



Fellowship Ceremony

SAI President, Paul O’Faherty, presented new qualifiers with their FSAsI Parchments on 7th February in the Royal College of Physicians of Ireland.

From Back L – R

(Back Row) Conall Murphy, Robert Meany, John Sheppard, Cathal Lafferty, Michael Liston, Ciaran Byrne, Alan Coady

(Next Row) Ciaran Durcan, Aoife Brady, Fiona Fahey, Rachel Coyle, Aoife Prendiville, Urusla Morrow, Felix McMahon, Maeve Corduff, Sarah Lynch, Shane Murphy

(Front Row) Niamh McDermott, Ann O’Keeffe, Paul O’Faherty SAI President, Aoife O’Hora, Sheila Quinlan

Update from SAI President

Governance!

If you Google "corporate governance" you will get 138m search results. So it's obviously a popular and worthy topic. But at the same time I'm well aware that announcing upfront that this note is going to focus on the governance of the Society runs the risk of getting the same reaction as a letter which starts with the words "I am writing to you for compliance reasons....."! Nonetheless I've decided to take that risk because the way in which the Society organises itself and makes decisions - its governance - is important to all of us who look to the Society as the custodian of our collective and individual professional reputations.

So, early in my term, Council commissioned a working party to review our governance framework. This was not motivated by any strong concerns that the system was broken but more by a question as to what is the appropriate term for our presidency and also feeling that there was perhaps too much informality in some of our processes. The key criteria adopted for

the review were:

- Not adding materially to costs or the demands on members in terms of volunteer input.
- Reducing key person dependency and risk.
- Supporting policy and strategy continuity and public affairs continuity.
- Our organisational structure should be robust in different scenarios (e.g. during growth periods and periods of static membership).

The review took into account best practice in other similar organisations both internationally and at home and in summary the working party recommended that:-

- Council is and should continue to be the Society’s primary decision-making and governance body. It should continue to meet on a monthly basis and that the widest possible representation should be encouraged.
- The two-year term of office for President should be retained for the

time being. But we should consider moving to a one-year term when there are sufficient financial resources available to support an expanded role for the Society's executive. It was suggested that a key milestone for reconsidering this position will be us reaching a membership of 1,000 active Fellows in Ireland.

CONTENTS	Page
<i>Fellowship Ceremony and Update from SAI President</i>	1
<i>Editorial</i>	2
<i>Enterprise Risk Management Committee</i>	3
<i>Round-up of SAI Meetings (November 2012-February 2013)</i>	4-6
<i>All old actuaries were once young</i>	7-9
<i>Student News</i>	10-11
<i>Back Page</i>	12

Editorial

We currently have 660 Fellows in Ireland.

- To create additional support for the President, to enable quicker decision making when urgent responses are required and to provide additional oversight and leadership capacity - an Officer Group comprising the president, the vice president and the honorary secretary and the treasurer should be established with responsibilities formally delegated by Council. These will include HR related decisions. The Officer Group will be joined as appropriate by committee chairs. Council's responsibilities and the responsibilities, including the items delegated by Council, of the officers (individually), the Officer Group, the committees and the executive should be documented.
- An Annual Report on the Society's activities should be published.
- For committees generally, terms of reference should be reviewed and documented, a two-year term of office for chairs should be confirmed and a membership rotation policy be introduced.
- Our Professional Affairs Committee has a unique role in providing oversight across our professional activities. It's like the conscience of the Society. It should be chaired by a past president and its membership should comprise at least one lay member, the chair of the Practising Certificates Committee and 4 - 5 Council nominees.
- Consideration should be given in time to adding a lay representative to Council

The recommendations of the working party were endorsed by Council in December and we now have a plan in place for their implementation. I hope you agree that this is a case of sensible evolution rather than revolution. To finish I'd like to thank my fellow working party members - Keith Burns, Mary Butler, Dermot Corry, Yvonne Lynch, Evelyn Ryder and Philip Shier for their commitment to this project.

*Paul O'Faherty
SAI President*



Kevin Manning

This edition of the Society newsletter is the first of the new year, and is also our first effort as a newly assembled editorial team. When the Society has canvassed opinion on the newsletter in the past, the feedback has been fairly unanimous - "we like it, don't mess with it." Despite this clear mandate, perhaps foolishly, we have decided to mess with it, albeit only very slightly.

Advances in technology allow us to put slides and podcasts from every evening meeting on the Society's website. This means that the fine art of preparing a detailed but relatively brief synopsis of a presentation on interest rate hedging or pension scheme funding standards is beginning to seem somewhat obsolete.

Rather than filling the newsletter with page after page of evening meeting summaries, we are experimenting with the approach of having much shorter summaries, designed to let you know whether you missed a session that might be of interest. If that turns out to be the case, then the slides and podcast await.

Interestingly, the podcast is becoming a useful tool for in-house learning and for verifiable CPD. For example, listening to the podcast of Malcolm Jones's recent session on "efficient portfolio construction using cash and derivative instruments" in the privacy of your bedroom will earn you valuable CPD and some funny looks from your partner. Listen to it in a meeting room at work with a bunch of colleagues and the CPD becomes verifiable. You even get to have a potentially educational discussion of the points made, and hear the often lively debate at the Q & A session.

There is no substitute for attending an evening meeting in person, and it is important for the Society that we

continue to have well attended evening meetings, but it is worth remembering what a strong resource the podcasts can be.

