



Fellowship Ceremony February 2014

The President, Dermot Corry, hosted a Fellowship Ceremony for 27 new qualifiers and their families on 20th February in the Royal College of Physicians of Ireland.

Dermot offered a few tips to the recent qualifiers:

- Stay on top of developments and keep skills up-to-date – the Society is there to help. Don't think of qualification as the end of your training – look for formal and informal ways to continue to develop.
- Get involved in the Society – it is a great way to develop your skills. Most of you will attend our Graduation Program next month. At that time you will be introduced to some of the opportunities to be involved – for example on the Recent Qualifiers Committee or through the Maths tutorials we are offering in schools.
- Be willing to take up new challenges and opportunities – over the last 40 years the profession has grown as a result of the drive and enthusiasm of its members.
- Your skills will travel – be proud of them.
- Be self aware. Get to know your strengths and areas for development and work on these. Always look for and listen to feedback and develop softer skills leadership, communications, etc.
- Find a good mentor – the Society will launch a Mentoring Programme shortly to assist you.
- Enjoy your first exam free Easter.

Dermot addressed most of these members again at the Society's Graduation Programme the following month.



Back row, L to R: Darren Shaughnessy, Sean Roe, Donal O'Brien, Ellen Flynn, Nicholas Burke, Edward Mulcahy, Daniel McCarthy

Next row: Mark Hogan, Ronan Colgan, Noel Lawless, Mark Gaffney, David Bradfield, Eoin Haugh, Liam Carney, Christopher Delaney, Robert Fitzgerald

Next row: Anne-Marie Dillon, Margaret Dwyer, Alex Breeze, Catherine Murphy, Stephen O'Keeffe, Roisin Walsh, Sinead Parkinson, Emma Fitzgerald

Front Row: Aisling Kennelly, Dermot Corry (SAI President), Claire Lonergan, Martin Cunningham

CONTENTS	Page		Page
<i>Fellowship Ceremony</i>	Page 1	<i>CMI Mortality Projection Methods 2002 – 2013</i>	Pages 6 & 7
<i>Graduation Programme</i>	Page 2	<i>Question Time with Jim Murphy</i>	Pages 8 & 9
<i>Update on Pensions Committee & recent media coverage</i>	Pages 3 & 4	<i>CPD Calendar and Audit</i>	Page 10
<i>Striking a balance between informing and influencing</i>	Page 4	<i>Student Page</i>	Page 11
<i>Round-up of Society CPD Meetings Dec – March 2014</i>	Pages 5 & 6	<i>Back Page</i>	Page 12

Graduation Programme for New Qualifiers

William LeMessurier was a celebrated American structural engineer. There would, on the surface of it, seem to be little relationship between the Society and a man with a near unpronounceable surname who worked in an unrelated profession in a different country. However, it was with the story of his handling of a professional crisis that Yvonne Lynch introduced professionalism at the start of the Graduation Programme for New Qualifiers. The programme took place in Druid's Glen on the 6th and 7th of March and continued as it started; with thought provoking and challenging situations and a thorough introduction to the Society's Code of Professional Conduct.

Following Yvonne's introduction Emily O'Gara took everybody through the Code with a short multiple choice exam which focused on its application, scope, and principles. There followed group discussions of some case studies. These highlighted how useful it can be to refer to the Code when faced with a difficult situation.

After lunch we were given an overview of different practice areas: Gary Dunne gave a presentation on general insurance, Sarah Fee covered pensions, and Duncan Robertson gave his views on life. The presentations were engaging and far from just standard fare with topics ranging from moustaches in baseball to Duncan's somewhat zoological view of the structure of life companies.

Graduates were then split into each of the practice areas to work through further case studies. Some healthy debate concluded that all of the cases were neither straightforward nor enviable. We then regrouped before winding up day one of the Programme ahead of dinner that evening.

During dinner, Society President Dermot Corry addressed the attendees and encouraged graduates to enjoy the celebration of qualifying ahead of day two of the Programme.

Following the previous night's festivities day two started in good time. Dermot was the first speaker of the day. He took us through a brief history of the Society, its work, structure, current issues, and the importance of member engagement. We were then introduced to David O'Shea who in turn introduced us to the mentoring programme, a new scheme which will be trialed in the coming year.

Next up was Mike Claffey whose energy levels were enough to clear out any cobwebs that might still have clung on from the night before. His interesting Professionalism Challenges Workshop included a personality test and several more challenging situations which were examined from different points of view. Graduates were then given a series of presentations on actuarial roles in the somewhat more atypical fields of health insurance, enterprise risk management, finance & investment, and the

entrepreneurial actuary. These were delivered by Stephen Loughman and Don Browne who both showed the depth of their experience by giving detailed overviews of these diverse areas and handling all the attendees' questions.

