



Newsletter

September 2007

The Society of Actuaries in Ireland

Newly elected President of the Society of Actuaries in Ireland and Council 2007/2008

Council 2007 / 2008

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Philip Shier, President of the Society of Actuaries in Ireland

We are delighted to welcome Philip Shier as the new President of the Society of Actuaries in Ireland. Philip completed the actuarial examinations in 1983. He has represented the Society on the Pensions Committee of the Groupe Consultatif Actuariel Européen since 1999, and has been Chairman of that Committee since 2005. He was also a member of the Legislation Committee of the Pensions Board from 1996 to 2005.

Currently, Philip is a senior actuary with Hewitt with 25 years' experience of providing actuarial and consultancy advice to a wide variety of pension scheme clients in Ireland and the UK.

In this first newsletter edition since his election as President, Philip has kindly agreed to tell us more about himself and to set the scene for his Presidential address. See page 2 of this newsletter.



Philip Shier

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Profile on Philip Shier

Where are you from?

I was born and brought up on a farm in Co Limerick, where the Shier family settled in the early 18th century when they, along with many others, fled from the Palatinate in southern Germany.

What attracted you to the actuarial profession?

I was a maths and science person at school, and I wasn't keen to do medicine, engineering, chemistry or the like in college which involved "manual" labour. Having done maths in college, actuarial work appeared to be an ideal opportunity to get paid for doing difficult sums. So having read the Institute yearbook (this was before the Society was established) I decided to try it. I don't recall being particularly motivated by promises of high salaries or discouraged by the length of the exam process.

What was your first job?

I am one of the few never to have darkened the doors of Irish Life (they didn't want me!). More from necessity than choice, I took a job in England with Friends Provident where I spent my first couple of years in the Life Marketing Department (where my boss was John Gibson). I spent my time calculating premium rates and working on product development, which from memory comprised mostly of proof-reading. However, it was a good place to work and I got the opportunity to develop some skills and pass some exams (and meet my wife). I then moved into consultancy just before I qualified.

Why did you return to Ireland?

I had spent 12 years with Bacon & Woodrow in London which, over that period, had grown enormously, so I was just one actuary in a rather large pond and I felt that there were relatively few opportunities for advancement. I was asked if I would be prepared to return to Ireland to join Peter Delany in the firm's Dublin business and it seemed a good opportunity to become more in control of my own work without losing the support of the larger organisation. Although I was happy in the UK, I was getting a bit tired of the commuting and the crowds in London, and Dublin in those days didn't appear to have the same problems. I was glad to find Ireland

rather more prosperous and cosmopolitan when I returned in 1995, than it was when I had left in the late 1970's.

When did you first get involved with the Society?

I joined the Pensions Committee soon after I came back to Dublin, which enabled me to get up to date with the Irish pensions scene and to meet actuaries working in the area. I took over the chairmanship of the Pensions Committee from the late Des Ryan, which meant I sat on Council for a period, and was then asked to represent the Society on the Groupe Consultatif Pensions Committee. I also did a term as Chairman of the Practising Certificates Committee.

Many members of the Society have contributed enormously to the work of the Society over the years, and I would imagine that the vast majority feel, as I do, that it has been of personal benefit to themselves as well. Although we do have a flow of new faces appearing on committees and working parties, there are still plenty of members out there who are not actively involved and I would urge them to volunteer – for their own professional development as well as to help the Society. It also counts for CPD!

Have you always worked in pensions?

Yes – the bulk of my time since qualifying has been as a consultant to pension clients, although I have dabbled a little in the insurance area from time to time. I have also been involved in expert witness work in personal injury and fatal accident cases, as well as pensions litigation (including family law). I co-wrote a paper on the assessment of damages back in the mid-eighties in the UK.

What do you do in your spare time?

I like almost all sports as a spectator, either live or on television, and have played a few at a very modest level. I would like to be a moderately competent golfer but this remains an unfulfilled aspiration. I do try to go to the gym regularly which I enjoy (at least after I have finished)!

What famous person from history do you most admire?

History was one of my least favourite

subjects in school, so my answer to this is a contemporary "star", Pdraig Harrington. He has shown great commitment and effort in his chosen career, and after many second places he was able to grasp his opportunity to win the Open Championship despite apparent disaster on the last hole. On top of that, he is the most charming person you could meet – even though he trained as an accountant!

Presidential Address

I am honoured to have been elected President of the Society of Actuaries in Ireland and to have the opportunity of sharing with members my thoughts on key issues for the Society in my Presidential Address on Wednesday 26th September (see details in the box below). By tradition, the President's address considers the role of the Society in the various practice areas and in the wider public interest, and sets out the President's priorities and arena for the following 2 years. As this Newsletter goes to press, I am preparing my speech, but among the topics which I plan to address are:

- The importance of continuing education and professional development
- The Society's role in the analysis of mortality and sickness statistics
- How to make membership of the Society of value to all our members
- Clear communication of complex ideas
- The demise of the defined benefit pension scheme

I hope that you will be able to join me on the night and to contribute your own views, either in the discussion after my speech, or at any time to me at philip.shier@actuaries.ie.