While we were nervous of making any changes to the content of the Newsletter, a rifle through the record books showed that actually the style of the newsletter has varied somewhat over the years. I was particularly taken with some old editions that Mary managed to dig up from the late 80s when the newsletter was prepared by Brendan Kennedy. Brendan's style was beautifully relaxed. The March '89 edition describes an upcoming paper by Colm Fagan - "Colm Fagan will be presenting his paper entitled, I think, "Financial Aspects of a New Life Office" or something like that, and making his attempt on Brian Woods' all time Society attendance record." Colm featured again in the June '89 newsletter when Brendan notes "I got a fierce roasting after I congratulated Frank Downey in the last newsletter. May I therefore take the opportunity to congratulate Colm Fagan on the birth of all his children."

Taking the sort of direct approach that Mary would probably love to replicate now, the November '88 newsletter had a section entitled "subscriptions" which contained the simple text "Why haven't you paid them yet?". At least it stopped short of naming names. My favourite though was the entry in November 1991 in the equivalent of the "on the move" section that we have now - "Despite rumours to the contrary, Tony Gilhawley is happily at the desk in Prudential".

Shortening the evening meeting summaries means we have to work harder to find other content for the newsletter, and we are always happy to receive submissions and ideas from members, so please email us at newsletter@actuaries.ie if you have anything that you would like to contribute or any comments on content.

*Kevin Manning
Editor*

Newsletter Team: Mary Butler, Rachel Gow, Raymond Leonard, Kevin Manning (editor), Niamh Moloney, Tom Matthews, Conor O'Neill (Chair of Communications), Stuart Redmond, David Roberts

The Enterprise Risk Management (ERM) Committee of the Society of Actuaries in Ireland

This is the first in our series of articles on Society Committees.

Set up in 2009, the Enterprise Risk Management (ERM) Committee supports the members of the Society by promoting the professionalism and reputation of actuaries as expert risk managers of financial institutions, and in particular by providing members with opportunities to develop the competencies and professional networks that help them to be successful, for instance, in a role of Chief Risk Officer under Solvency II.

To support these objectives, the Committee organises and promotes events for members and guests; broadens the choice and availability of ERM-related training to members; engages in research as required by the profession; provides opportunities for risk professionals in the actuarial community to strengthen their networks; and co-ordinates with other Society Committees and international bodies on matters of broader concern (e.g., ORSA).

The ERM Committee meets every 6 weeks to advance its various agenda points and discuss new developments; its current members are Graham Crowley, Niall Dillon, Peter Doyle (Chair), Colm Fitzgerald, Tracy Gilbert, Sinead Kiernan, Yvonne Lynch, John McCrossan, Richard McMahon, Brian Morrissey, Viviana Pascoletti, Eamonn Phelan, and Lukas Ziewer.

Education is an important aspect of the Committee's work, and one objective is to promote the international CERA qualification and support members in relation to this qualification. Soon after the Committee had been set up, it launched a series of introductory seminars to raise the awareness and interest amongst members, and provide them with an opportunity to familiarise themselves with the topic. This series covered general concepts and frameworks, as well as individual elements of ERM, such as risk measurement, aggregation, and mitigation strategies. The Committee is now working to foster ties with universities and identify providers of professional education to help members meet their in-depth training needs.



Lukas Ziewer, member of the ERM Committee with Peter Doyle, Chairman, ERM Committee

Related to the education agenda is the Committee's research agenda. For instance, the March 2011 paper on the construction of risk-appetite statements proved to be topical and was widely used by risk professionals in the industry; similarly, members of the Committee contributed to the Life ORSA Working Party, which reported in April 2012. While members are individually very active in developing new and relevant insight into ERM practices, the Committee is committed to increase its effort to stimulate and encourage research in this area, and to provide more focus.

Undoubtedly the most active part of the Committee's work is its events agenda. The ERM Seminar early in the year presents a high-profile bench of speakers and panellists, and offers the opportunity to think about the state of ERM in the Irish profession, and the developments for the year ahead. For instance, the ERM Seminar 2013 will highlight in particular the perspectives of non-executive directors, and how CROs need to respond to these demands. An ERM Forum, on the other hand, is focused on individual aspects of ERM and the day-to-day work of risk professionals.

For instance, on 26 November 2012, the ERM Committee hosted a Forum with two presentations by Don Browne ('Wider Fields – Using Actuarial skills within the Banking Industry') and Wouter Elshof ('Risk budgeting using risk based capital and return'), to help

actuaries expand their knowledge of the field.

Don Browne works in the Treasury department of AIB, and is responsible for the bank's structural interest-rate risk. He is, however, also an actuary and had worked many years in life insurance. From this quite distinct perspective, Don talked the audience through his perceptions of the evolution of ERM in the banking and insurance industries, the role of actuarial competencies in ERM, and the fact that the essence of ERM is not so much following a formal process, but working hard to embed an enterprise-wide risk perspective into the decision mechanisms of the organisation.

Wouter Elshof is a risk-management expert and consultant with Milliman, based in the Netherlands. Wouter shared with the audience experience from a project in which an insurer aims to optimise the Return-on-Capital of its business plan under a capital constraint, in what essentially is a Markowitz model. The opportunity is that with Solvency II, many European insurers now have the ability to measure the contribution of different activities to capital consumption, and therefore have one important input into such an optimisation model.

Both presentations and the podcast of the Forum are available on the Society's website.