Finally, we were treated to two insightful presentations given by Eddie McDonald and Martin McConville of Beckinridge Training and Development. These covered soft skills such as career development and management style.

Overall the programme provided a lot of useful insight into the importance of professional conduct, the role of the Society, and much food for thought on career development. On behalf of all the attendees I would like to extend thanks to the Society for all the work that was clearly put in to the organisation of the Graduation Programme and for the wealth of information which will prove invaluable in the future.

Paraic Byrne

Elevation 2014

A half-day (morning) conference for senior students and recent qualifiers will take place on Wednesday 22nd October. The Recent Qualifiers Committee is currently drafting a very exciting agenda which will include presentations on current topics in General Insurance, Investment, Life and Pensions as well as soft skills sessions. This is a 'must' for all senior students and recent qualifiers. Full details will be posted shortly to the Events Section of the Society's website.

Update from our Pensions Committee

Introduction

Pensions are a hot topic in the news these days and the Society has been mentioned on a few occasions so we decided to catch up with Cathal Fleming (Chair of the pensions committee) to hear about their work. The article by Michael Moloney on page 4 gives an interesting perspective on the Society's media presence and includes a link to a summary of the recent coverage on mandatory pensions.

What is the pension committee?

The pensions committee currently has 14 members. The members come from a variety of backgrounds including scheme actuaries, company/trustee advisors on DB and DC pensions, actuaries who work in investments and actuaries who work in insurance. There is a wide range of experience from the recently qualified to twenty years plus! Meetings are normally held on the last Tuesday of every month with a 'rest' month in December, start at 8am and last approximately 1.5 hours. An important role is played by working parties which examine specific topics in detail and report back to the committee.

Current members

Cathal Fleming.....*Chair*
Aidan Kennedy.....*Deputy Chair*
Aisling Kelly..... *Secretary*

Paul McMahon	Roma Burke
Frank Downey	Ronan Keane
David O'Sullivan	Keith Burns
Sarah Fee	Yvonne Lynch
Naomi Reville	Damian Fadden
Tracy Gilbert	Ciaran McGrath
Shane Wall	

What do we do?

1. Public policy matters

The Society contributes to public policy matters where it believes an actuarial perspective can add value. The most recent example was where the Society carried out some research on the merits of introducing auto-enrolment or mandatory pensions in Ireland and

concluded that mandatory pensions would be preferable. This generated extensive media coverage and has been commented on by the relevant Minister.

The Society had been seeking change for many years on the order in which the assets of an insolvent defined benefit scheme were distributed on wind up. Last summer, the Society decided to take a public stance on this issue and, in conjunction with IBEC, ICTU and the IAPF issued a press release in July. The Government made changes in December 2013 which were welcome, although we would have liked the changes to go further.

2. Working with policymakers and regulators

Representatives of the committee meet with the Pensions Authority and Department of Social Protection from time to time to share the Society's views on various pension topics. The committee also responds to public consultations - the latest being the Pensions Board consultation on defined contribution held in October 2013.

3. Actuarial Standards of Practice (ASPs)

The committee is responsible for reviewing pension ASPs - three were reviewed over the last year.

There is a sub-committee tasked with reviewing the assumptions for transfer values every six months and recommending changes which then require approval from the Minister for Social Protection. The Society had been keen to transfer ownership of these assumptions to the Minister or Pensions Authority for some time and when the Minister decided to postpone approval of the Society's recommendations in May 2013, this became more urgent. The Society is currently working to transfer ownership of the assumptions to the Pensions Authority with their assistance.

The committee also works with Demography and Life committees to ensure ASPs reflect up to date financial and mortality assumptions. A review of the mortality tables for transfer values has recently recommended changes

and these will be implemented in the coming months.

Some standards issued by the Institute and Faculty of Actuaries may impact members in Ireland and the committee provides input on behalf of our members. A recent example is the IFoA consultation on peer review and the committee provided input on its impact from a pensions perspective.

4. Keeping actuarial and business skills up to date

The main objective here is to organise CPD events with a target of 6 events per annum together with a pension forum at the SAI convention in May and a second pension forum in December.

The recent events which proved popular included a briefing from the Pensions Authority, "Retirement actuary of the future" and "DC pensions – it's time to simplify."

The pensions forum in December was also very well attended and focused on sovereign annuities, reports from DC and auto-enrolment working parties together with an update on accounting matters.

5. International developments

The committee keeps a close eye on European and International developments. It provided assistance to the Actuarial Association of Europe (AAE) on the EIOPA consultation on sponsor support and is represented on three AAE task forces covering pensions adequacy, DC decumulation and pension tracking services.