Philip's Address will take place on Wednesday 26 September, 6.00 p.m. for 6.30 p.m. in the Alexander Hotel. The Address will be followed by dinner in the Alexander Hotel. Please make reservations by the online reservation facility on our website:

http://www.actuaries.ie/Events%20and%20Papers/Upcoming%20Events/Upcoming_Events.htm

Mortality and Longevity Update

On Wednesday, 13th June 2007, there were three presentations given on the topic of mortality and longevity to a well attended meeting. The three presentations were as follows:

1. Recent developments in mortality – by Richard Willets
2. UK Self-Administered Pension Scheme (SAPS) investigation: Setting a mortality basis and communicating it to trustees – by Nigel Bodie
3. Recent Irish mortality trends – by members of the Demographic Sub-Committee of the Society

The President, Philip Shier, began the evening by introducing each of the speakers.

1. Recent Developments in Mortality

Richard Willets gave a presentation on the recent mortality developments in the UK. Richard discussed two questions during the presentation:

1. What is causing the life expectancy of pensioners in the UK to increase?
2. How can this understanding be used to interpret mortality projections?

The UK has experienced an unprecedented change in mortality rates over the last 50 years. For men aged 65-74 in England & Wales, the average annual reduction in mortality rates has increased from approximately 0.2% in 1955 to approximately 4% in 2005. This is a twenty-fold increase.

In the UK, actuaries' estimates of male life expectancy at retirement have probably changed more in the past 10 years than in the previous 100 years. The projected life expectancy for male pensioners aged 65 is 23 years in 2007, whereas it was approximately 14 years in the 1950s. The major changes are partly due to the emergence of the "cohort effect" (i.e. men and women born in the period 1925-1945 have experienced more rapid reductions in mortality rates than generations born either before, or after, this period.) The cohort effect has been driven by the

following factors:

- Lower prevalence of cigarette smoking in that generation.
- The prior generation's involvement in World War 2 (WW2).
- The introduction of the National Health Service (NHS) after WW2.
- Dietary improvements.
- Reduction in infectious diseases in childhood years.

The improved mortality rates are not entirely due to the cohort effect. The pace of change has accelerated for all birth cohorts. Richard showed that all birth cohorts from 1920 to 1944 experienced an increased rate of mortality improvement over the period 1970 to 2005. Interestingly, for all cohorts there was a lull in the pace of improvement around 1990.

One of the main drivers behind the mortality improvements has been the decrease in deaths arising from circulatory diseases. For example, approximately 75% of the improvements in the 1930-1934 birth cohort arose from the fall in the number of deaths due to circulatory diseases.

Richard carried out his mortality analysis using the p-spline model with cause of death data. This was developed with James Kirkby. This method attempts to fit a smooth surface to the data. However, using this method raised a series of challenges:

- Mortality data by cause of death is only available in 5 year age bands.
- Cause of death categories are required.
- A requirement to allow for the impact of changes in cause classification and methodology, as step changes can occur when the category of death changes.

Using the p-spline model with mortality rates for all circulatory causes, Richard produced a heat map which identified the rate of decline by age and calendar year. The cohort effect was clearly illustrated in the results with a diagonal line present, representing a 6% annual decrease, for people born around 1940.

The accelerating improvements for circulatory diseases have primarily been driven by three factors:

1. Decreasing number of adults smoking. There were sharp reductions in smoking prevalence in the 1970s and 1980s and, while this stabilised during the 1990s, it has resumed its reductions again since 2000. This is expected to continue with the introduction of the 1st of July smoking ban in enclosed public places in England, a potential Europe-wide ban and with the continuous media campaigns against smoking.
2. The increased use of statins. The use of statins has increased by approximately 30% per annum over the last 7 years and now statins are estimated to be responsible for approximately 20%-30% of the recent reduction in circulatory disease mortality.
3. The increase in the number of surgical procedures for heart disease, predominantly coronary angioplasties, carried out successfully. A quotation from Morgan et al in 2006 stated - "Death rates for heart attack victims could be reduced by up to 90% through the introduction of *primary angioplasty*". Other views in the marketplace suggest that heart disease mortality rates will continue to reduce in the future.

Richard has also carried out a series of projections to estimate the potential annual future reduction in mortality rates. The four categories of projection basis are as follows with classifications made by outcome rather than by methodology:

1. "**Continued acceleration**" – The pace of improvement continues to accelerate in line with recent trends. This method is consistent with methodologies used by some insurance companies for Individual Capital Assessment (ICA) calculations and can be illustrated by scenario generation or stochastic modelling.
2. "**Trend reversal**" – The total pace of improvement slows as deaths from heart disease and stroke become less common, but other causes of death prove more difficult to eliminate. This is equivalent to using the long cohort

Mortality and Longevity Update *continued...*

(LC) projection or medium cohort (MC) projection with a relatively high improvement floor (1.5% to 2% p.a.) This method is increasingly used by insurance companies for pricing/reserving.