Lukas Ziewer

Round-up of recent Society meetings

This section of the newsletter aims to provide you with a brief flavour of the recent Society meetings. It is not intended to provide you with an exhaustive summary of each meeting, but the full podcast along with any accompanying slides are typically available on the Society website (www.actuaries.ie/events/podcasts).

Thanks to Brian O'Connor, Marie Bradley, Pdraig Flanagan, Stuart Redmond and Tom Matthews for summarising these meetings.

Liability hedging in a world without risk free assets – Nov 14th

A world without risk free assets may be a little easier to imagine now than might have been the case even four or five years ago. On 14th November, Anthony MacGuinness and John Thornton of Irish Life Investment Managers presented an insightful session on liability hedging in just such a world.

The presentation will be of particular interest to anyone dealing with the thorny issue of hedging pension scheme liabilities, but much of the content is also of relevance to life assurance hedging, particularly in the context of Solvency II.

Anthony's main focus was the wide range of liability hedging assets available while John had valuable insights on the evolution of credit risk and the segregation of credit and interest rate risk. There was plenty of time for questions, with discussion on a range of topics including opportunistic de-risking and issues relating to Irish and other peripheral sovereign bonds.

ERM Forum – Nov 26th

You can find a detailed review of the ERM forum along with an update from the ERM committee of the Society on page 3 of this newsletter.

General Insurance Forum (members only) – Nov 30th

The G.I. forum was held on November 30th and featured presentations from Peter O'Brien of the Injuries Board

(Faster more efficient assessment of personal injury claims) and Karl Murphy of Towers Watson (Periodic payment orders). Annet Evara from the Central Bank of Ireland delivered a presentation on the ORSA with Tom Donlon and Ger Bradley from the Society's GI committee leading a follow-on panel discussion on ORSA, including practical experiences of implementation. Note that you will need to log in to access the slides and podcast for this forum.

How strong are your rating factors - a life (re)insurance view – Dec 3rd

On December 3rd 2012 Chris Reynolds and Andrei Halasz of Partner Re delivered a presentation to the Society on using Generalised Linear Models (GLMs) to analyse the interaction of rating factors.



Chris began by looking at the limitations of traditional linear regression and how the predictive power of the model can be improved by generalising the model framework to that of a GLM. Such models can be easily fitted using the open-source software R which is widely used in the statistics community and freely available.

The presentation was unusual in that Andrei then took us through a 'real time' practical demonstration of analysing mortality experience from four different countries, investigating the predictive power of different rating factors and the impact when important risk factors are removed from the analysis.

This was followed by a question and answer session which dealt with a range of issues including the warning signs for an under or over-fitted model and the extent to which GLMs are used in practice.

Current Topics – Dec 6th

Once again, a panel of newly qualified actuaries has prepared a comprehensive paper on current issues in each of the key practice areas. The 2012 paper was presented to an evening meeting of the Society on December 6th. Note that the full current topics paper is available on the website in addition to the evening meeting slides and podcast.



Solvency II Pillar III Quantitative Reporting Templates – Dec 11th

Sinead Clarke and Eoin King, both of Milliman, gave a detailed presentation on the Solvency II Quantitative Reporting Templates. The slides will be a particularly useful practical resource for anyone struggling with this aspect of Solvency II implementation.



Pensions Forum (members only) – Dec 12th

The Pensions Forum took place on the afternoon of December 12th and covered a range of topics. Cathal Fleming provided an overview, before an accounting update from Joanne Roche, a presentation on Solvency II for Pensions from Sarah Fee and an insight into the retirement actuary of the future from Duncan Robertson. The forum was a members

(November 2012 to February 2013)

only event and you will need to log in to access the slides and podcast on the Society website.



Macro Economics update – Jan 16th

There was a large attendance for the earlier-than-usual evening meeting on January 16th, during which Paul Mortimer-Lee (Global Head of Market Economics at BNP Paribas) gave his views on the outlook for Ireland, the Eurozone, and other large global economies.

From his experience of working with the Bank of England, Paul was able to provide an insight of the current pressures on the major central banks; his views on their likely future moves; and any impact these moves may have on financial markets and economic growth.

The presentation and podcast will make for interesting viewing and listening for anyone who is hoping to discover where future growth in the global economy is likely to stem from and the risks that may derail us from this path.

Efficient portfolio construction using cash and derivative instruments – Jan 22nd

Traditional investment approaches have failed to deliver consistent returns during the last number of years, with adequate diversification being particularly hard to achieve during the financial crisis. Malcolm Jones of Standard Life delivered an informative presentation to the Society on how unconstrained multi-asset investing may better meet the needs of investors by improving diversification without impacting on long-term return expectations. Malcolm began by assessing how we measure portfolio diversification before

looking at the diversification benefits that can be achieved by allowing a broader investment universe including currencies, yield curves and volatility along with unconstrained dynamic asset allocation.

He went on to outline how derivatives can be used to implement such a strategy and discussed how to measure the risk of an unconstrained portfolio. Malcolm's presentation was followed by a question and answer session; unusually Malcolm himself posed a question to the audience on their view of the role of actuaries in the investment decision.

Debt markets – going beyond government bonds – Jan 30th



Kevin McMahon of Avoca Capital began the evening meeting by providing a brief overview of Avoca Capital and their activities.

The focus of the evening was to explore the debt market that exists outside of Government bonds, to prove that yields are available if we look a little further than Govies. The ultimate aim being to firstly **maintain** and secondly **grow** the purchasing power of our capital.