The committee has an accounting sub-committee which carries out an annual survey on pension accounting assumptions and updates actuaries each year on developments in relevant accounting standards. The International Actuarial Association is drafting an international standard of actuarial practice on IAS19 and the sub-committee provided input on the draft standard earlier this year.

continued from page 3

What's on the agenda?

The committee is currently focusing on two professional ASPs:

- a review of the compliance monitoring regime is in progress, and,
- information will be gathered in the coming months on how the conflicts of interest standard operates.

There is also a working party considering how actuaries can assist clients in risk management.

Finally, a sub-committee is implementing the recommendations of the "Retirement actuary of the future report" – watch out for their first event (debate style) coming soon.

Goals of pensions committee

1. Help position the actuarial profession in Ireland such that it is held in high regard by clients, policymakers and regulators and has a leadership role in the measurement and management of risks affecting pension arrangements.
2. Add value for members by preparing and maintaining Actuarial Standards of Practice to guide actuaries in the performance of their work and foster consistency and high quality.
3. Support members in keeping actuarial and business skills relevant and up to date.

4. Support the Society in playing a full role in the global actuarial profession.
5. Provide input to the Society's development of positions on public policy matters.

Cathal Fleming

Striking a balance between informing and influencing

The publication of the Society's position paper on mandatory pensions was covered extensively* in the media, with Cathal Fleming's interview on 'Morning Ireland' creating a platform and setting the tone for the story.

'Tone' is important when the Society engages with the media as it wants its views to be heard and considered and yet it is not a lobby group.

A boilerplate footnote to the Society's press statements summarises the position very succinctly: *"The Society seeks to make an impartial contribution to public debate on social policy and public interest matters where an actuarial perspective can add value."*

This objective permeates not just the drafting of the press statement but, more importantly, the writing of the position paper itself. From a media and general public engagement

perspective, that is where the real 'unique selling point' is made and my job is made easy by the quality of the position papers that the Society produces.

My clients pay me to challenge them, even disagree with them. So here is my challenge to all of the members and particularly those who are on the practice committees.

In what other spheres can you make an "impartial contribution to public debate... from an actuarial perspective."

Don't leave all the heavy lifting to the pensions committee. And if some of you feel that actuaries are over-associated with pensions (and I would agree with you), let's hear what you have to say about, for example, climate change, longevity and health and wellbeing, returns of investment for the state for investment in

education and health, demography/housing bubbles/role of the state in housing provision.

Your views have always been well received not just in the media but in the 'corridors of power' and I believe that society and the Society will be richer from the contributions that you can make.

Michael Moloney
Setanta Communications Ltd

*a summary of the coverage can be found on:

<https://web.actuaries.ie/sites/default/files/story/2014/02/Media%20Coverage.pdf>

Round-up of Society CPD Events – December to March 2014

Pensions Forum – December 9

The Alexander Hotel was the venue for the afternoon meeting of the Pensions Forum, where the topics and presenters included:

- Update from the Pensions Committee – Cathal Fleming
- Update from the DC Working Party – Damian Fadden
- Sovereign Annuities in 2013 – Shane O’Farrell
- Update from the Auto Enrolment Working Party – Grainne Newman
- Accounting Update – Anna Kinsella

The presentations and podcast will be of interest to members looking to familiarise themselves with recent and potential developments in the Pensions industry.

Investment Related Guarantees – December 11

A tag-team of Mike Claffey and Dave Kavanagh gave an educational update on the work and analysis that has been carried out to date by the Investment Related Guarantees working party. Following brief introductions, Dave covered off the broad features that can be used to classify these guarantees along with a catchy list of options for risk mitigation (Fund it! Sell it! Hedge it!). Mike then followed up with a study of possibilities of how to price different products.

This presentation and podcast would be of interest to members of all levels who are looking to gain an understanding of the different methods available to deal with these guarantees.

IFRS Phase 2 for insurance contracts – January 15

A multi-national cocktail of members of the Insurance Accounting working party presented their findings on the expected impact on the industry of proposed IASB changes to the rules that govern accounting for insurance contracts, offering a background to the proposal, worked examples and a comparison to Solvency II.

This presentation and podcast would be of interest to any members whose roles are likely to be impacted by these changes.

The Irish Commercial Property Market – February 11

Niall Gaffney, Chief Executive of the Irish Property Unit Trust (IPUT) delivered a review of how the Irish Commercial Property market has moved into a recovery phase over the past couple of years. He also explained the approach that IPUT have taken with recent acquisitions; the research that was undertaken to help in making these decisions; and how they expect the market to evolve as more aggressive ‘vulture funds’ exit the market and are replaced by longer-term institutional investors.

