review Update

A draft guidance note on peer review GN14, together with draft guidance on peer review for Signing Actuaries GN14(b) and Scheme Actuaries GN14(c) was published on the Society's website during May. Draft guidance on peer review for Appointed Actuaries GN14(a) was published during June. Consultation meetings were held during May and June for each of the three practice areas and a number of written submissions were received.

The Peer Review Steering Group will meet over the summer to consider the feedback from these initial consultations and it is likely that there will be substantive amendments to certain aspects of the draft guidance. Also, legal advice will be sought in relation to a number of aspects of peer review. There will then be a further consultation meeting on 16th September to consider revised draft guidance.

In the meantime, if you have any comments or questions in relation to the proposed introduction of peer review, please contact **Aisling Kennedy** (email aisling.kennedy@actuaries.ie).

Annual Report of the Society of Actuaries in Ireland

The Annual Report 2002/2003 will be available on the Society's website in August. The report includes an overview of the year by Eamonn Heffernan, reports from the Honorary Secretary and Treasurer as well as summaries from all the committees. It also has a useful reference list of all events held during the year.

Professionalism Course

The Society's second Professionalism Course will be held on Thursday & Friday 25th & 26th September in Brooklodge Hotel, Macreddin, Co. Wicklow. The Society's course is only open to members of the Society. It is fully accredited by the Faculty & Institute of Actuaries and has been designed with the specific needs of Fellows of the Society of Actuaries in Ireland in mind.

The Society's 007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3


4


5


6


7


8

Themed Ball

1. Paul O'Faherty, OO7 Agent, Eamonn Heffernan
2. Peter Caslin, Anne Caslin
3. Evelyn Bourke, Seamus Creedon, Alex Duncan, Liz Buckley
4. Grainne & Karl Alexander, Marguerite Bolger, Jim Murphy
5. Shayne & Gllian Deighton
6. Jonathan & Liz Goold, Aisling Kennedy
7. Marian Waites, Cormac Bradley, Toni & Julian Leigh
8. OO7 Agent & Jimmy Joyce
9. Catherine McGrath, Michelle Roche, Paul Keogh, Rosemary Commons, Philip & Elizabeth Boland.
10. Philip & Elizabeth Boland, Paul McNamara & June Henry, Conor Malin
11. Colm Fagan, Evelyn Bourke
12. OO7 Agent & Seamus Creedon
13. Paul McNamara, Brian & Alana Mulcair
14. Sheelagh & Conor Malin, Marvyn Henry, Paul Duffy
15. Richard O'Sullivan, Aisling Kennedy, Brian & Mary Duncan, Mary O'Sullivan

The Crystal Ball by Helen Joyce

If I had my way, I would write the word "insure" upon the door of every cottage and upon the blotting book of every public man, because I am convinced, for sacrifices so small, families and estates can be protected against catastrophes which would otherwise smash them up forever.

It is the duty to arrest the ghastly waste, not merely of human happiness, but national health and strength, which follows when, through the death of the breadwinner, the frail boat in which the family are embarked, founders and the women and children and the estates are left to struggle in the dark waters of a friendless world.

Winston Churchill

The actuaries' crystal ball

Many novelists and philosophers have considered what it would be like to be able to see into the future. Would you dare to look? What effect would it have on you if you discovered that tragedy lay ahead? What would you do differently in your life if you could see your future in a crystal ball?

It is precisely because none of us can predict our futures individually that it is so important for us to attempt to predict them collectively. In the quote above, Winston Churchill expresses very eloquently the importance of insuring ourselves - with pensions and life assurance, for example - against destitution; but in order for governments, employers, and financial institutions to arrange such insurance, they must have some idea of the future cost of commitments they make in the present. So they employ actuaries, whose professional motto is "making financial sense of the future", to look into their crystal balls and see what is in store.

Take pensions, for example. Although most people think of private pensions simply as savings and State pensions simply as benefits, there is also an important element of insurance in a pension. Technically, a pension insures you against so-called "longevity risk", which is the risk that you will live longer than expected. This isn't normally thought of as a risk, but suppose for a moment that, instead of arranging a pension during your working life, you just put some money aside each year, intending to live off that when you get old. How much should you put aside? You could assume that you will live an average life - but some people live decades longer than average, so you would risk running out of money. But putting aside enough to live on till 120 will (sadly) almost certainly be unnecessary - and very expensive indeed. So governments, employers and private pension providers must make complex actuarial predictions in order to afford the pension promises they make.