Kevin kicked-off by examining historic yields available across various debt classes, with the expected conclusion reached that current yields on most debt instruments are at an all time low, and posing the question; "where can capital be best put to work, and does it make sense to do that?"

Kevin focused on three risks that investors should consider pragmatically when evaluating debt, which he set out as:

- Intrinsic Risk
- Price Risk
- Inflation Risk

Kevin concluded his presentation with a potential solution to negative real returns currently on offer - Senior Debt or Loans.

He explained that anomalies currently exist in this market due to:

- Banks who once dominated the market having stepped back.
- It being a generally illiquid market

This leaves a void in a market where lenders can be rewarded for risks taken and opportunities for organisations to exploit this – but for how long!

There was plenty of time for Q&A after an interesting presentation, with queries varying from why the anomaly exists in a free market, when the bubble may burst, to the operational and in house functions required to manage debt instruments.

Regulations in life assurance & reinsurance – all you wanted to know but were afraid to ask – Feb 13th

Eamonn Phelan and Kevin Manning of Milliman presented a comprehensive overview of the regulatory and legislative landscape for life insurers and reinsurers at an evening meeting on February 13th. The slides from the presentation will be a useful resource for anyone working in this area.



ASP PA-1, Continuing Professional Development – compliance review

Standardising the longevity model – have we arrived yet? – Feb 19th

On 19th February, Benoit Moreau and Pretty Sagoo presented an insightful session on recent risk transfer mechanisms, challenges posed and the work of the Life and Longevity Markets Association (LLMA) to overcome the challenges that the market faces. Benoit Moreau is a qualified French actuary who is Head of Life Risks at Axa and Pretty Sagoo is a Director of structured insurance products for Deutsche Bank, London.

The presentation will be of particular interest to anyone dealing with the issue of hedging longevity risk of pension schemes or (re)insurance companies, but much of the content is also of relevance to anyone involved in investment strategy design or asset management.

Benoit looked at the current longevity market where much of the risk is transferred via longevity swaps to insurers or reinsurers and at the possibility of extending the market by transferring the risk to capital investors. These products can be attractive to the capital markets as they provide some diversification from equity and bond risks for example, however they can be very long term investments.

Pretty focused on options available for transferring longevity risk such as longevity bonds, buy-outs or buy-ins and index-based hedges. She commented on the relative costs of different options and gave insights into some of the challenges that can arise given the developing nature of the market for these instruments.

The presentation also focused on the work of the LLMA in standardising terms, product definitions and pricing models for this market as well as its plans for the future development of the market. The question and answer session covered issues such as the cost of the index-based solution compared to indemnity covers, modelling basis risk and the impact on Solvency II capital.

Audit of Verifiable CPD

Each year, as part of our review of members' compliance with ASP PA-1, Continuing Professional Development, we audit a proportion of CPD returns to verify that activities listed as verifiable have indeed been attended/completed.

The audit of verifiable CPD forms part of the Society's quality assurance process to ensure that members continue to develop as professionals - a key objective of the CPD Scheme - and that CPD returns submitted are accurate. The audit is in accordance with paragraph 7.5 of ASP PA-1.

The audit for the CPD year ending June 2012 has just finished, so it is a good time to let members know how the audit went, what is involved in the audit and what to expect if selected for an audit in the future.

How are members selected?

The audit is a routine check and names are chosen at random each year.

What do members need to do when selected?

Society staff will check the Society's records to confirm a member's attendance at any Society CPD events listed on his or her CPD return.

If a member has included any other verifiable CPD on his or her return, he or she is asked to provide evidence within a 3 week period.

Evidence of verifiable CPD may include:

- A copy of an attendance list / sign-in sheet for an event,
- A certificate of completion of a course,
- Other written confirmation of attendance from event organiser.

Audit of verifiable CPD for year ending June 2012

Overall, the audit of verifiable CPD for the year ending June 2012 went very smoothly with selected members being very co-operative. However, there are a couple of things worth remembering:

- Members must take responsibility to ensure that evidence is kept for events. Please refer to paragraph 6.1 of the ASP for more details. This applies equally to events held within your own firm. Therefore, members should ensure a sign-in sheet is in place at internal events that they wish to submit as verifiable CPD.
- If you complete more CPD than the minimum required under ASP PA-1, we encourage you to include details of all activities on your CPD return. This may be important in the future if you need to average your CPD over two or three years (the Society may permit this in exceptional circumstances, e.g. long-term illness). However, do ensure that the information submitted for each event is accurate and complete.

The next CPD audit will take place for the year ending June 2013. In the meantime, if you would like further information about the Society's CPD audit, please contact the Society at info@actuaries.ie.

Tracy Gilbert

All old actuaries were once young

“You have to remember that all old actuaries were once young”. This was an important early shot across the bow from Brian Duncan when we met recently for lunch to probe four of the founding members of the Society for some reminiscences on the formation of the Society and on life as an actuary in the earliest days of the profession in Ireland.

On Thursday 7th February, Conor O’Neill and I had the happy opportunity to chat over lunch in the Society’s offices with Brian and fellow-founders Joe Byrne, Peter Delany and Bob Willis, prompted by a wave of nostalgia that began with the recent 40th anniversary dinner in the Shelbourne. Early in the interview any preconceptions we might have had were shattered by Bob’s gentle recollection of the moment he qualified.