This presentation and podcast would be of particular interest to anyone who is interested in the recent developments and/or workings of the Irish Commercial Property market, as well as anyone who is looking to further their understanding of investment in commercial property.

Beyond the Crises? An Economic and Financial Market Outlook for 2014 – February 18

Brian O’Reilly, Head of Global Investment Strategy with Davy Private Clients gave a whistle-stop tour around the global economy, covering a number of key factors and giving his view of the outlook for China, Europe, Ireland, the US and emerging markets. He then set out his views on which asset classes represented opportunities, and which could be potential dangers in the coming months and years.

The presentation and podcast will be of interest to any members looking to bring themselves up-to-speed on the current state of play in the major asset classes and economies across the globe.

ORSA - an international development - February 25

Shane Fahey and Padraic O’Malley’s presentation to this breakfast meeting of the Society began with an overview

of what an ORSA involves. Shane then outlined the key challenge of ensuring that the ORSA becomes more than just a compliance exercise and provides real insight to the business. Padraic then went on to describe how the development of the ORSA has been mirrored in other regions around the world and provided a comparison of the ORSA requirements with those in place in Australia, the US and in ICP16 published by the International Association of Insurance Supervisors.

Finally, the speakers outlined some practical challenges in implementing an ORSA. In particular, key challenges include ensuring the right people are involved in its preparation, linking the ORSA to the firm’s business plan and strategy as well as the difficulties of projecting solvency into the future and selecting appropriate stress tests.

Investing in insurance assets – how investors can access the insurance risk premium – February 26

Adam Beatty of Nephila Capital (a specialist insurance investment manager) and Padraig Flanagan outlined the case for investing in insurance linked assets such as catastrophe bonds and discussed the portfolio construction techniques used along with the risks of investing in this asset class.

Padraig began by outlining the features of the market for insurance assets and how catastrophe bonds and insurance-linked funds can provide diversification benefits compared to more traditional asset class. Adam then outlined the case for investing in insurance assets and the evolution of this market over time. For anyone who missed the presentation who has an interest in investments, and in particular in non-traditional asset classes, it would be well worth reviewing on the Society website.

Overview of the Australian Economic Story – March 4

Gerard Sheehan of Mercer has recently returned to live in Ireland after spending many years in Australia, In his presentation he provided an overview of the Australian economy and also

continued from page 5

gave an Irish ex-pat's perspective on life down under.

Gerard began by outlining the background to the Australian economy and its performance in recent years. In particular how it has been largely insulated from the global financial crises and currently benefits from large commodity exports to China and India. He then went on to look at the Australian property and banking sectors and whether they could be vulnerable to the same risks that affected their Irish equivalents.

Following the presentation Gerard fielded a range of questions and was even able to provide practical advice to Irish actuaries considering a move down under.

Estimation of the Upper Tail Dependence Coefficient for Insurance Loss Data Using an Empirical Copula-based Approach – March 12

Dr. Adrian O'Hagan of UCD delivered a very interesting and, given the title, surprisingly accessible presentation on

the use of copulas in estimating upper tail risk dependence during which he described the results of research he had carried out with Robert McLoughlin.

The aim of their work was to analyse a company's manual method of imparting tail dependence in their simulated loss data.

Adrian began by providing some background on copulas and tail dependence in general before going on to outline how empirical (non-parametric) copulas can be very useful in assessing upper tail dependence.

Deriving Financial & Economic Assumptions – March 19

Dave Kavanagh of the Society's Finance & Investment Committee presented at this well-attended lunchtime meeting, where he outlined the committee's approach to deriving certain financial and economic assumptions. Every year, the committee establishes a standard set of economic assumptions that are approved by Council. These can then act as a reference for actuaries in setting their own assumptions and are also used to ensure consistency

between the financial assumptions in the various Actuarial Standards of Practice (ASPs).

The presentation focussed on the determination of an appropriate equity risk premium with Dave outlining how the committee's approach has evolved and the challenges faced in setting this particular assumption. Given the wide relevance of the subject matter, the presentation would make interesting reading for actuaries working in almost any field.

CMI Mortality Projection Methods 2002 - 2013

Introduction

Since 2002 the Continuous Mortality Investigation (CMI) of the Institute and Faculty of Actuaries has developed a range of applications for projecting future mortality improvements for actuarial purposes. The applications were developed in response to continued improvements in mortality experience having been recorded in the UK, and the emergence of newer forecasting techniques.

In 2009, the CMI released a new model for projecting future mortality improvements – the CMI Mortality Projections Model – and this model has become increasingly popular in the UK insurance and pension industries as a feature of actuarial bases. The latest version of this model (CMI_2013) was issued in September 2013.

