



SOCIETY OF ACTUARIES IN IRELAND

NEWSLETTER 3.2

December 1990

1. A BUSY SEASON

The Society has been very active since the last newsletter was published. On Thursday, 27th September a one day seminar was held at the Berkeley Court entitled 'General Insurance Actuaries and the 1990's'. With over one hundred participants and a very distinguished set of speakers, the seminar was considered very successful. Publicity, in the form of newspaper and magazine articles was also substantially greater than for previous society seminars due partly to our retaining the services of F.C.C., a public relations company.

On 1st November Peter Delany delivered his paper entitled 'The role of the actuary in the assessment of damages in personal and fatal injury claims' to a packed house. Our host was I.P.T. Actuarial Services. Dinner afterwards at The Saddle Room included the introduction of 11 of the 13 newly qualified actuaries.

On 20th November the new Students Society had its inaugural meeting. Details of this event and the Actuarial Ball are given later in this newsletter in a section written by a member of the Students Committee. I intend that in each newsletter a Student Society report will be included.

On 11th December a meeting of fellow and associate members of the Society was held to discuss draft Guidance Notes with respect to Transfer Values and a Funding Standard. Irish Life hosted the meeting.

In addition to the events above a large amount of work continues to be completed by the various committees and sub-committees of the Society. An example of work completed is shown in this newsletter with the publication of a summary of the Society's response to 'The Initial Training of Actuaries'.

On a historic note this is the first Society newsletter to be distributed to student members as well as fellow and associate members. This will become the norm from now on.

For the benefit of student members the current Council is set out below:

President	Paul Kelly
Vice President	Michael Brennan
Chair Person Of Education Committee	Frank Downey
Functions Committee	Colm Fagan
Life Committee	Bill Hannan
International Committee	Bruce Maxwell
Pensions Committee	Jim Murphy
General Insurance Committee	Gerry O'Carroll
Honorary Secretary	Tom Barry

2. CALENDAR OF EVENTS

A reminder of forthcoming events (now that the 1991 diaries have arrived):

DATE	
24th January	Dread Disease Cover by Alison Dash and David Grimshaw.
28th February	Visit of Faculty President.
21st March	Joint meeting with Institute of Chartered Accountants on SSAP 24.

3. OTHER SOCIETIES

As secretary I receive quite a lot of correspondence from societies in Britain and elsewhere. If you intend visiting Edinburgh, Manchester, Bournemouth etc. and would like to attend their actuarial society meetings it is likely I will have an advance copy of papers being discussed.

I have also received the yearbook of the Japanese actuarial body and would be happy to loan this out. It is, however, in Japanese without translation!

4. STUDENT SOCIETY NEWS (Written by Eugene Quinn)

The inaugural meeting of the Students Society took place in UCD, Belfield on Tuesday 20th November 1990. At this meeting a number of noteworthy developments took place. It was decided to establish a committee which would deal with student affairs. This committee will consist of two members appointed by the Council and of two students. Those appointed to the Committee were:

John Caslin	- Prudential
Frank Downey	- Buck Paterson
Eugene Quinn	- Eagle Star
Chris Mahon	- New Ireland

Its function will be to discuss matters and organise events, both educational and social, pertaining to actuarial students.

In order to assist this Committee it was decided to appoint a sub-committee consisting solely of students. The aim of this sub-committee is to provide a forum for ideas and suggestions. If any student has any suggestion which they feel could be of benefit to themselves and the student body as a whole, they should contact one of the sub-committee members below:-

David Roberts	- Mercer Fraser
Chris Mahon	- New Ireland
John O'Neill	- Irish Life
Catherine McGrath	- Lifetime
Eugene Quinn	- Eagle Star

I would like to thank everybody who attended the recent ACTUARIAL BALL making the evening such a success. Also I would like to take this opportunity to especially thank the other co-organisers, Shauna Whelan, Catherine McGrath, John O'Neill and particularly Dave Roberts, who contributed their time so unselfishly and to whom much credit for the success of the evening must go.

5. PEOPLE IN THE NEWS

Jim Kehoe of William Mercer Ltd has been appointed as the Society's representative on the Pensions Board.

John Caslin is joining Eagle Star. He was previously with Prudential Life.