While Joe, Peter and Brian struggled to recall any specific circumstances of their qualification, Bob was able to pinpoint with precision the happy occasion in July 1951 when he discovered that he had become the 4th qualified actuary in the country. Now well into his 80s, Bob certainly had a twinkle in his eye when he recalled the circumstances of his qualification. “I was very daringly travelling around the south of France on a motorbike with my fiancée when I received a telegram from Geoffrey Rowe”, he explained.

Geoffrey was a colleague of Bob’s in Irish Life, and himself a founding member of the Society. He was charged, not only with informing Bob whether he had qualified, but was also under strict instructions to include news of his own results. This posed a challenge given the limitations of the telegram as a means of communicating detailed information, but Geoffrey rose to the challenge, and Bob still has the telegram to this day. Addressed to the Majestic Hotel in Chatelaillon the central message of the telegram was imparted with the concise words “Congratulations F.I.A.”.

Interestingly, in talking about the other qualified actuaries in the country at that time, Bob recalled with some fondness the “free spirit” of Lester Stringer, who was subsequently killed in a motorbike accident in South Africa.



SAI Founding Members at the SAI’s 40th Celebration

Left to right: Bob Willis, John White, Joe Byrne, Brian Duncan, Piers Segrave-Daly, Paddy Maher, David Kingston, Adrian Daly, Michael O’Mahony and Peter Delany.

No slouch with the calculations, I quickly figured that this meant that at least 50% of the qualified actuaries in Ireland in the early 50s were bikers. Not quite the conservative forefathers we had in mind.

It quickly became apparent in our discussions, that all four men had, in Peter’s words “served time in Irish Life”. Brian thought this sounded a little like “time in Borstal”, but it was clear that all four had fond memories of that time, and they seem now to have been successfully rehabilitated into normal society. Inevitably though, the recollection of working life in the 50s and 60s highlighted some interesting differences to modern times.

In the absence of an electronic clocking system, Irish Life employed a simpler, and no less effective, method in the form of an attendance book, policed by the indomitable Ed O’Mahony. Employees arriving each morning would sign the book under the watchful gaze of Mr O’Mahony who was armed with a gold pocket watch and a ruler. Once the pocket watch had ticked on to 9 o’clock, the ruler was used to mark a solid line on the page. Anyone signing below the line was now officially late. There was a touch of the school days about the anecdote, and it was entertaining to hear the four men grumble about the focus that was placed by management on arriving punctually, in light of the scant credit

that was given to those who stayed late in the evenings. Bob had a few tricks up his sleeve though – on wet mornings it was important, he noted, to sprinkle a few drops on the page to make it clear that the conditions may have been an impediment to punctuality. In addition, he emphasised that the important thing was to get the name into the book on time. Other matters, such as the parking of one’s motorbike could happily be attended to after the book had been signed.

Another difference between working life in the 50’s and 60’s compared with today was the length of the working week. In particular, it was customary for insurers to open on Saturdays, at least for half a day, and the typical working week for an actuary included 9 to 12 on a Saturday morning. We are used to the notion of casual Friday, but back then it was casual Saturday - the generous relaxing of the dress code to allow employees to wear a blazer instead of a suit. Coffee breaks were not a part of the working day, and the actuaries of the time in Irish Life had coffee cups hidden in drawers to allow the brewing of an illicit cup for elevenses. This brought about the charge of “stealing electricity from the company” but appears to have been broadly tolerated.

Less tolerable was the view from the Irish Life Head office in the Hammam Buildings on O’Connell Street (formerly

a Turkish baths, and almost literally a case of working in a sweatshop) which looked across at the Monument Creamery tea-rooms with its tempting array of cream buns. The IB office was situated over the tea-rooms in what is now Dr Quirky's Fun Palace, though no conclusions were drawn on the significance of this. In time the requirement to work every Saturday morning was relaxed to every second Saturday (the mornings off referred to as "concession days" which could be withdrawn for those who had an excessive number of late mornings). Bob recalls that productivity on a Saturday was fairly limited, and often would extend little beyond "getting the Irish Times read".

We chatted about sitting exams in the early days of the profession, and Bob recalled that the original venue for exams in Ireland was in the office of Standard Life in the late 40s and early 50s. This was seen as a mark of prestige for Standard Life, but unfortunately a limit in the availability of rooms meant that the exams were typically conducted in the branch manager's office. From time to time the branch manager would need to conduct a "whispered telephone conversation" at his desk while students worked through their exam papers, and at 4.30 in the afternoon a large trolley would trundle through to pick up files to return them to storage. Soon the number of student actuaries saw the profession outgrow the confines of the branch manager's office and the exams were moved to the board room in Irish Life where a large turnout of 6 or even 8 students was easily accommodated.

That all four of the founding fathers we spoke with had an Irish Life background is no coincidence. 10 of the original 17 members had started their careers in Irish Life, and this caused challenges in the early days of the profession. At that stage there were two domestic life companies – New Ireland, the oldest of the Irish insurers, and Irish Life which was formed in the 30s through the amalgamation of a number of smaller insurers. All other life insurers operating in the State at that time were branches of British companies. Qualified actuaries in Ireland in the early 70s were typically either employees of Irish Life,

employees of New Ireland or consultants.

In a market with few competitors, it is perhaps understandable that there may be a reluctance to form a society where members would get together to share ideas. This was a time of considerable innovation in the market with the development of unit-linked products at its infancy. Other innovations included the use of prize bonds as an incentive for IB business sales. The formation of the Society was a slow process against the backdrop of these competitive considerations, and when it did eventually form in 1972, there was limited actual shop talk.

