

**W**elcome to the first of what will be a regular publication by the Society. It is intended that the Newsletter will be produced every two months during the winter season and will be the primary means of communicating with all members of the Society. As well as any announcements, there will be a regular calendar of events, and an update of events that might be relevant or of interest to members of the Society, which should be most useful to overseas members. Future issues will have longer features on particular topics such as the results of work done by the committees. We'll also include whatever news about members that we are allowed to repeat.

A new committee has been set up by the Council of the Society to look after communication and public relations, and this Newsletter is the first product of their work.

If you have anything you think should be included or that might be of interest, please contact Bryan O'Connor, Ark Life, 1 Adelaide Road, Dublin 2, phone 01 751888, fax 01 755587.

### *Council for 92/93*

### *Tax Proposals*

### *Newly Qualifieds*

### *On the Move*

### *Calendar of Events*

### *Update*

## **Council for 1992/93**

*The Annual General Meeting was held in June. The President, Vice-President and two members of Council had been elected for two years in 1991, so only the position of Secretary and two Council places had to be filled. At the first meeting of the incoming Council, three additional members were co-opted. The full list is:*

<b>President:</b>	Michael Brennan
<b>Vice President:</b>	Jim Kehoe
<b>Hon. Secretary:</b>	Yvonne Lynch
<b>Council:</b>	Frank Downey
	Colm Fagan
	Bill Hannan
	Brendan Johnston
	Bruce Maxwell
	Jim Murphy
	David O'Connor

*Chairmen of the various committees, along with a contact number are:*

<b>Education:</b>	Frank Downey	2800257
<b>Communications:</b>	Brendan Kennedy	7042459
<b>Constitution:</b>	Brian Duncan	7042359
<b>Finance:</b>	Colm Fagan	604777
<b>Functions:</b>	Yvonne Lynch	751888
<b>General Insurance:</b>	David O'Connor	601377
<b>International:</b>	Bruce Maxwell	7042716
<b>Life Assurance:</b>	Bill Hannan	611922
<b>Pensions:</b>	Jim Murphy	767591
<b>Student Liaison:</b>	Brendan Johnston	767591

Future newsletters will give more details of the work of the various committees.

### **Brendan Hayes - An Appreciation**

Brendan Hayes died on 8th September 1992, taken from us all at the tender age of 44. One of the founder members in 1972 of the Society of Actuaries in Ireland Brendan was rightly regarded as the leading actuary on technical matters in Ireland. He was involved in many of the delicate discussions involving the profession/industry and government over the past decade especially on tax matters.

His involvement in the restructure and privatisation of Irish Life required him to strain every actuarial sinew to the core especially where he was setting new precedents. The success of the flotation is the evidence of his abilities, topped up by the manner in which he was able to win over even the fiercest of his actuarial sceptics in the presentation and discussion at the Society of the paper he co-authored on those events. The same paper drew much favourable comment at the International Congress of Actuaries meeting in Montreal last June.

Brendan's views on permanent health insurance and the stories he told about health visitors became part of his legend. It was mainly through PHI that Brendan developed his many very warm relationships within the UK reinsurance industry.

Brendan was fiercely loyal, to his family, his profession, his sport, his politics. However, he could quite happily argue against his own views just so the issues could be aired. In his own unique way of thinking there were a number of points which stand out. 'Conceptualise the problem' and 'Is it the right question' may look like sound bites but they epitomise the tremendous grasp Brendan had for looking at and solving problems.

I am grateful for the positive influence which Brendan had on my actuarial development and I am sure there are many other actuaries who can join me in those thanks. All who knew him will have their own pictures of him, for instance, I recall him busily playing chess using giant pieces in the park by the lake beside Finlandia Hall on one of the many scorching summer days of the 1988 Helsinki Congress.

The loss of Brendan to the profession is huge but the loss falls hardest on his family. To his wife Sheila and his children Fiona, Ronan, Aoife, Donal and Ciaran we extend our deepest sympathies on their sudden and tragic loss. We will all miss him.

**Bruce Maxwell**

### **Liam Honohan - An Appreciation**

Liam Honohan, who died earlier this year, was the first actuary to qualify and work in Ireland, and was the first President of the Society of Actuaries in Ireland.

Born in 1908, Liam was a career civil servant who reached the level of Secretary of the Department of Social Welfare before retirement in the early 1970's. He started his studies for the actuarial examinations in the '30s, and from 1937 to 1939 was seconded to the Government Actuary's Department in London under Sir George Maddox. He qualified in 1941 and for the next thirty years was regarded, and used, as the unofficial actuary to a variety of Government departments in Ireland.

His main interests were statistics and demography. As President of the Statistical and Social Enquiry Society of Ireland from 1959 to 1962, he secured help from the Ford Foundation towards the establishment of a research institute for the social sciences. As a result, the Economic Research Institute (later to be called the Economic and Social Research Institute) was established, and he served on the Executive Committee from 1960 to 1987.