This article describes CMI_2013 at a high level and provides readers with an

overview of the intervening models since 2002 that led to its development.

CMI Projection Methods: 2002 - 2007

The CMI has included projections of future mortality improvements in its pensioner and annuitant tables for over fifty years. However in retrospect, these projections, which assumed that mortality rates declined exponentially to an assumed ultimate rate, often underestimated the actual mortality improvements that were experienced in the UK.

In 2002, as a first attempt to develop more robust projections, the CMI released a set of interim mortality projection tables – referred to as the short, medium and long term cohort interim projections. The cohort effect refers to the observation in the UK that the population cohort born around 1926 has experienced more rapid

improvements in mortality compared with age groups immediately before and afterwards. These were an "interim" solution to the problem of the underestimation of the mortality improvements included in the original "92" series pensioner tables. The interim projections were to be used while the CMI undertook further work in the area of mortality projections.

The labels short, medium and long referred to the length of time for which the cohort effect is modelled – to 2010, 2020 and 2040 respectively. These interim projections differed significantly from earlier projections both in their method of construction and in the inclusion of the cohort effect for the first time. While the interim projections have proved popular, due largely to their ease of use, it is now over ten years since their introduction, and it can be argued that the underlying methodology and data has increasingly been superseded.

At the same time as the CMI was developing the interim projections, the CMI also began assessing the following two mortality projection techniques:

- The 2D Penalised Spline (2D P-Spline) model is a regression type model which fits 2 dimensional smooth surfaces to mortality rates by year and age and projects future mortality rates by extrapolating this surface into the future.
- The Lee-Carter model uses a time series model to project future mortality rates.

The CMI concluded that while both models have particular features that make them suitable for certain purposes, neither model meets all of the criteria deemed desirable by the CMI for projection models.

Applying the P-Spline or Lee-Carter models was complex and required specialised software. A simpler method was needed for those actuaries who were only interested in applying the results of the projections. Consequently, in November 2007, the CMI produced a library of mortality projections. The library consists of tables of improvement factors which can, in theory, be applied to any base annuitant or pensioner mortality table.

Although updated periodically (most recently in April 2013), the library is a static collection of fixed projections and a more dynamic, flexible and robust method of projecting future mortality was still required.

CMI Mortality Projections Model: 2009-2013

In 2009 the CMI released its new Mortality Projections Model. The most recent version of the Mortality Projections Model was released in September 2013 – CMI_2013 (CMI 2013a). CMI_2013 is an Excel-based model which aims to provide actuaries with a relatively simple, flexible method of projecting future mortality improvements which can easily be updated to reflect the latest emerging experience or trends in mortality.

In addition to providing projections of future mortality improvements, the

model also provides a range of tables and charts to help illustrate the impact of future mortality improvements.

The model produces a deterministic projection of future mortality improvements based on an assumed short term rate of improvement that ultimately blends to a long term rate specified by the user. Current or recent rates of mortality improvement are used to set the short term rate while the long term rate is based on “expert opinion” and an analysis and understanding of long-term trends in rates of improvement.

The model has two levels of operation – core and advanced. The key features of the core level are as follows:

- The core level of the model produces projections of annual rates of mortality improvement based on the ONS data for England and Wales from 1961 to 2011.
- It is updated annually to reflect the most recent ONS population mortality data.
- Projections are available for the period 1992 to 2130 and for the age range 20 to 150.
- At the core level the initial short term rates of improvement are derived from the ONS data using a P-spline age-cohort model and are split into an age and period component and a year-of-birth component.
- Each component is projected separately and the convergence to the ultimate long term rate varies by age and by component (age/period and cohort).
- At a minimum, users are required to specify a long term rate of mortality improvement and a constant additional rate of mortality improvement – default values may be used for the remaining parameters. The constant additional rate of mortality improvement is applied uniformly to all age and calendar years after the start of the projection and allows users to incorporate a degree of prudence into the projection.

The advanced option allows the actuary considerable flexibility to vary the base data tables and projection parameters to customise the projections.

The model outputs, for both the core and advanced levels, include:

- tables of projected annual rates of improvement and cumulative mortality reduction factors by age and calendar year
- heatmaps of projected annual rates of improvement and cumulative mortality reduction factors by age and calendar year
- sample annuity and expectation of life values
- charts of projected improvements by age or year of birth cohort and calendar year
- charts of projected mortality rates, life expectancies and survival probabilities

Further details on the model and its operation can be found at CMI 2013b.