3. **“Extreme trend reversal”** – As per “trend reversal”, but the pace of change in circulatory disease mortality also reduces sharply. This is equivalent to using the short cohort (SC), MC or the MC projection with a relatively low improvement floor (<1.25%). This method is used by some companies for pricing/reserving and it is also used by many consultancies for pension scheme valuations.
4. **“No future improvements”** – Does exactly what it says on the tin! This method is rare but it can still be found in use in the marketplace.

Richard stated that the “trend reversal” category is the most suitable category to use for a realistic assessment of pension liabilities. For a typical pension scheme, the difference between “no future improvements” and “continued acceleration” could be in the region of a 30% increase in liabilities. Richard concluded by stating that aggregate UK pension scheme liabilities may be understated by approximately £75 billion using a “trend reversal” projection or £175 billion using a “continued acceleration” basis.

Questions from the audience were taken following Nigel Bodie’s presentation, which is set out below. Philip Shier thanked Richard Willets for his presentation on what is a continuously changing environment.

2. SAPS Investigation

Nigel Bodie gave the audience an update on the Self-Administered Pension Scheme (SAPS) Investigation and the role of the Pensions Actuary in communicating mortality bases to trustees.

The sub-committee has completed a Draft Working Paper which was distributed to CMI members in March

2007 for feedback. The final paper is expected to be issued in September to the industry.

Nigel presented some of the key points and findings of their analysis of pensioner mortality:

- The investigation encompassed data received up to the end of June 2006.
- It is not a study of trends as they only have 5 years of data which is not sufficient, as yet, for determining trends.
- The data was classified into ‘normal’ or ‘ill-health’ retirements. This differs from the CMI data which was classified into ‘normal’ or ‘early’ retirements. Some companies could only give ‘combined’ data.
- The volume of data received was much larger than that of the CMI annuitant study. For example, for males, the number of deaths was around 115,000 versus 75,000 in the CMI study. This suggests that the population of the two studies was different.
- The committee grouped the data into 5 bands by size of pension as a proxy for social class (although postcode is now being collected within current data submissions).
- Each pension band and all 5-year age groups in the range 55-59 to 90-94 were compared against the 92-series table with short cohort (Px92sc).

Male Pensioners, Normal Retirement

Overall, the PM92sc was not a good fit for this data:

1. In the 55-59 age group, all pension bands were high multiples of expected mortality. This suggests that even though young retirees may be taking ‘normal’ retirement, it is likely that they are in poor health.
2. As age increased, all bands converged towards expected mortality.
3. The lower bands were well in excess of 100% A/E.
4. It was observed that the higher the band the better the fit to the 92-series.

The data was then compared against the ‘00-series normal’ table which was

shown to be a better fit for the data:

1. Again, the older the age and the higher the pension, the better the fit, although this time the highest age band was slightly below 100% A/E for most of the ages analysed.
2. Grouping the data into 2 pension bands, above and below £8,500 p.a., showed that the upper band was a very good fit for the 00-series. Only 25% of the annuitants were in this higher pension band.

Conclusions drawn were as follows:

- All of the pension bands’ mortality rates converge at around age 90 – suggesting that the size of your pension does not determine your expectation of life at age 90.
- From the graphs it could be seen that, at age 65, the mortality of the lowest paid was about double the mortality of the highest paid.
- The higher paid are a good fit for the 00-series implying that the data supplied to the CMI was potentially from smaller pension schemes catering for senior employees and therefore more akin to the mortality of higher socio-economic classes than that of the average pensioner.

Female Pensioners, Normal Retirement

No discernible pattern could be seen by pension band for females suggesting one of two things: either there was not enough data to provide credible results by group (85,000 deaths versus 115,000 for males); or the size of one’s pension is not a good proxy for social status. Nigel specified that postcode, when analysed going forward, would be expected to be better.

Communicating to Trustees

Nigel concluded by describing the Pension Actuary’s role in communicating to trustees. Whether the trustees intend to secure the pension benefits outside the scheme or fund self-sufficiently, the actuary should advise them on how best to prepare.

The role is not only to analyse past industry experience but also to make the trustees aware of the difficulties of identifying trends which will predict

Mortality and Longevity Update *continued...*

future mortality. The trustees must choose the mortality table used so it is the actuary's responsibility to inform them of the choices available, e.g. short/medium/long cohort with/without a minimum floor for mortality improvements, and show them the effect on cost of using any of these options versus last year's assumptions.

Questions & Answers

Questions from the audience were based on both Richard's and Nigel's presentations. The questions focussed on improvement assumptions, the cohort effect and the mortality of younger annuitants and are summarised below.