He presented a paper to the Institute of Actuaries in 1966 entitled 'The Population of Ireland', and was a contributor to many international congresses. When the Society was founded in 1972, he was the natural choice as first President.

Not many of the younger members will have known him, as indifferent health prevented him from attending meetings for some years. His contributions from the floor, however, were always carefully considered with a dry sense of humour and a readiness to weigh the counter suggestions. He was indeed a refreshing civil servant to meet in company: a man of deep intellect and charm, with a great love of music. We will miss him.

**R P Willis**

# Update

*It is intended in future to provide a brief update periodically of events in Ireland that might be relevant to members. If there is anything that you think should be included in a future newsletter, contact Bryan O'Connor, phone Dublin 751888, fax 755587.*

## **Recent Taxation Developments in Ireland**

### **Background**

With the 1st January 1993 and the final abolition of Exchange Controls just around the corner, the Minister for Finance was faced with the task of encouraging investors to keep their money in Ireland. He decided on a special deposit account with banks and building societies, which was liable to a 10% Deposit Interest Retention Tax, and was referred to as a Special Savings Account.

He imposed a limit of £25,000 on deposit per person (£50,000 for a married couple) and said that these accounts must be open to Revenue scrutiny.

The general feeling in the market was that this tax was penalising risk capital; 10% tax on money on deposit compared favourably with the much higher taxes on equity investment.

The insurance industry lobbied strongly for the introduction of similar concessions to allow them compete on equal terms. After much discussion, a similar scheme was agreed for the insurance industry, to be included in the second Finance Bill scheduled for some time in November, but was not published when the Government fell.

The contents of this planned Bill were released as a White Paper on November 13th, but the fate of these proposals depends on the results of the November 25th election.

As well as a provision for a 10% tax fund for the insurance industry and the abolition of the 3% government levy, there were also changes to the taxation of all life assurance business.

### **Special Investment Policies - 10% Fund**

Life offices will be allowed to set up new funds (called 'special investment policies'), which would be taxed as follows:

- income would be taxed at 10%
- no government levy
- there would be a deemed disposal of all assets each year, and these gains (including gilt gains), would be liable to 10% tax. There would be no spreading of gains or losses
- there would be minimum investment in Irish equities (40% in year I rising to 55% in year IV), and a minimum percentage in smaller Irish companies with a market capitalisation of less than £100m (6% of the fund year I rising to 15% in year IV)
- investment in 'venture capital' companies would have tax free dividends and gains, but losses would be allowable
- SIP expenses could only be relieved against SIP taxation
- the investment limits per person would be as for the Special Savings Accounts

### **Taxation of Life Assurance Business**

- income would be taxed at 27%.
- no government levy
- there would be deemed disposal of non-gilt assets each year, with 27% tax payable on the capital gain, to be spread over seven years
- realised gilt gains would be taxed at 27% without spreading
- indexation relief on capital gains would be abolished
- existing non-gilt assets would be deemed to be disposed of immediately and the resulting gains or losses, allowing for indexation, would be subject to 40% tax, spread over seven years. If this results in a loss, this would be relievable as soon as possible
- the spreading of initial expenses over seven years, introduced in the Finance Act is unaffected

# Newly Qualified

*The 1992 Institute exams added eleven new FIAs to the Dublin membership.*

For the benefit of our older readers, who have not come to terms with the idea of qualified actuaries who cannot remember 78 records, the newly qualified actuaries are:

Ger Davis (Lifetime)  
Mark Forsyth (Irish Life)  
David Harney (Irish Life)  
Grainne Kane (New Ireland)  
Margaret Keane (Hibernian)  
Phelim Kelly (Irish Life)  
Joe Kennedy (Hibernian)  
Sean McGrath (Insurance Corp)  
Ann O'Gorman (Lifetime)  
Bill Quigley (Mercer Fraser PIC)  
John Reilly (Dept. of Finance)

In addition, Sean O'Carra, who recently moved to the UK, qualified in London.

*Congratulations to everyone. Six of these were guests of the Society at dinner following Phelim Boyle's talk to the Society on October 29th last.*

## On the move ...

*The most notable event of the summer was definitely the recruitment of Jimmy Joyce by the Dept. of Industry and Commerce. Jimmy was previously with Bord Telecom.*

**Richard O'Sullivan** has joined NM from NZI

**Mark Forsyth** is to leave Irish Life to see the world.

**Robert Frize** has left Irish Life to join Canada Life

**Ian Veitch** has moved to NZI

## Calendar

*The programme for the coming season is unusually full. Eleven events are being arranged. Those whose dates are confirmed are:*

- 10th December** Ronan O'Connor:  
'Rating the credit process in Banking'
- Copies of Ronan's paper will be available from the Society offices, 6 Wilton Place, from 1st December.
- 17th December** EGM
- 26th January** Micheal O'Briain:  
'Product Reviews'
- 2nd March** Faculty President's Visit
- 30th April** Annual Dinner
- 4th May** John O'Neill & Howard Froggatt (UK):  
'Unitised With-Profit'
- 16th June** Annual General Meeting