References:

CMI. 2013a. *Working Paper 69. The Mortality Projections Model, 2013, and feedback on the consultation on the future of the CMI Library of Mortality Projections and the CMI Mortality Projections Model.*

The Institute and Faculty of Actuaries, UK.

CMI. 2013b. *User Guide for The CMI Mortality Projections Model Version CMI_2013.* The Institute and Faculty of Actuaries, UK.

Mary Hall
Demography Committee

Interview with Jim Murphy



This edition of Question Time features Jim Murphy. Though still a young man, it's fair to say that Jim has made a huge contribution to the actuarial profession in a career that has spanned over 25 years, in particular through his commitment to the Society and the wider international actuarial community. This immense volunteer effort was recognised by the Society in 2012 when Jim became the inaugural winner of the Society's award for outstanding contribution. Against this backdrop, there was great surprise among Jim's colleagues and many in the wider actuarial community to learn of his plans to leave the actuarial profession this summer and pursue a career in music. We thought it would be of wider interest to members to catch up with Jim and find out more about his plans, as well as putting him through the great leveller that is the Question Time questionnaire.

Jim, give us a brief overview of your career to date:

I joined New Ireland Assurance straight from school in 1988. There was a great atmosphere with a large number of us students taken on over a few years. I worked there for twelve years in a variety of roles covering valuation work, investments and product development. I moved to Life Strategies in 2000 to work with Colm Fagan and another great team. It was a very big decision at the time but one that proved to be a great one as I have had the opportunity to work with so many different people on so many different projects over the years. I hope that my most recent

decision proves to be as successful in the future! Life Strategies became part of Milliman in 2009, which opened up more opportunities again.

It's fair to say that you have been heavily involved in the work of the Society over the last number of years, and the wider actuarial community – tell us a bit about what that has involved.

I got involved in a number of working parties in the late 1990s and early 2000s and was then encouraged to put myself forward for election to Council. Pat Healy was the president at the time and he asked me to set up and chair the International Committee. From there, I became quite interested in the work of the Groupe Consultatif (now the Actuarial Association of Europe) and with Bruce Maxwell's encouragement and support I was nominated as the Society's representative on the Insurance Committee. I was immediately struck by the very high esteem in which the AAE holds the Society, which is a testament to the members who have represented the Society in various roles within the AAE over the years. I have also chaired the Society's Solvency II Committee and been a member of the PRSA Committee since it was established. Finally, it would be remiss of me not to mention Mary Butler's extraordinary patience in dealing with me when I was treasurer of the Society. I was always confident that I would deliver on time but things often went much closer to the wire than Mary might have liked! I will certainly miss my various interactions with the Society and the AAE.

It must be a huge decision against the backdrop of such a successful career to leave the profession – talk us through the decision and your plans for the future.

Music is a huge passion of mine! I grew up in a musical household. My father plays the fiddle and my brother and sisters and I were all given an instrument to learn, the piano accordion in my case – I will leave you to decide if I got the long or the short

straw. We all drifted away from it when we became teenagers and it remained that way until our first child was born. When we knew he was on the way, I bought a guitar as I reckoned I would be spending a lot of nights at home with very little socialising for a while. It was a road to Damascus moment. I spent every free moment learning and practising, meeting other musicians, moving on to playing gigs and in recent years writing my own material. I have had a growing yearning to do this full time for quite a while now; when I first floated the idea a couple of years ago with Marguerite, my wife, her reaction was refreshingly simple – "well why don't you just do it then"! It has taken me a couple of years to realise that all the reasons I came up with were not valid reasons and that I was the obstacle to making it happen. I will take some time off over the summer and then immerse myself fully in my ambition to write and record a successful album (I will retain the right to define the measure of success retrospectively).

Does this mean the end of Jim Murphy as an actuary – will we still see you at evening meetings, will you remain a member of the Society, or is this a clean break?

I plan to remain a member of the Society and turn up at the occasional event. Although I will be pursuing my musical ambition full time, I would love to keep up contact with the many actuarial friends I have made over the years.

Does this mean you are dumping us Jim? Is it one of those "It's not you, it's me" kind of situations?

Sadly something had to give for me to pursue my next ambition. It was a close call between my work and my family but don't tell Marguerite that I said that!

Question Time:

Full name: James Francis Murphy.

Describe your family: Marguerite and I celebrated our fifteenth wedding anniversary in March. We both kept our surnames when we got married so I am still Murphy and she is still Bolger. We have three great children – James (12), Cathal (10) and Elaine (7 going on 15). My predictions of what they will be when they grow up are writer, musician and designer.

Qualification: FIA.

Current employer: Milliman Limited.

Time you start work: Typically around 8am.

If you weren't an actuary what would you be? See above!

