



The Actuarial Profession

making financial sense of the future

Editor
FT

26 February 2007

Sir

No suggestion that actuaries were at fault

John Ralfe (Letters, 23 February) suggests that members of the Actuarial Profession, among others, should pay compensation to pension scheme members who lost out when their employer became insolvent.

In 2005 Sir Derek Morris completed a fundamental and wide-ranging independent review of the UK Actuarial Profession. There is no suggestion in the review that pensions actuaries as a group were systematically at fault in the “perfect storm” of falling equities, falling long gilt yields, and rapidly increasing longevity which engulfed defined benefit pension schemes in the early years of the decade.

If, in a particular case, it can be shown that an actuary has caused loss to a scheme, the remedies for that are well established.

Yours faithfully

Stewart Ritchie
President, Faculty of Actuaries

Nick Dumbreck
President, Institute of Actuaries

Faculty of Actuaries
Maclaurin House
18 Dublin Street
Edinburgh EH1 3PP
Tel: +44 (0)131 240 1300
Fax: +44 (0)131 240 1313
e-mail: faculty@actuaries.org.uk
www.actuaries.org.uk

Institute of Actuaries
Staple Inn Hall
High Holborn
London WC1V 7QJ
Tel: +44 (0)20 7632 2100
Fax: +44 (0)20 7632 2111
e-mail: institute@actuaries.org.uk
www.actuaries.org.uk

Institute of Actuaries
Napier House
4 Worcester Street
Oxford OX1 2AW
Tel: +44 (0)1865 268200
Fax: +44 (0)1865 268211
e-mail: institute@actuaries.org.uk
www.actuaries.org.uk