- **Improvement assumptions**

Richard Willets confirmed that deprivation categories are not generally being used within a scheme's valuation but are used at the scheme level. Richard commented that, in Scotland, schemes generally have lower mortality improvement assumptions than the rest of the UK. Richard estimated that 1 in 10 pension schemes are underestimating mortality compared to where Paternoster would pitch it. Schemes tend to have a higher current mortality assumption and a lower improvement assumption. These two factors have offsetting effects but, overall, have liabilities valued about 5-10% lower (sometimes up to 15%) than Paternoster's estimates.

- **The cohort effect**

The cohort effect can be seen in other countries. In Japan, the cohort effect was observed in earlier generations than in the UK. In America, France and Germany a cohort effect was seen but it was weaker than in the UK.

- **The mortality of younger annuitants**

The President, Philip Shier, commented that the younger annuitants had much heavier mortality than the CMI tables in the second presentation. The reasons given for this were among the following: too few deaths to be credible; misclassification of normal/ill-health retirements; and pensioners choosing to retire early as in poorer than average health. Richard Willets pointed out that it is useful to understand the reasons

behind retirements at such young ages. For example, when the retirements of Boeing were analysed, the lower paid were found to have been pushed towards early retirement. Since they were from a lower socio-economic class, this is likely to be the reason for the heavier mortality experience of the early retirees in this scheme.

3. Mortality Trends in Ireland

Members of the Demographic Sub-Committee comprising John Armstrong, Colm Guiry, Liam Sloyan and Shane Whelan presented an updated position on mortality trends in Ireland. This presentation followed on from the previous work carried out by the sub-committee as presented at an evening meeting in June 2006. The main change from the June 2006 position was the inclusion of 2005 data. The presentation was split into 6 parts with the main themes from each of the sections highlighted below.

Part 1 – Overall patterns in Irish mortality experience

- Analysing the Irish Life Tables (ILTs) shows that mortality is improving over time for all ages although the rate of improvement is modest at older ages.
- When the CSO method of mortality projection was performed on data from 1986-2002, the life expectancy, in 2006, for a 65 year old male was estimated to be 16 years for period life expectancy and 17.8 years for cohort life expectancy. Life expectancy was observed to increase by approximately 0.17 years per calendar year.
- By updating the projection with 2003-2005 data, the cohort life expectancy, for a 65 year old male, was seen to increase by 1.2 years (17.8 to 19.0 years) and the period life expectancy increased by 0.8 years (16.0 to 16.8 years). The life expectancy, with this data, was observed to increase by approximately 0.2 years per calendar year. It is worth noting that the period of experience chosen has a dramatic effect on the results. Therefore, it is not a very robust method.

- The sub-committee investigated the existence of the cohort effect for Irish males by interpolating between the official ILTs. Overall, the analysis has shown that the cohort effect is not as strong as in the UK. This is most likely due to differing economic experience. The UK saw that the cohort born between 1923-1943 appeared to exhibit a 'step down' in mortality with the so-called 'cohort effect' being worth about 1% a year in improvements, in comparison to other generations.
- Applying the UK Government Actuary's Department (GAD) targeting method to Irish males, where the current rate of improvement falls to a steady state of 1% p.a. at each age over 25 years (GAD 1%), the cohort life expectancy, for a 65 year old in 2006, is 20.0 years, 3.2 years above period life expectancy. Life expectancy is observed to increase by approximately 0.2 years per calendar year. Changing the steady state to 2% p.a. (GAD 2%) increases the cohort life expectancy to 20.7 years and the rate of increase to 0.27 years per calendar year.
- As a rule of thumb, if it is assumed that male pensioners have mortality rates equal to 90% of population males through time, then the cohort life expectancy for a 65 year old male pensioner in 2006 is approximately one year higher under each method used (i.e. CSO method, GAD 1% and GAD 2%).

Part 2 – Mortality experience by cause of death

- Previous findings show that nearly 80% of deaths were caused by three main causes: circulatory diseases, cancers and respiratory diseases.
- However, analysing mortality experience by cause of death leads to some data issues. Given Ireland's size, the volume of data becomes quite small once segmented by age and gender and therefore credibility issues arise.
- Better quality data has been collated during the recent years. To counter the potentially unstable data in earlier years, the sub-committee banded years and

Mortality and Longevity Update *continued...*

considered changes in mortality patterns for 3-year periods from 1980 for the principal causes of death. The results suggest that mortality has continued to improve over each of the periods from 1982 through to 2005.

Part 3 – International comparisons

- Historically, mortality rates in Ireland have been higher than the EU average (EU-15) but mortality rates have been improving in Ireland at a greater rate in the last 10 years so we are converging towards the average. For example, between 2002 and 2004, Ireland experienced a 5.0% p.a. reduction in mortality compared to the EU-15 average of 1.6% p.a.
- Analysing deaths by cause shows a similar pattern of higher than average mortality rates and convergence towards the EU average. For circulatory diseases and cancers, we are close to the EU average. Looking more closely at cancer, however, shows that we are below the average for male cancers but above for female cancers.