Any pet hates? My impatience!

Favourite actuarial joke: There are three kinds of actuaries. Those that can count and those that can't.

Favourite holiday location: Somewhere with sun, beer and family.

Favourite Music: Americana/folk.

Favourite tipple: A full pint of Guinness.

Favourite TV programme: Heineken Cup Final 2006.

Who would be your ideal dinner party guests? Paul O'Connell, Joni Mitchell and Neil Young.

Favourite Pub: The Goose Tavern in Drumcondra.

How do you relax? Playing music.

Favourite book: "The Visionary Chimera" by Van Tasm.

Real books or a Kindle? Real books.

Favourite movies: The Lord of The Rings trilogy.

Most embarrassing moment. Drawing Marguerite's mother for kris kindle one Christmas but mis-understanding the guidelines. Oops.

Last words: "Good night, God bless".

Popular music and actuarial science

Although Jim Murphy is not the first actuary to follow his passion for music, it's fair to say that actuarial science and popular music are not worlds that regularly overlap. Hearing that an experienced member of the profession would be moving in this new direction has prompted some of us to consider how popular music might be re-shaped by an actuarial perspective. More to the point, if actuaries had made the crossover into the world of music at an earlier stage, it's likely that the history of popular music would have been changed indelibly.

There isn't much about the Beatles that you could improve, but in hindsight perhaps the song 'Dear Prudence' could have been adapted to add in just a little more prudence. In addition 'When I'm 64' would probably have benefitted from a change to 'When I'm 68' to allow for projected future mortality improvements.

Speaking of projected mortality improvements, it's clear that the hit

single 'Fame – I want to live forever' has not given any consideration to the implications that living forever would have on post-retirement income. This is a trap that Oasis also fell into on their hit single 'Live Forever', so the world of actuarial science could draw together the unlikely bedfellows of Irene Cara and Oasis to mull over these considerable issues. Alphaville may have had some actuarial advice in writing their 1980s hit on a similar theme – 'Forever Young', which may at least be suggestive of a longer working life, and opens up the possibility of no drawdown phase at all.

In terms of acts that may have received actuarial advice already, it is likely that Tom Jones has dabbled in this area somewhat. When asked the simple question – "Is it usual to be loved by anyone?" – his answer "It's not unusual" certainly had all the hallmarks of an actuarial response.

The actuarial approach to risk management would perhaps benefit other songs too. Abba's hit 'Money,

Money, Money' may need to be expanded to include short term government and corporate debt, and at the very least have some consideration of asset liability matching and counterparty default risk. And with the Eurovision fresh in everyone's minds, perhaps Dana's 'All kinds of everything' could be revised to 'Many kinds of most things' with a view to better managing listeners expectations, while Johnny Logan's 'What's another year' might be adapted to include a verse about increasing the national retirement age.

Of course there are many other songs that might benefit from an actuarial perspective – we'd be interested in hearing your suggestions at:

newsletter@actuaries.ie.

CPD Calendar and Audit

Calendar of Events

In the December 2013 issue of the Newsletter, we included the results of the CPD Survey carried out with Fellows and Associates of the Society. The Professional Development & Research Committee analysed the results split by years of qualification and the main specialist areas; life, non-life and pensions.

The Committee identified members' preferences for:

- CPD meeting times
- Meeting formats
- Styles of meetings
- Meeting content

The Committee met with chairs of the practice committees to discuss the results of the survey and to implement ideas and changes to reflect the outcome of the survey. The PDR Committee will work closely with the practice committees to continue to enhance the Society's CPD programme and to make changes in line with members' needs.

More breakfast and lunchtime meetings have been introduced and we will continue to have meetings in the evening time. The plan is to continue holding CPD events at a variety of times to accommodate members. Practice Forums are generally held late afternoon, which appears to be a popular time for members. A debate style meeting will follow the AGM on 9th June. For very technical sessions or meetings requiring some specific background knowledge, we plan to ask someone to set the scene and provide a high level overview before the presentation.

The Recent Qualifiers' Committee has analysed the results relating to new qualifiers and a meeting aimed at senior students and recent qualifiers, looking at pricing methods and influences in Life and Non-Life business will take place on 28th May. The committee is currently drafting an exciting agenda for Elevation 2014 – Conference for senior students and recent qualifiers – on 22nd October.

CPD Audit

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 2013 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.

Please note that evidence of registering for an event is not sufficient as it does not verify attendance.

Audit of verifiable CPD for year ending June 2013

Overall, the audit of verifiable CPD for the year ending June 2013 went smoothly. As always, the members selected for audit were very co-operative

and CPD records were mostly in good shape. 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, please take the time when submitting your returns to ensure that the information submitted for each event is accurate and complete.