Meetings generally involved dinner, and formal business was kept to a minimum where possible. Peter Delany recalls meetings of the Society taking place in members' houses, including his own. "I remember well the dinner, but not so well the meetings" he recalled. Bob Willis also recalled a meeting, probably in the Russell Hotel, where spouses and partners were in attendance for dinner. The business end of the meeting saw members head to a basement room to approve the accounts of the Society and address a small number of agenda items, while better halves waited hungrily upstairs. He claimed that dinner was delayed considerably by a "Paddy Maher filibuster", but we will need to check this with Paddy to get his side of the story!

Eventually New Ireland and Irish Life were joined by other Irish companies in the market. Brian recalls the Shield Life (subsequently Eagle Star and now Zurich) as the first of these. The Shield was formed in Cork in 1978 and soon became a strong competitor for the two existing Irish insurers. The name was imprinted on his mind by a quiz distributed to brokers in which every answer turned out to be "Shield" and he recalls that competition at the time was very intense.

Of course one of the biggest changes in the working lives of actuaries since the formation of the Society is due to advances in technology. We might be used to cloud computing and nested stochastic models but the Society's founding members were more used to

the limitations of the mechanical calculating machine. If you were suitably adept, a quick flick of some levers and a turn of the handle allowed you to rapidly add up lists of numbers. Multiplication was a little more involved. Peter recalled that one of the biggest challenges of the time came from the fact that the machines dealt in decimals, which meant that (pre-decimalisation), monetary amounts had to be converted from pounds, shillings and pence and then converted back again once the calculations had been completed. This added an extra layer of complexity to life. "We suffered a lot for our profession" Joe noted with a smile.

Despite the use of the mechanical calculating machines, the most important actuarial tools were undoubtedly the pencil and the squared paper and there was at least a hint of fondness in the recollection of early actuarial valuations of pension scheme liabilities where everything was done by hand.

There was less fondness recalling the need to have trustee scheme rules, annual reports and other important documents typed by hand. Errors spotted in proof-reading could require the re-typing of whole sections.

One of Brian's earliest memories of his career in Irish Life related to a proposal in the 1960s to purchase a computer – the now legendary IBM 360, which revolutionised the manufacture of mainframe computers on its release in 1965. Much of the debate in Irish Life centred on whether the company would have "enough use" for a computer of its power. Sensibly, a solution was arrived at which saw Irish Life join forces with Glenabbey to buy the computer together and share the facility. With that, Irish life insurance entered the computer age.

Discussion turned to actuaries of influence in the history of the Society. Geoffrey Rowe was fondly recalled and there was consensus in the room that he had the "huge respect of anyone who worked in Irish Life at the time". The contribution of Liam Honohan to the profession was also a subject of widespread appreciation. As the first actuary in Ireland, Liam could

reasonably have claimed to be the founding father of the profession here although Peter, Brian and Bob were quick to give that accolade to Joe Byrne. With three qualified actuary sons, as well as a niece and nephew, it is clear that Joe is a true founding father (and founding uncle to boot)! Liam Honohan was himself the father of very eminent offspring – Professor Patrick Honohan, the governor of the Central Bank of Ireland.

Brian declared that he would single out Bob Willis as the most influential actuary in his career, except that he felt limited by having Bob in the room. Interestingly, while there was great respect for Bob's intellect and his technical skills as an actuary, what Brian singled out as Bob's primary contribution was the impact he had on the culture of Irish Life. At the heart of this was Bob's development of a culture of "doing things right" with a focus on service and a strong understanding of the importance of clear communication. These were values which, in Brian's view, Bob managed to singlehandedly instil into the culture of the whole organisation. Discussion of Bob's views on clear communication led to the unmasking of his nemesis – the split infinitive. Bob now claims to have put

to rest his preoccupation with this particular grammatical faux pas (which he described as his "bête noire"). I promised him that I would sneak a split infinitive or two into this article, although any other grammatical mistakes are unfortunately unintentional. As the parking meters on Mount Street hurried us towards the end of our conversation, there was time for the four men to reflect on the development of the Society over 40 years. They could be forgiven perhaps for missing the collegiality that must have come from such a small profession, but all four spoke with pride on the expansion of the profession and its contribution to the development of actuarial science both at home and abroad, as well as the contribution it has made to Irish society.

There was pride too in the fact that the profession, through the Society, had managed to police itself over the years and is one of the few professions to continue to do so. It is characteristic of the men that when we spoke about the banking crisis and the arrival of the Troika, the focus of the conversation was on those in society who would be most affected by the economic downturn. In particular, there was considerable sympathy for the

generation in its thirties who bought houses at too high a price and are now saddled with large mortgages.

Inevitably, there was disappointment that Irish Life was back in State ownership. A number of those around the table were central figures in building a company over a period of decades, to be strong enough to facilitate a successful flotation by the State. Problems on the banking side of the house have undone that hard work and Irish Life is once more in State hands, at least for now.* With some pride it was noted that the actuarial profession had helped steer the insurance industry capably over the years, and that it was perhaps time for us to develop a wider role in the banking industry and other areas where risk management skills would be of benefit.

I'd like to take the opportunity to thank Bob, Brian, Joe and Peter for their time in coming in to meet with us and for their fascinating insights into the history of our shared profession.

