

ANNUAL GENERAL MEETING

[The Institute of Actuaries, 29 June 1992]

COMMENTS BY THE RETIRING PRESIDENT, MR H. H. SCURFIELD, M.A., F.I.A.

1. FINAL STATEMENT AS PRESIDENT

THE activities of the Council of the Institute of Actuaries for the last year are contained in the Annual Report, and the figures are in the Accounts which I formally submit to you today. When I was selected to be President in 1990, I had not been as actively involved in the affairs of the profession as had many Council members, so it was natural that I should want to seek advice from those who had. In the early months of 1990, I gathered a few actuaries together for an 'away day', when we could discuss the current state of affairs of the Institute and consider the future. I repeated this with different actuaries early in 1991. Those actuaries very openly shared their views and put forward constructive ideas. Both those meetings were a foretaste for me of the time and constructive thought which actuaries are unselfishly prepared to give to the development of our profession.

It is, I believe, one of the strengths of the profession that so many of our Fellows are involved in some way in committees, education, and research. Indeed, other professions are jealous of the relatively large proportionate involvement of individuals in our own professional activities. Moreover, we have the dining clubs which add to the extent to which we know each other, and we are therefore better able to work together.

It is this joint and collective effort which has made possible the achievements of the last 2 years. I view these achievements with immense satisfaction, but with the very clear knowledge that it is you, the members of the profession, who have made it possible. My role has been to listen and distil your thoughts, to communicate and then to watch your activity. I hope that you can see how worthwhile it has been, and is being.

I shall now review some of the major initiatives:

I was very fortunate that during most of my period Alistair Neill was President of the Faculty. We developed a close relationship, which soon led to our determination that actuaries in England and Scotland be seen, both here and throughout the world, as a part of a single United Kingdom actuarial profession, while still retaining the strength of the two independent bodies.

We agreed that all professional initiatives, activities, communication and guidance should be considered on a joint basis. Tuition and examinations will be joint, starting with the new syllabus from autumn 1993. This is a considerable

step forward for the profession. While we speak with a single voice we achieve and influence more.

The programme of development of the new education arrangements proceeds firmly, in spite of the very sad death of Ken Gardner, to whom we owe much for his input in his brief period with us. Future students and actuaries will benefit from the clarity and high standards of the process. I am glad to report that an appointment has been made as Chief Education Executive. The AES will now have, as from 1 September, the double leadership of John Waugh on administration and the Chief Education Executive on education development.

A scheme of Continuing Professional Development has been established. We shall need to enlarge the programme of activity to provide the coverage required by our members, if they are to keep sufficiently up-to-date to cope with the increasing pressures and changes of the businesses we serve. The Programme Committee has already stepped up its activity both in quantity and quality, and found that the demand is there. There is more to be done.

Communication within and without the profession has been a higher priority. *The Actuary* is developing well, thanks to SIAS and the contributions of many. We are also developing better liaison with the press through regular meetings and briefings. The Annual Review of the U.K. profession helps, and the second issue, for 1992, is being released today.

Contacts with overseas actuarial bodies have been increased, with country liaison officers set up to provide a stronger focus. This year I have visited actuaries in 12 countries, and in November we had an international meeting here in Staple Inn, which included actuaries from 12 countries. In my travels, and from international contacts, I have enjoyed basking in the very high respect which is accorded to the U.K. actuarial profession. Let us maintain that reputation and build upon it. The recent International Congress in Montreal was attended by more delegates from the U.K. than from any other country. The U.K. submitted the highest number of papers, and David Wilkie is to be congratulated on sharing first prize in the contest on papers about 'New Challenges facing XXIst Century Actuaries'. The 1998 Congress will take place in England, to mark the 150th anniversary of the founding of the Institute.

There is a growing will to increase international understanding, and talk is beginning on common education modules. This is very much in embryo, and is helped by our new system which we are developing. We have also provided help to Eastern European countries in rebuilding their actuarial professions.

European activity has been busy in creating greater understanding, amongst continental actuaries and supervisors, of our Appointed Actuary system, and in assisting the development and acceptance of the new Life Directive. Our input to the Groupe Consultatif is considerable. This has been very valuable and appreciated on the Continent; it has also been very influential in the drafting of that Life Directive.

It is only over the last 4 years for life, and 2 years for pensions, that we have had committees to concentrate all our activities on these subjects. The General

Insurance Committee has existed for 18 years and the Investment Committee is now more active, with a very good Asset Liability Convention in April. These committees pull together our work on the four basic areas of our activity. It is through them that guidance, thinking and research is generated, as well as enabling the profession to be increasingly proactive on each of the subjects. The four committees have had a busy year.