The next CPD audit will take place for the year ending June 2014. In the meantime, if you would like further information about the Society's CPD audit, please contact the Society at info@actuaries.ie.

Student News

Student Table Quiz

The annual Student Table Quiz took place in Dicey's Garden Bar on Thursday the 20th of February. The teams of 4 were tested on their general knowledge with over 80 questions in a wide range of topic areas such as Geography, Movies, Sport, Famous People and a specialist Father Ted round.

A number of teams competed strongly for first place over the course of the night with the lead changing hands a number of times as the rounds progressed. After a tightly fought 7th round, the Quiz ended all tied. A tense tie-breaker competition was needed to separate the joint top two teams, "Turkish & Parade 2" and "Hoof Hearted". The two teams battled it out with a final "closest number wins" question to find the ultimate winner. The tie-break question was a tough one – what was the estimated additional revenue generated by the Gathering Ireland initiative in 2013 to the nearest million.

It was "Turkish & Parade 2" (pictured) who guessed closest and claimed the victory on the night. The team were presented with a €25 One-4-All voucher each to spend in a variety of retail



outlets and a prize was also given to the runners-up for their efforts.

A box of chocolates was awarded to the team with the best team name (CACI is Deloitted to have Aegon it's face). Other prizes on the night included quiz books and bottles of wine.

Congratulations to all 20 teams for taking part in a challenging quiz, and making the night such a success. Further pictures of the Quiz and details

of up and coming events can be found on our Student Society of Actuaries Ireland Facebook page.

Another social event will be held soon, now that the recent exams are out of the way. For those of you curious to know, the answer to the tie-break question is €170 million.

Bronagh Traynor

Winner of the Society's 2013 Award for the best performing student in UCD's Bachelor of Actuarial & Financial Science degree programme



Dr. Shane Whelan, UCD; Ronal Judge, award recipient; Dermot Corry, SAI President

Congratulations to **Aisling Kennelly, FSAI**, a recent qualifier who won the Worshipful Company of Actuaries Prize for the April 2013 examination in Health and Care (SA1).



Golf

The annual Piers Segrave-Daly Matchplay Competition starts on 23rd May. Best of luck to all!

Captain's Day will take place on Thursday 29th August in Castlewarden Golf Club.

The Golf Newsletter is posted to our website under Events / SAI Golf Society. An update on any further golfing events will be posted here shortly.

Pat Healy, the Society's 2014 Golf Captain is looking forward to a big turn-out for the 2014 golf events.

SAI Annual Subscriptions

2014-2015 annual subscriptions are now due. A 10% surcharge will apply from 1st June 2014. Subscriptions can be paid online at: www.actuaries.ie/subscription (member login required)

CPD Returns

The CPD year ends on 30th June 2014 and returns must be submitted to the Society by latest 25th August 2014. Helpful guides on the CPD scheme and professionalism training, including ASP PA- 1 Continuing Professional Development are all available at: www.actuaries/cpd

Update your CPD returns now and be ready to submit them on time.

On the Move

FELLOWS:

Nuala Crimmins moved from Allianz Worldwide Care to **Central Bank of Ireland**
Patrick McKenna moved from Mercer to **Pfizer Service Co Ireland**
Patrick Cosgrave moved from Deloitte to **Towers Watson**
Jenny Fee moved from the Central Bank of Ireland to **MetLife**
Eoin O'Baoighill moved from Liberty Insurance to **Milliman**
Paula Burke moved from Liberty Insurance to **Zurich**
Duncan Robertson moved from PwC to **AEGON Ireland**
David MacCurtain moved from Ernst & Young to **AEGON Ireland**
Síle Quinlan moved from Capita to **Central Bank of Ireland**
Paul McMahon moved from Mercer to **Irish Life**
Shauna McHugh moved from RSA to the **Central Bank of Ireland**
Ciaran Byrne moved from Irish Life to **SCOR Global Life Reinsurance Ireland Ltd.**

STUDENTS:

Joseph Clarke moved from Euro Insurances to **De Lage Landen Re Ltd**
Eoin Connaughton moved from Towers Watson to **Aviva**
Kirsten Clear moved from W&W Europe Life to **Ulster Bank**
Alan Smyth moved from CACI to **AEGON Ireland**
Conor Callaghan moved from Deloitte to **AEGON Ireland**
Leah Cooney has moved from Willis to **Central Bank of Ireland**



Society of Actuaries in Ireland

Clanwilliam House,
Clanwilliam Place,
Dublin 2

Tel: +353 1 634 0020

Fax: +353 1 634 0039

Email: info@actuaries.ie

Web: www.actuaries.ie