Part 4 – Mortality and social class

- Analysis by social classification splits people into 6 classifications, I-V – from professional (I) to unskilled (V).
- In this analysis, it is important to be aware of high correlations between social class and factors influencing mortality such as smoking prevalence, obesity and disability. For example, the highest proportion of smokers is in IIIIM (skilled manual), at 32%, compared to 19% for I and II (professional and managerial & technical).
- The Office of National Statistics (ONS) in the UK is in the process of completing a study to analyse mortality by social class. This study involves approximately 1% of the population in England and Wales and started in 1972. The analysis shows that there is quite a substantial difference in life expectancy for different categories and this gap has increased over time. For example, for data from 1997 to 2001, male life expectancy at age 65 is approximately 13 years for class V and 18.5 years for class I.
- Analysis of the different social

classes in Ireland, with 2002 data, shows that only 10% of the population are in the two extreme categories, i.e. I and V.

- The sub-committee analysed the change in the Irish Social Demographic between 1991 and 2002. It was seen that class II (managerial & technical) increased slightly and class III (skilled) reduced slightly.
- The impact of applying the life expectancy social class differentials from the UK study to the change in demographic in Ireland between 1991 and 2002, was to increase the life expectancy of a man aged 65 by 0.2 years and of a woman aged 65 by 0.1 years. John stated that, overall, it was not clear that social class has an impact on mortality in Ireland.

Part 5 – Industry mortality projections

- The sub-committee carried out a series of projections to illustrate the range of assumptions used in the marketplace. They looked at six different assumption sets while also comparing the period and cohort approaches.
- For the period method, the life expectancy of a 65 year old male in 2006 ranged from 16.0 years from the CSO method to circa 22.3 years using PMA92c2025.
- For the cohort method, the life expectancy of a 65 year old male in 2006 ranged from 17.8 years from the CSO method to circa 24.0 years using PMA92c2006 (2% p.a.).

Part 6 – Recommendations and next steps

The main conclusions from each of the parts were summarised by John Armstrong. These were as follows:

- There have been recent dramatic reductions in mortality rates at all ages and the pattern of improvement shows acceleration.
- The cohort effect is present but not very pronounced in Irish males.
- Cohort life expectancies for males aged 65 in 2006 have been estimated as:
 - 19.0 years (CSO Method, data to 2005), increasing at 0.2 years per calendar year.
 - 20.0 years (GAD 1%), increasing at 0.2 years per calendar year.

- 20.7 years (GAD 2%), increasing at 0.27 years per calendar year.
- Irish mortality improvements have been dramatic by international standards and Irish mortality is now approaching the EU-15 average.
- Recent changes in the mix of the population by social class are considered to have had a limited impact on life expectancy.
- Changing mortality patterns will have profound effects for policy-makers and actuaries, including the projection methods used.

In the end, Philip Shier thanked the sub-committee for the vast amount of work carried out and opened the floor to some questions. Questions from the audience focussed on the cohort effect in Ireland and the CSO data.

The cohort effect in Ireland

Gareth Colgan said that he recalled where a masters student in UCD found that there was a cohort effect in Ireland and asked how they coped with fact that the CSO census data is not collected every year. Shane Whelan explained that they interpolate the qx 's with cubic splines between each 5-year point and then compare this to the census data.

CSO

Gerry O'Hanlon, from the CSO, spoke a little about the work of the CSO. He explained that they used to tend to focus on migration and fertility rates for predicting population size but now they also focus on mortality. They will be getting 15,000 completed disability questionnaires this year so this will be very useful to compare against the census data to analyse the socio-economic effects. The 2006 census data will be published before the end of the year.

Conclusion – The Demographic Sub-Committee

John Armstrong concluded the second part of the evening's presentations by saying that the sub-committee are looking for more members. He explained that not only is it important for the actuarial profession but also for the country to identify trends in our mortality to better predict our future.

Eric Brown and Arran Nolan

Question Time with Yvonne Lynch

Profile

This month we talk to Yvonne Lynch, who joined the Society as Director of Professional Affairs last March.

Tell us about your background.

I left school in 1981 and joined Irish Life as a trainee actuary. It was a great place to train. I got work experience in several different departments and lots of practical support with my studies. I finished the exams in 1987. Evelyn Bourke and I were the first female actuaries in Ireland – but the numbers doubled in each of the following two years and I soon stopped counting!

In 1990, I joined AIB as part of a small team setting up Ark Life. Setting up a life assurance company from scratch was a unique experience. It was a very creative and dynamic work environment. In the early days in particular, everybody thought about everything; we did not have boundaries defined by roles. It was fascinating, and fun, to be involved in the evolution of the company as it grew over the years.

In the mid 1990's, I spent several years on Council of the Society, as Secretary and then as Treasurer.

Between 2002 and 2004, I completed an MSc in Management, with Trinity College and the Irish Management Institute. I was lucky to have great lecturers and classmates and I thoroughly enjoyed it.

After quite a few years in life assurance, I eventually became keen to try something new. I had always thought that my predecessor, Aisling Kennedy, had a very interesting job, so when I heard that she was leaving the Society, I was immediately interested in applying for the role.