We shall sadly miss 3 actuaries who died in the last year. Each made significant contributions to actuarial work. Sidney Benjamin led the Institute's research for many years, and provided a very valuable challenge to our thinking on a wide range of subjects. Brian Hey came to the profession late in his working life, and gave much to it, in particular on general insurance. Over the last few days his widow has kindly asked that royalties from his insurance computer program be used for a Research Fund to encourage research in general insurance. The profession will thereby continue to be indebted to him. Sir Edward Johnston was Government Actuary for 16 years. I am very pleased to report the establishment of a new research fund, thanks to the kind donation of Lady Johnston of a Johnston Research Fund as a memorial to Sir Edward. He did so much in furthering the role of the Appointed Actuary. It is, therefore, particularly fitting that this fund should assist research relating to the actuarial contribution to life assurance in the U.K., and the role of the Appointed Actuary. It would make contributions either to the costs of research or to the cost of travel for such research. Travel might involve actuaries from this country, or actuaries from overseas (and in particular Eastern Europe) visiting the U.K. with a view to learning about our Appointed Actuary system.

Christine is with us this evening, and we share her sorrow in Edward's death. Could I ask you to show the Institute's appreciation both for her generosity, and for that of Elizabeth Hey, in the usual way.

It is timely too, to record the culmination of one of Edward's latest initiatives. It must be 4 years ago since he rang me with proposals for strengthening the role of the Appointed Actuary. In the last 2 months the profession has established the system and criteria for the issue of Appointed Actuary certificates. At the same time the DTI is issuing new regulations giving added weight to Guidance Notes Numbers 1 and 8, which are being reissued after modification.

Pensions activity has also been busy on a variety of activities, including the aftermath of Maxwell, and the removal of sex discrimination in retirement age. The need to strengthen the monitoring role of the Actuary to a pension scheme was already receiving attention before the announcement of a committee to review the framework of law and regulation for occupational schemes, and we shall direct considerable effort to assisting the committee.

The planning system has been very active, and, as a result, the profession has, I believe, a clearer sense of direction, is taking more initiatives and becoming more pro-active.

It is unfortunate that the Treasurer is absent, but the figures have been circulated and there is a summary in *The Actuary*.

There was a substantial increase in subscriptions 2 years ago. A year ago we foresaw a continuation of the trends, and consequently felt we had no option but to have a second big increase. However, we also recognised the need to stabilise the position, and many measures were taken to cut costs and increase income. The success of this activity can be seen in the figures: staff numbers at both Staple Inn and Napier House have been reduced; expenditure has been contained; while income from a number of sources has been built up. It is very pleasing to report that a substantial surplus has been made, reserves are back to their 1990 level, and no increase in subscriptions is to be made this year.

I am glad, too, to report that we have been able to budget for work to be done this summer to the reception area here at Staple Inn. The door at the centre of the west side of the courtyard will become the main entrance, it will be unlocked during the day and visitors will be much better received in a welcoming and useful reception area.

By implication I have thanked many people, but some names deserve special mention:

Those who leave Council this year:

Marshall Field: 22 years on Council, a past President and a very useful adviser.
Howard Webb: 18 years on Council, a fountain of knowledge and currently Chairman of the Professional Guidance Committee.

Peter Turvey: a past Vice President, has chaired the Research Committee, and this year has successfully looked after the new publicity drive.

Peter Parker: a past Vice President, who chairs Education and has managed Authorisation very thoroughly.

Peter Clark: senior Honorary Secretary a year ago and a great support to me.
Dick Squires: the Treasurer a year ago, who set up much of the change which has enabled the subscriptions to be held this year.

I also want to give special thanks to two actuaries for their contributions during their year off Council. Roy Brimblecombe has led on Pensions and is a regular adviser on many subjects. Chris Daykin continues his profound contribution to the profession, notably on Planning, East Germany and Education.

Nick Taylor, Senior Vice President, Paul Thornton, Senior Honorary Secretary, and Bill Abbott, Treasurer have kept me both well informed and on the rails. I have been well served by the officers over 2 years. To all who have helped, I thank you.

A special thank you to Paul Thornton for leading the work on the Annual Review.

I shall be interested, very soon, to see what it is like being immediate past President. I will do well if I can be as helpful to the next President as both Roger and Brigitte Corley have been to me. I have valued their advice and encouragement largely.

With all this activity, the workload on our executive and staff has been considerable, and there are less of them now than a year ago. We are fortunate

that they are so dedicated. Last year I welcomed Arthur Tait, our new Secretary General. This year I am pleased to record that he has given most valuable service, and that he has fulfilled our highest expectations. I would also like to single out John Waugh, who has had to carry the education torch following the sad death of Ken Gardner, and he has done so very well.

Now to express some personal gratitude: all our wives have to put up with our after-hours actuarial activities. Over the last 2 years I have much appreciated the support from my wife Jill and my family, while I have been an absentee landlord. Kathleen Manning, my secretary, has managed to organise my papers, has got me to meetings on time and has smoothed a lot of the paths, all in a very friendly way. Both Jill and Kathleen have looked after me well, and I thank them both.

Finally, it has been a very real pleasure to have worked with, and now to be handing over to, John Martin. Everything tells me that we are about to have an excellent Presidency, and I look forward to supporting him.

I submit the report of the Council and the accounts of the Institute for the past year.

2. REMARKS CONCERNING THE FACULTY OF ACTUARIES

There is one additional item of business which I am including today, and this relates to the Faculty of Actuaries. As I said earlier, I believe we are achieving more as a result of our very much increased cooperation. There have been three historic milestones for the U.K. profession over the last 2 years:

- (a) the joint meeting of our two Councils in York;
- (b) the preparation and adoption of a joint Mission Statement, and planning objectives and system for the whole profession in the U.K.; and
- (c) the decision to bring together our education and examination systems.