Kevin Manning

**Note that the meeting took place before the announcement that Irish Life had been sold to Great West.*

2013 SAI Award for Outstanding Contribution

Award Criteria:

All full members of the Society other than:

- All Presidents, current and past
- Current Vice President

What is the time period?

- Focus for recognition is contribution over the past three years

What are the key dimensions for contribution?

- Contribution to research / papers to the Society
- Contribution to Council
- Contribution to committees / working parties
- Contribution to international actuarial developments

One or more of the above dimensions are required.

Nomination Process

- You may submit nominations to the Nominations Committee, at the Society's address or you can email Mary Butler (mary.butler@actuaries.ie). You may state if you wish to remain anonymous in making your nomination.
- When making nominations, members should state the reasons for which they are nominating the person.
- All nominations will be considered by the Nominations Committee and a recommendation will be brought to Council for approval.
- Nominations Committee will also take into account the many high quality nominations that were received last year.
- All nominations, which will be acknowledged, should be received by latest Monday 22nd April.
- The Award will be presented at the Society's Annual Convention on 29th May 2013.

Success is a Science

As the next exam sitting approaches, students are once again at a low ebb. October's exhilaration at surviving another exam sitting has slowly evaporated over time, and even the most prepared student will be feeling anxious. Often this is mixed with a sense of guilt – resolutions that wavered, promises to self that have not been followed through on. But you can still make the most of the time left to you and give yourself the very best chance of success this time around. In this article, Niamh Moloney learns from Oscar Wilde and offers some practical tips for creating the conditions to succeed.

“Success is science; if you have the conditions, you get the results.” Oscar Wilde

Self-discipline

For me these words conjure up an image of student struggling bravely through pages of arid course material. Right now, in my mind, they also conjure up an image of every reader of this article turning overleaf as you dismiss this as yet another patronising study guide.

Regardless of whether the words irritate you or evoke fear, with only weeks before the next exam session, self-discipline is a necessary evil. If you were not born with this attribute, you'll need to acquire it; quickly. Find a comfortable and quiet place to study with good lighting and no distractions or temptations. Note that Oscar Wilde also said: “I can resist everything but temptation”. Don't set yourself up for failure before you even begin.

A Beautiful Mind

Not only is this the title of my favorite film, I firmly believe that a beautiful, content mind is also a prerequisite to exam success.

Many people feel that by studying long hours or sacrificing sleep in favor of study will benefit them greatly. It doesn't. In fact, if you are like me, sleep deprivation makes you extremely irritable and unable to concentrate.

In addition, many people view study as a laborious chore, and this can be the enemy of a peaceful mind. Personally, I find it difficult to do anything that feels obligatory. The feeling of having exams “forced” upon me whilst I've not had a proper night's rest exacerbates my foul mood.

When it comes to taking actuarial exams, it can be easy to forget what it is all for. While it may not be the most fashionable thing to admit; most of us have an enthusiasm for what we do for a living. We either completed actuarial undergraduate courses, or we took the initiative to leave alternative careers in favour of the actuarial arena. We need to harness this enthusiasm to help us to motivate ourselves to study.

To be most effective, space out your studying. You'll learn more by studying a little every evening instead of waiting to cram in one session. In fact, research has shown that we can only maintain concentration for a period of roughly 40 minutes at a time. Sharp bursts of study, interspersed with short breaks are hence advised. Furthermore, our brains are most likely to retain material read at the start and end of each study session so conclude sessions with a brief summary of the topic(s) covered.

Planning

I hear another collective sigh from my remaining readers.

Whilst ActEd tutorials are an invaluable source of support when preparing for exams, I often find myself worrying as they approach. I struggle to read through the entire course notes prior to the tutorial. Even though I rarely ever draw on all of the prescribed reading, the very fact that I have a class approaching provides a structure for study in the form of a cut-off date.

If you haven't opted to attend tutorials or complete ActEd's marked assignments, a homemade timetable can help, without offering the external pressure of actual deadlines. Timetables can even be used to calm nerves closer to exams, as they clearly set out how it is possible to fit in all the tasks that need to be done in the time that you have left (assuming that it is!). The key thing is that once devised, timetables

should be adhered to. Ensure that some contingency is built into your plan as you are inevitably going to have an unproductive day, feel poorly or have some special event arising at some point over the next few weeks that will impinge on your progress.

The unique solution

Effective study is a skill that is fine-tuned over many years and different approaches work well for different students. At this stage in your life, you are likely to have already sat many exams and will have a good idea of what approach works for you. Whether it's the technique of mind mapping or mnemonics that suits you, stick to it.

Furthermore, there is nothing to say that you must read through your course notes page by page; tackling topics in the order they are presented. Perhaps it's my non-conformist nature; but I like to mix up the order in which I cover topics. I like to intersperse heavily computational chapters with discursive ones so that I can avoid periods of excessive number crunching and inevitable calculator-hurling tantrums. I also like to group topics based on how they tend to be examined. Certain topics dovetail and I like to study these simultaneously as it reduces my workload and helps to solidify the core ideas in my mind.

Past Papers

One would struggle to find a study guide that doesn't encourage a student to attempt exam questions, under exam conditions, prior to the exam. I don't dispute this advice. Attempting past papers will not only highlight deficiencies in your knowledge of particular topics but will also illustrate how far you have come and spur you to close off any remaining knowledge gaps. It will also assist in improving your exam technique, most importantly time management and question analysis.