Why did the role of Director of Professional Affairs appeal to you?

The breadth of the role appeals to me. Variety is the spice of life, as they say, and this role certainly provides that. I now have exposure to all the practice areas – and I have learned lots already!

I also like the fact that I can become involved at an early stage in new developments, from legislative change

to emerging fields and many things in between, and I can influence and help to shape them.

Another aspect is the rapid growth in the profession, and the resulting opportunities and challenges to grow our sphere of influence and protect, indeed enhance, our professionalism and our reputation. Shifting my focus from life office management to helping to grow a profession is quite a change and I welcome the opportunity to take on this challenge.

Tell us about some of the things that you are currently working on.

I am working with Council to define and implement a new structure and modus operandi for our committees. One aim is to reduce the amount of time that Council spends on day-to-day issues, allowing more time to focus on medium to long-term strategic issues. Another aim is to improve the efficiency and timeliness of our decision-making processes.

Now that most people are back from their summer holidays, Council and the Committees are reviewing their programmes of work and planning ahead and I support them in this work. Regulatory issues are quite dominant on some of the agendas. However, it is equally important that we work at ensuring that the Society has relevance, and provides value, for all members.

I am involved in the Society's ongoing discussions with government and regulators about independent oversight and scrutiny of our work on standard setting. Independent oversight would bring greater transparency and objectivity to standard setting and would be in line with modern governance processes.

On Actuarial Standards of Practice, I am working with various committees to finalise the ASPs that were issued to members for consultation earlier this year.

I work with the Committee on Professional Conduct on oversight and governance of the disciplinary scheme. The Committee's first Annual Report is now available on the Members' Section of the Society's website.



Yvonne Lynch

I have started a review of the CPD returns made by members. This is the first year that members have had to make returns and it is a learning experience. I am grateful to members for their patience on some teething problems with the online system and for their feedback on improvements that could be made. This is something that we will address in the months ahead.

On the international front, I represent the Society on the Professionalism and Education Committees of the International Actuarial Association.

What do you like to do in your spare time?

My passion is scuba diving. I am club diving officer and an instructor with Dalkey Scubadivers. We dive regularly in Dublin Bay and travel to other coasts for weekends and for a week in July. The underwater world is very beautiful and full of colour and variety – yes, even in Ireland, and it's not that cold! Diving with a club also means that you meet lots of people, from all walks of life, and share great experiences with them. Instructing is time-consuming, but it's very rewarding to see people discover the wonders of diving and get a kick out of it. I have also been lucky enough to have lots of exotic diving holidays. I'm off to the South Pacific in November, to the islands of Chuuk and Palau, which are rated among the best diving destinations in the world. Much as I enjoy my new job, I can't wait for that trip!

The Society welcomes the International

Council & Committee Meetings and Presidents' Forum

Westin Hotel
25th to 29th October
2007

Welcome to IAA Council & Committee Members, international Presidents, delegates and partners

The Society is looking forward to warmly welcoming IAA Council & Committee members along with the Presidents of many actuarial associations from around the globe, delegates and partners to Dublin for the forthcoming IAA meetings in October. These meetings are held biannually and the Society is honoured to have been chosen as the host for the upcoming meetings. The last set of meetings was held in Mexico City last April.

Background to the IAA

The IAA is an international organisation dedicated to the research, education and development of the profession and of actuarial associations. The Society is a member of the IAA and thereby all Fellow Members of the Society are effectively members of the IAA.

In order to encourage actuarial research and development in particular areas of practice, the IAA has created specialised Sections. Members of the Society can join any of these Sections by contacting the Society. Currently, the IAA has seven sections:

ASTIN	(General Insurance)
AFIR	(Financial Risks)
AWF	(Actuaries without frontiers)
IAAHS	(Health Section)
IAALS	(Life Section)
IACA	(Consulting)
PBSS	(Pensions, Benefits and Social Security)

Schedule of IAA Meetings in the Westin Hotel, 25 – 29 October, 2007

The schedule of meetings, which includes an Introduction to the IAA, is posted on the Society's website and can be accessed via the following link:

http://www.actuaries.ie/Events%20and%20Papers/Upcoming%20Events/Upcoming_Events.htm

Attendance at IAA Committee Meetings in Dublin – October 2007

All Fellow Members of the Society are welcome to attend any of the IAA Committee Meetings. If you wish to attend, it is necessary to register in advance. The Society encourages members to attend meetings of interest to them and indeed, at the recent AGM of the Society the President, Philip Shier, appealed to members to support international events as it is good to think outside the box of our own domestic agenda. Below is the link to the IAA's website in order to register for meetings:

http://www.actuaries.org/index.cfm?lang=EN&DSP=EVENTS&ACT=MEETINGS_DUBLIN

Reception, gala dinner and traditional Irish entertainment – hosted by the Society Saturday evening 27 October, 2007 in the Shelbourne Hotel

The Society would like to acknowledge the very generous sponsorship of members' companies towards the hosting of the above event. The Society is very grateful to have this opportunity to extend a welcome to our international colleagues. All delegates have been invited to this event as guests of the Society.