A pension can come from one of two places - money put aside while the pensioner was in work, a system known as "funded"; or taxes paid by people currently in work, known as "pay as you go". Calculating the amounts that need to be saved in pension funds, or "transferred" between the young and the old, and the promises that can be made about future payouts, is an enormous exercise in financial modelling, for governments, employers, pension funds and financial institutions. Nobody knows more about this complex subject than the Chief Government Actuary, Chris Daykin, so Plus went to talk to him at the Government Actuary's Department in London.

The Pensions Crisis

Much has been made recently in the financial pages of the popular press of a so-called "pensions crisis". According to Daykin, different people mean different things by this phrase. "Internationally, people talk about the pensions crisis because of the ageing population", he says. "There's an imbalance, with people paying contributions during their working lifetime to finance the pensions of people who are elderly at that time. In the future there will be far fewer people working, relative to the number of people receiving pensions. So that would make it very expensive to go on paying pensions at the same sort of level." The situation is rapidly becoming desperate in countries such as Germany and Italy, where State pensions have been quite generous and birth rates have become very low. Demographers can see that in another couple of decades, there will be so many older people, to whom generous promises are being made, that young people will have to pay enormous amounts of their income in tax to keep these promises.

In the UK, the "crisis" we hear so much about is different. Daykin says that "governments have very carefully taken account of the long term consequences when making pension promises, and therefore the pension promises are more restricted in the UK than in other countries." But before you breathe a sigh of relief, there's something you should know: "Our crisis is more at the other end - are people going to have enough pension to live on, particularly pension from the State? People are expected to be making their own arrangements for their pension through occupational schemes and personal pensions, but a lot of people don't get round to it or opt out of such schemes."

A Colossal Balancing Act

Whichever way is chosen - funded, or pay as you go - providing pensions is really a colossal balancing act. Firstly, pension promises have to be pitched at a level high enough to protect pensioners against poverty; secondly, the money has to be found to keep those promises. Decisions must be made today about events in the far future; events which depend on such things as changes in life expectancy and health, emigration and immigration, the economic cycle, future employment rates and birth rates... the list goes on.

The Government Actuary's Department is charged with carrying out this balancing act for the government. As well as modelling the cost of pensions systems and providing advice on the future consequences of particular policies, it also gets involved in the formulation of policy, advising government on what will work, the interaction between the public pension system and private pensions, what private pension schemes can and will do, and so on. According to Daykin, "a lot of it is about judgement calls."

Daykin explains that his department's predictions are made using multistate modelling. "There are a number of states people can be in - working, retired, retired on ill health, dead but having a survivor - and each of those has a benefit or a contribution associated with it which can then be modelled into the future, with a variety of assumptions about the probabilities of different events. It depends very much on the purpose for which it is to be used but certainly there's no single answer. We're looking for some sort of best estimate, and then alternative scenarios or a range about that.

"For most purposes we're not using fully stochastic models because we don't know enough about the relationships between the different variables. A stochastic model would be one which operates on statistical principles - that generates probabilities of events in future years from distributions using some random number generation process. But it is quite difficult to get robust models which you are confident will actually represent what will happen in the future. So it's more common in this type of modelling work to use a variety of different scenarios - to make a number of assumptions that give you a range of possible outcomes, but where it's not necessarily possible to ascribe a probability to each outcome."

Daykin gives an example of the sort of difficulty that can arise. "Every year the Office of National Statistics move forward their estimate of the population based on the previous census, numbers of births and deaths registered, an estimate of migration based on surveys taken at ports and airports - and those estimates, once you get ten years down the line from the last census, have inevitably wandered off a bit. And we're using those as our base to project forward sixty years into the future!"

The most recent census was in 2001, and when the results were released at the end of 2002, it turned out that the UK population was about a million lower than had been predicted. Clearly, a discrepancy of this magnitude has serious implications for the models on which the government's predictions of future pension costs depends, and it has been quite a headache for the Government Actuary's Department.

The Crystal Ball Continued...

As Daykin says, "it is a bit scary that even the baseline is a bit wobbly."

However, he is quite philosophical about the situation. "One of the lessons one learns in projecting the future is that you have to keep on updating your estimates; you can't just sit back and see what happens. You're constantly getting new information, which is then used to feed back into the assumption-setting process, and in some cases into the modelling process itself. And then the policy-making process has to take into account this uncertainty. It should be robust - you can't base policy on one specific outcome."