Evelyn Bourke is leaving Lifetime Assurance to join Tillinghast in London.

Brian Woods has moved to AIB's proposed new life company as Finance Director and Appointed Actuary. He was previously with Eagle Star for 10 years having originally qualified as an actuary in 1978 while with Irish Life. Other achievements include his paper entitled "Unit Pricing in Ireland", presented to the Society in March 1988 which produced a record attendance for an evening meeting of the Society..

6. THE INITIAL TRAINING OF ACTUARIES

The heading above is the title of a recent Institute of Actuaries draft paper. The Society of Actuaries has now made a formal response to the draft. Included in the response is a summary, the text of which is given below:

- (a) We are delighted with the improved professional approach to education, the proposals to increase the number of examination sittings and the emphasis on encouraging greater employer commitment in the process. The Society asserts its intention to continue its strong role in Irish actuarial education, to assist the Education Service where possible and to encourage extra employer involvement.
- (b) We believe that the standards which an actuary has to achieve to qualify should not undergo material variations. This applies whether standards are materially increased (as happened with the introduction of subject 1) or materially reduced as is now proposed. This should not prevent the revision of the content of subjects so that they are kept fully up-to-date.
- (c) Completing the examinations in three years will mean that an actuary on qualification will have considerably less work experience (with probably a higher proportion of time spent studying) than is currently the case. This we feel will significantly alter the nature of the qualification as practical work experience is in many ways as important as completing the examinations.
- (d) Part of the reason for the current demand for actuaries is the high standards already achieved by qualified actuaries and the expectation of potential employers is that in recruiting an actuary they would be recruiting a person who has attained the standards. If standards are to be reduced with the objective of producing a greater number of actuaries we believe that this will affect the reputation of the profession.
- (e) The view of the Society is that significant progress can be made in improving the pass rates and reducing the average time to qualify from the improvements which have already been made in the education system. We feel that the changes made as a result of the Kennedy report will have a significant impact which has not been fully taken into account.
- (f) If however it is decided to introduce the new education system as proposed by the working party then this must be accompanied by a mandatory requirement for those who have completed the examinations to undergo CPE. To make this effective, it may be necessary to re-introduce the Associateship designation on completion of the examinations and to grant the Fellowship after a further three years subject to the completion of a minimum amount of CPE.
- (g) We suggest that the proposals for the revised course structure and syllabus content as set out in Sections 3 and 4 in the report should be given wide publication with as many views as possible invited on them. We are not aware that this has yet happened.

- (h) Finally we believe that change should not be rushed through but given adequate time for consultation and consideration. We do not believe that the nature of the proposed reduction in standards has yet received adequate discussion within the profession and this could lead to a confusion which would require subsequent reversal of the changes. We believe that the increased professionalism of the education service will in itself improve the education results and enable the profession to take a broader view of the situation rather than rushing through proposals which may create a more difficult problem, in the shape of the type of actuary being produced, than the one which was originally addressed.

7. B.A. (INSURANCE STUDIES)

I have been asked to bring to members attention that there is now a B.A. course in Insurance Studies available from the University of Limerick. While this is not directly relevant to actuaries you may, as employers and potential employers, come across people with this particular qualification.

According to the University:

"The degree is pursued over four years - three academic years of study and one year of work experience (six months in a Continental country; six months in an insurance organisation)

Degree content is split amongst the following areas

Technical Subjects-	Risk Management; European Integration: Life Assurance and Financial planning, etc.
Managerial Subjects:	Insurance Co-Administration. Marketing Principles. Computer Studies etc.
Business Environment:	A European language. Sociology. European Law in their final year.

Finally, students must in their final year prepare a minor thesis dealing with an Insurance related topic.

The combination of work experience, fluency in a Continental language, and relevance of academic content implies we can provide strong support for the industry."

8. PUZZLE TIME

My thanks to Brendan Kennedy, the immediate past Secretary of the Society for bringing this puzzle to my attention. We do not know the original source.

Four people at the corners of a square face the person at the next corner clockwise. Each moves towards the next person constantly adjusting direction as they go. Find out what curve they follow before meeting at the centre of the square..

The answer will be given in the next issue.

9. AND FINALLY.....

The Council would like to wish a happy Christmas and a busy and merry new year to our members.

TOM BARRY