Delegates' partners and indeed all members of the Society and their partners are most welcome to join delegates for this event at a cost of €150 per person. The Society hopes that there will be a good turn out of members to welcome our international guests. As we go to

press, 200 have already booked to attend, so we are looking forward to a most enjoyable evening.

For further information on the Society's international involvement, see the article below.

International Matters

The Society's International Committee & Representation on International Bodies

The Society's International Committee was formed in September 2003. The Committee currently comprises some of the members who represent the Society on European & International matters, through the Groupe Consultatif and the International Actuarial Association (IAA). There are many other members who represent the Society on these international bodies and the Society is very grateful for their involvement.

The objectives of the International Committee are:

1. To promote actively the contribution which the Society of Actuaries in Ireland can make to the profession internationally and to reinforce relationships with other associations, particularly through active support of the International Actuarial Association and the Groupe Consultatif.
2. To assist other bodies that can influence European and International policy making, notably Irish financial services regulators, insofar as such policy may impact on the role and standing of the Society.
3. To keep the Society's members informed of European and International developments, insofar as such developments impact on the role and standing of members.

Actuarial Association (IAA) to Dublin

Through this committee and member representation on international bodies, the Society has actively contributed to key developments on a number of fronts and continues to do so on many on-going international issues across different practice areas including:

- Ongoing **Solvency 11** developments
- Development of actuarial involvement and recognition in the **Risk Management** field
- Furtherance of an International Actuarial **Education** Programme
- International Actuarial **Standards of Practice**
- Development of the **IORPS** Directive
- Actuarial aspects of **Insurance Accounting**
- International **Reinsurance** supervision and the EU Reinsurance Directive
- The "Insurance **Gender Differentiation**" Directive
- **Mutual Recognition**

Minutes of previous International Committee minutes are available on the members' section of the website.

Membership of the Society's International Committee:

Jim Murphy (chair), Michael Culligan, Stephen Devine, Tom Gallagher, Pat Healy, Jim Kehoe, David Kingston, Yvonne Lynch, Bruce Maxwell, John McCrossan

The Society's Representation on International Bodies

The Society has always encouraged members to become involved in the various international bodies. The Society is well represented on IAA and Groupe Consultatif Committees and is indebted to many members for the contributions they have made to the workings of the various international committees and sub-committees over the years.

Below is a list of our current representatives on IAA and Groupe Consultatif Committees:

IAA

Pat Healy	IAA Council Member Member of Committee on Insurance Regulation
David Kingston	Chairman of IAA Financial Risks Committee
Jim Kehoe	Member of the Pensions & Employee Benefits Committee
Philip Shier	Society alternate for the IAA Council (the President for the time being)
Brian Morrissey	Member of IAA Insurance Accounting Committee
Bill Hannan	Member of the Actuarial Standards Sub-Committee of the Insurance Accounting Committee
Brian Mulcair	Member of the Accounting Standards Sub-Committee of the Pensions and Employee Benefits Committee
Paul Duffy	Member of the Financial Risks Committee
Stephen Devine	Member of IAA Reinsurance Committee
Yvonne Lynch	Member of IAA Education Committee
Yvonne Lynch	Member of IAA Professionalism Committee

Groupe Consultatif

Philip Shier	Membre Suppleant (the President for the time being)
Bruce Maxwell	Membre Titulaire
Evelyn Ryder	Member, Investment and Financial Risks Committee
Philip Shier	Chairman, Pensions Committee
Mike Claffey	Member, Education Committee
Jim Kehoe	Member, Freedoms and General Purposes Committee
Jim Murphy	Member, Insurance Committee
Michael Culligan	Member, Solvency 11 Working Group - Pillar 1 Life
John McCrossan	Member, Solvency 11 Working Group - Pillar 1 Non-Life

International Actuarial Events in Ireland 2007/2008

The Society was delighted that the FIRM (Finance, Investment & Risk Management) Conference was held in Dublin last June and is looking forward to the following events, which will bring actuaries from different countries together in Dublin:

- IAA Meetings 25 – 29 October 2007 in Dublin (see dedicated article in this newsletter)
- UK Healthcare Convention 14 - 16 May 2008 in Dublin
- UK Pensions Convention 4 – 6 June 2008 in Killarney

First place for Actuaries at Focus Ireland Triathlon 2007

Three Fellows of the Society of Actuaries, Derek Bain (AXA), Mike Claffey (Life Strategies) and Patrick Grealay (Imagine Group) competed as a relay team in the Focus Ireland 2007 triathlon in Blessington during July. They took first place in the relay category while raising over €1,000 (& counting) for the Focus Charity who seek to help homeless people in Ireland.

They hatched the plan of participation in the triathlon and fund raising while serving together on the Council of the Society of Actuaries during 2006/07.