There's feedback in the system

Not only is there uncertainty about the information on which models and predictions are based, but policies themselves feed back into the decisions people make. He gives an example. "If you change the rules about pensions in any way, it makes people take different decisions," says Daykin. "It may change the way in which employers deal with early retirement cases. The definitions of when people are perceived to be disabled or ill enough not to work change quite radically over time, depending on the employment situation, and what employers are thinking in terms of their desire to shed workers."

"Those sort of things are very difficult to predict. There are things you know will have an impact but you don't know quite how to quantify it - for example, when you introduce flexibility in retirement age it will undoubtedly have an impact on people's working habits. And in order to make your projections you have to make some assumptions about how people are going to respond to that, monitor what actually happens, and change those assumptions as the situation develops."

Advice - accepted and ignored

Who makes the decisions in the end? Daykin is clear on this: "Having once advised, we don't make decisions - governments make decisions. Our aim is to explain what the consequences of a policy will be - not to prevent governments from doing what they want to do - and then explore the consequences in a way which will help governments to make good decisions."

Has he ever been frustrated by having his advice ignored? "There was a high-profile occasion in the mid-80's, when the Conservative Government was keen to free up choice in pensions, and they wanted individuals to be able to choose whether they belonged to occupational pensions or not, and to have the right to take out personal pensions. One of the things they wanted to do was to say that it would be made illegal for an employer to insist on an employee belonging to a pension fund. That was a policy decision, and our advice was that this would lead to chaos, because it would make it very difficult for individuals to know what they should do - they would become prime targets for insurance companies to sell possibly inappropriate pensions products to, particularly as at the same time the opportunity was being given to people to opt out of the State scheme as well. So individuals could both increase their takehome pay,by paying lower contributions to their employer's pension scheme, and also take out a pension scheme and think they were doing fine, and be told that they were getting a potential benefit, but actually be losing out on all the contributions that the employer would normally have put into the pension scheme for them. "That was the start of the pension mis-selling fiasco, which has really undermined the whole financial services industry and people's confidence in pensions generally. Insurance companies, following their natural tendencies, went out to sell a lot of this business. Here was a huge new market for them. They were encouraged to do so. The government put advertisements in national newspapers saying personal pensions are now available. It was very frustrating, because we told them what would happen and it did."

A word from the wise

What single bit of advice would Chris Daykin give to young people today? "I think they should know that the State is not likely to provide them with a very high level of income in retirement. They should certainly be aware that they need to make their own pension provision. That's not to say that they should necessarily start doing it straight away, although in some ways the earlier you start doing it the cheaper it is. The power of compound interest is quite strong."

"It's difficult to say to young people that they need to be putting a lot of money away when they're young, but they need to be thinking about their lifestyle and their financial needs over their working lives, and not leaving it too late, because if you wait until you've sorted out these other things and you're 40, retirement is coming close in terms of being able to provide for it."

Don't say you weren't warned...

Dr. Helen Joyce is editor for *Plus* – http://plus.maths.org – a magazine about maths and its applications. She is attached to the Centre for Mathematical Sciences at Cambridge, where her work is supported by the Institute and Faculty of Actuaries. She is also editor for *Significance*, the new quarterly magazine to be produced by the Royal Statistical Society.

Wider Role and Responsibility of the Society – presented at an evening meeting following the AGM of the Society on 28 May 2003.

Late in 2002, a working party was formed to investigate whether and how the Society of Actuaries in Ireland should "adopt a charity, support a cause, or a community project and make a contribution to it, not just a financial contribution but a contribution of time." This was in response to an issue first raised by Eamonn Heffernan in his presidential address of September 2001. The working party consisted of Tom Barry (Chairman), Aisling Kennedy and Eoin Kennedy. In addition, Eamonn Heffernan, Pat Healy and Piers Segrave-Daly acted in an advisory capacity.

The working party presented the final paper to the Society after the AGM in May. The working party concluded that the Society should adopt a "wider role" and proposed getting involved in either or both of two projects: Project CTYI (Irish Centre for Talented Youth) and Project ASH (Action on Smoking and Health). After the presentation was finished and the floor opened to questions, there was the customary pause where everyone in the "audience" wonders who should be the first to ask a question and the presenters sit tight hoping they haven't put everyone to sleep and/or offended anyone. The moment passed quickly once a question was finally asked and a long and interesting discussion followed, drawing comments and questions from almost every (if not every!) member present. Feedback was overwhelmingly positive, punctuated by the particularly heartwarming scene of Duncan Robertson, an initial sceptic of the whole idea, declaring that he had been persuaded it was all a worthwhile idea after all.