However, exercise caution when tackling past papers. If you stumble upon a particularly tough question, do not invest too much time on it at the expense of other material. Past papers provide an indication of the way particular concepts may be examined but are by no means a definitive guide

continued from page 10

Student Table Quiz

to how your exam paper will look in April. Time is limited, and getting bogged down on one question will frustrate, so know when to cut your losses and move on.

Keep Abreast

No one reading this article, however well-intentioned, is going to study solidly over the next few weeks, nor should you endeavour to. Whilst we may withdraw a little from the outside world in the run up to exams, we should not turn our back on it altogether. It is imperative to reward yourself with breaks from study and maintain hobbies, friendships and outside interests. In fact, keeping abreast of what is happening in the outside world could prove beneficial for the exams for a number of reasons, the most obvious being maintenance of sanity.

Keep an eye on current news events and regulatory developments, particularly if you are sitting the later exams. Think about how the topics you have battled through relate to the "real" world. Not only will this make the course material seem more worthwhile, examiners will also be endeavouring to draft an exam paper that is relative to the modern day and may well derive inspiration from recent news events.

Alas, in a few short weeks, the April exams will be but a memory and we will again, move from a low to high ebb. May will bring exhilarating promise and more resolutions of self-improvement. We will have come full circle however, this time, hopefully the emotional peaks and troughs will not be so amplified and there will be fewer resolutions to make ahead of September's exam session!

Niamh Moloney

On 21st February the annual student table quiz was held in Dicey's on Harcourt Street. There were 116 entrants making up over 25 teams. The teams put their knowledge to the test in rounds covering subjects such as Geography, Sports, Movies/TV and General Knowledge.

Scores were close throughout the 8 rounds but eventually one team came out on top: Fariz Iqbal (Irish Life), Evin Lee (Irish Life), Ross Collins (CBI), Shane O'Byrne (Aviva) and David McCarthy (Zurich) each received a €30 voucher for Dundrum Town Centre.

The team in second place consisted of Fiona Gaskin (CACI), Rhys Adams (Aviva), Mairead Murnagh (Irish Life) and Cian Walsh (Irish Life), each receiving a €20 voucher for Dundrum Town Centre. Finally in third place, receiving a bottle of wine for their efforts, came Carmel Cushen, Matt Leahy, Shauna Rowley, Kevin Hynes and Aisling Corcoran all from Mercer.

Spot prizes were also given out for best team names chosen by the committee: "Pulp Fraction", "Accrual Intentions" and "Friends With Defined Benefits".

A huge thanks to all the participants who help to make it a very enjoyable evening for everyone!"

Kirsten Klear



Winning Team



2nd Place



3rd Place

Register of Directors

There is a growing demand for people with sound business knowledge, financial acumen and the ability to manage risks, to serve as non-executive directors on the Boards of financial institutions. With this in mind, the Society of Actuaries in Ireland has compiled a register of actuaries who are available for such roles.

If your firm is seeking to recruit a non-executive director, please contact the Society to request a copy of the register.

If you are a Fellow or Associate of the Society and you wish to be included in the register, if you contact the Society a data form will be sent to you for completion.

<https://web.actuaries.ie/news/10/07/society-launches-non-executive-directors-register>

Congratulations to Roma Burke!

Roma has won a place on the Discovery Programme - a personal development course held in Zambia, run by Gerry Hussey, the sports psychologist to the Irish Olympic boxing team and Munster rugby team. There's also a charitable element to the course as it is run in conjunction with the Alan Kerins Projects charity.

Roma will be heading to Zambia in October and will tell us of her experiences there in an autumn edition of the Newsletter.

Christmas Quiz 2012



The questions for the 2012 Christmas Quiz were this year prepared by a crack team consisting of Stephen Doyle, Donal Keating, Joseph O'Dea and Paul Torsney. The honour of setting the questions was hard-won – a prize for emerging victorious in the keenly contested 2011 quiz. Stephen put himself in the firing line by acting as quiz master for the night. Any former quiz masters in the room hoping for a drop in quality, and maybe some nostalgic mutterings from the audience

("Last year's quiz was so much fun") were sadly disappointed. For everyone else, a most enjoyable night followed with a great selection of questions testing every aspect of general knowledge. With a storming last round a team comprising Stuart Redmond, Niamh Crowley, Bernard Lee and John Groarke managed to grasp victory, and we look forward to the questions that this team will pull together next December.

On the Move

FELLOWS:

Gerard Davis has moved from IBRC to **Canada Life International Re**

Donal Keating has moved from Towers Watson to **PricewaterhouseCoopers**

Alan Tiernan has moved from Aviva to **Zurich Insurance plc**

Carmel Brennan has moved from Canada Life to **Aviva**

Viviana Pascoletti has moved from SCOR to **Berkshire Hathaway Reinsurance (Irl)**

Elena McIlroy de la Rosa has moved from SCOR to **Santander Insurance**

Sheila Harney has moved from Towers Watson to **CNP Life Europe**

Majella McDonnell has moved from KPMG to **Allianz**

Cormac O'Leary has moved from Cuna Mutual to **RSA Insurance**

STUDENTS:

Shane Walsh has moved from RSA to **FBD Insurance**

Francis Furey has moved from Capita to **KPMG**

Fred Gilmore has moved from AON Hewitt to **Mercer**

Maeve Corduff has moved from Zurich Life Assurance to **Vhi Healthcare**



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