The team finished in just over 64 minutes, which was only a few minutes behind the winner of the elite individual race.

Mike Claffey, who is a regular cyclist with the Bray Wheelers club, had the 3rd fastest bike split of all the cyclists. Derek Bain was ranked 25th overall in the 5k run with a split of 19m 13sec which represented a personal best, despite the undulating course and Patrick Grealay managed to splash his way round the 750m lake swim in 10mins. 46secs. which was 23rd overall of the 170 swimmers.

Anyone wishing to make a further online donation to Focus Ireland can do so at the following link, quoting the name 'Grealay' as the appropriate triathlon team.

https://www.focusireland.ie/html/fundraising/challenges/triathlon/sponsor_friend.htm



L to R – Mike Claffey, Derek Bain & Patrick Grealay



Patrick Grealay



Mike Claffey



Derek Bain

Society of Actuaries – Golf

Early Summer Scramble – Rathsallagh Golf Club 26th June

Back on the 26th June we thought we were a little unlucky with the weather but, at the end of summer, we now know better. Much like a pint of Scottish beer, it was wet but none the less enjoyable for it.

This was the first scramble competition organised by the Society and it proved to be a great success. Six teams (and 17 people) took part for a very enjoyable round of golf. There seemed to be unanimous agreement (or was that just everyone being nice to their captain) that a scramble competition was a good idea and one that should be repeated in the future.

I thought that my team had done quite well but we ended well off the pace to Team HLD – Messrs. Haugh, Lynch and Daly respectively – who not only sank a lot of puts but also managed to hold a board meeting on the 12th Fairway.

Captain's Day – Edmondstown Golf Club 23rd August

By the 23rd August, we all knew what a bad summer we had had for weather, but cometh Captain's Day, cometh the sun. At last, I had a chance to wear my shorts and while my golf was well below par (or above par depending on your perspective), my knees were thankful for the outing.

Edmondstown Golf Club, my new golf home in Ireland, was in great condition (especially the bright GREEN greens) having survived the summer's weather and the staff at the course looked after us all very well – even supplying Ballantines whisky (from my home town in Scotland) as refreshments after the 11th hole.

The course was playing quite long and the winning scores were very good in these circumstances. The winners were:-



Piers Segrave-Daly presenting his trophy to Martin Haugh, winner of the 2006 Matchplay



Golf Captain, Duncan Robertson, presenting his Caption's Prize to Declan Keena

1st:	Declan Keena 37 pts.
2nd:	Piers Segrave Daly 36 pts.
3rd:	Kevin O'Hara (guest) 35 pts.
Front 9:	Liam Quigley 19 pts
Back 9:	Conor Daly 21 pts
Longest Drive:	David Harney
Nearest Pin:	Kevin Begley
Scottish Prize:	Kevin Murphy

An attempt was made at a Scottish theme for the prizes but sourcing the raw materials led to a distinctly Irish

bias to my Scottish theme – however I hope that the Scottish whisky and (almost) tartan rugs were well received at home and look forward to Kevin Murphy's assessment of the Irn Bru and Haggis!

The final act of the night was to announce that Neil Guinan will have the honour of being your golf captain in 2008.

Duncan Robertson, Golf Captain.

Actuarial Consultancy Firms

The Society is frequently asked for a list of actuarial consultancy firms. We are updating this listing, which currently includes consultancies based in Ireland. We have contacted all those included on our current list to ensure that their details are up to-date.

We would like to extend this listing to include members' firms who provide consultancy services in Ireland but who do not have offices in Ireland. If you wish your company to be included in this listing, please contact the Society.

Contact details for the Society:

Phone: 353 1 660 3064
Email: info@actuaries.ie

Continuous Professional Development (CPD)

Many thanks to members for submitting their CPD Declaration and Returns to the Society for the year 1 July 2006 – 30 June 2007.

We acknowledge that there were some teething problems with the online form and we will endeavour to make the necessary improvements to the form for the current CPD year.

We would like to thank members for their co-operation in this, the first year, of this new scheme.

Minutes of Practice Committees

Minutes of all SAI Practice Committees are available on the Members' Section of the Society's website

The Society would welcome members' views on the Society's website and Newsletter

Website

It is now timely to review our website and we would appreciate comments and suggestions from members.

- Do you find the website easy to navigate?
- Is there any other information that we should publish on our website?
- Are there any other features we should include on the website?

We would also like to hear from members who would be prepared to sit on a sub-group to review the website. If you are interested, please contact Mary Butler at mary.butler@actuaries.ie

Newsletter

- Do you like the current format of the Newsletter?
- What other type of articles would you like to see in the Newsletter?
- Should we continue to review Society evening meetings and seminars in the Newsletter, or should we review meetings and post them on the Society's website?
- Have you any suggestions for articles for the Newsletter?

The newsletter team would appreciate hearing your views. Please contact them at info@actuaries.ie

On the Move

Fellows: Pat O'Sullivan has moved from Mercer to join the Pensions Board



Society of Actuaries in Ireland

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