Armed with positive feedback from the evening meeting, together with an earlier positive response from a questionnaire of members, the issue was put to Council for consideration. They felt that the proposals in the paper needed to be fleshed out a bit further before deciding on a way forward. With this in mind, the working party are reconvening to put together more detailed proposals. This is likely to involve having some discussions with both CTYI and ASH. Watch this space!

The full paper is now available on the Society's website. Further feedback and comments from members are welcome – please contact any member of the working party, or the Society's Office at info@actuaries.ie .

Important Diary Dates

The Calendar of Events for September 2003 – January 2004 will shortly be on the Society's website. Meanwhile, here are some important dates to note:

Date	Event	Title	Presenters	Venue & Time
Tuesday 16 September	Consultation Meeting	Peer Review	Pat Healy, President & Chairman of the Peer Review Steering Committee	Stephen's Green Club 6.30 p.m.
Tuesday 23 September	Reception Evening Meeting	New Qualifiers Reception Presidential Address	Hosted by the Society Pat Healy	Stephen's Green Club 5.30 p.m. 6.30 p.m.
Wednesday 1 October	Evening Meeting	Critical Illness Report	Life Committee Working Party chaired by Neil Guinan	Stephen's Green Club 6.30 p.m.
Wednesday 8 October	Seminar	Ageing Population: Facing the Challenge	Minister Mary Coughlan, TD Alan Barrett David Harney Jim Kehoe Prof. Tom Kirkwood Senator Joe O'Toole	Shelbourne Hotel 8.30 a.m. concluding with lunch

Congratulations to our new qualifiers

Members can congratulate them at the traditional reception for new qualifiers on Tuesday 23 September prior to Pat Healy's Presidential Address to the Society.

Emer Breen	Eagle Star
Mark Burke	Canada Life
Brian Connaughton	Watson Wyatt LLP
Andrew Daniels	Standard Life
Brian Fitzgerald	Friends First
John Groarke	Irish Life
Andrew Harford	AXA Ireland
Thomas Howard	BOI Life
Denis Joyce	Irish Life
Russell Keenan	Hibernian
Jim Liston	Allianz
Maria McLaughlin	Ark Life
Gillian O'Connor	BOI Life
Cormac O'Leary	Watson Wyatt LLP
Oisin O'Shaughnessy	Irish Life & Permanent
Hendri Solomon	Friends First
Miriam Sweeney	Prudential Europe
Diarmuid Walsh	Hibernian
Greg Ward	Irish Life

Golf Update

Matchplay Competition

In the top half of the draw, Tom Collins is through to meet Martin Haugh in the semi-final. In the bottom half, Bryan O'Connor is through to play Frank Downey. The presentation of the Piers Segrave-Daly trophy to the winner will be made at dinner following the inaugural match between the Society and the Faculty in September.

Captain's Day

This year, Captain's Day takes place on Thursday 7 August in Edmondstown Golf Club, Rathfarnham.

Inaugural Match between the Society and the Faculty of Actuaries

This match, i.e. 5 fourball matches of 18 holes, will be played on Monday 22 September in Portmarnock Golf Club. The team will be selected by Paul Duffy, this year's captain, Bryan O'Connor, Captain in 2002 and the 2004 Captain !!

Any members interested in being considered for selection should contact Paul or Bryan in the first instance.

- Best of luck to those still involved in the matchplay.
- Here's hoping for a great Captain's Day and,
- An exciting match against the Faculty!

We look forward to a full report from Paul Duffy in our September/October issue.

On the Move

Fellow Members	John Birkenhead has moved from Mercer to set up his own consultancy, HJC Consulting
	John E. O'Neill will join MAZARS in September 2003. John was formerly with Milliman
	Mary Coghlan has joined Irish Life from Ernst & Young
	Niall Dillon has joined Irish Life International from Acumen Resources
Students	Brendan McCarthy has moved from Prudential Europe to Canada Life Assurance
	Enda Walsh has joined Hewitt Bacon & Woodrow
	Grainne McManus has joined Hewitt Bacon & Woodrow

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