While in Montreal, we had a meeting of Presidents of like-minded actuarial societies, and, in particular, we heard of the working agreement established amongst the 6 North American actuarial bodies. This working agreement recognises the independence of each of the organisations, while enhancing and facilitating increased cooperation towards goals, which cover: working relationships; better communications; reducing duplication; and managing working relationships. It was interesting to reflect that, over the last 2 years, we have been doing just this, albeit without a working agreement. I remain convinced that this increased working together, combined with strong independent bodies, represents the proper way forward.

Alistair Neill has been President of the Faculty for most of the last 2 years. He attends this meeting as an Institute Fellow in his own right—but also at my invitation, so that I could, on your behalf, express the Institute's pleasure at the achievements of these last 2 years, and, in particular, at the leadership which he has given to the profession in the U.K.

The result has been a degree of cooperation between our 2 bodies, which could

not otherwise have been possible. It is our view that this cooperation has been of considerable value to the U.K. profession.

On behalf of the Institute, we thank you Alistair, for all you have done for the actuarial profession in U.K., and when your turn comes later in the year—we wish you a very happy retirement.

REPLY BY MR A. NEILL, M.A., M.S., F.F.A., F.I.A., F.C.I.I., F.P.M.I.,
IMMEDIATE PAST PRESIDENT OF THE FACULTY OF ACTUARIES

Thank you, President, for the opportunity to say a few words on this occasion.

As you say I am entitled to be present, but it is certainly a privilege to be allowed to speak. Last Monday at the Faculty Annual Meeting at which I remitted office, a week earlier than yourself so as to give John McCutcheon a week's seniority as President over John Martin, you were kind enough to speak well of my efforts as President of the Faculty and the level of cooperation that has been between the Institute and the Faculty and between us personally.

Early in the meeting I had expressed my gratitude to the office bearers and secretariat of the Institute, as well as you, sir, personally, for the level of cooperation we have had during our Presidencies.

At one time I was quite involved in educational activities, both inside and outside the profession. However, a few years ago, when I had the privilege of being the Honorary Treasurer of the Faculty, one of my jobs was to negotiate the financial effects of the winding up of the Actuarial Tuition Service, which had been the joint tuition arrangement for decades. It may well have been the correct decision at the time, but it seemed to me an unfortunate way to go.

I particularly welcomed the decision of the first historic joint Council meeting in York last year, which we arranged, that we could go forward together in education as much as possible; and just think how much has been achieved in this respect in the last 15 months.

We have also managed to agree on matters such as Continuing Professional Development, and rules for certificates for Appointed Actuaries. The final guidance note that was not common, GN10, was updated and adopted by both Councils, so now all our guidance is common.

Although we are two separate and proud institutions, it is essential that for the good of the profession we work together, and I think that we can each be fairly confident that, at the level of cooperation, we get very good marks on our personal appraisals of our jobs as Presidents.

I have every expectation and hope that your successor John Martin and my own John McCutcheon will continue in the same spirit.

Hugh, thank you for all your efforts for the profession. I wish you well in your retirement. You've earned it, and maybe I have too.

3. VOTE OF THANKS TO THE NEW PRESIDENT, MR L. J. MARTIN,
FOR HIS ADDRESS, BY MR H. H. SCURFIELD

Mr President, we have enjoyed all three parts of your tour, which was most elegantly put together and eloquently presented.

You were kind enough to send me an early draft of this Address, and I felt so encouraged and uplifted by it as to encourage my wife to read it. She too was most interested. I congratulate you, therefore, on putting together a Presidential Address which is stimulating, interesting and enjoyable both to actuaries and to those otherwise qualified.

I remember well 2½ years ago, when Roger Corley invited me to be President, he gave me some advice: "Be your own President. Do what seems right to you in the way you think fit. The profession has chosen you for the qualities which you have and hopes that you will use all of them." It is clear from your Address that you intend to do just that, and I encourage you.

That you have presented a quite different address from those of your immediate predecessors is an added strength for our profession—and indeed our system. It brings new light and new leadership. All professions need that, and ours not least.

I was fascinated that you should start by considering the population growth. It is a subject which has become increasingly topical, but it is also something which is at the heart of the role of the actuary. So too are financial uncertainties and risk, to which you moved on; I suggest that this is a time for us to be very much aware of the perils that come with them. The tour takes us on to Europe, where your achievements are very self evident, and to the wider fields which, like you, I hope the profession will move on to. It is also long past time that we had a President who would give pensions a higher profile. You have certainly done that in your first hour of office. I was very glad to see your mention of professionalism, and the need to move away from Victorian and Edwardian qualities. And finally, you remind us that the incredible future thunders towards us, and we all, surely, endorse your sentiments. May our profession play a full part in that incredible future.

Let us show our appreciation for the words of our new President— and welcome the directions in which he is taking us.

REPLY BY MR L. J. MARTIN, PRESIDENT OF THE INSTITUTE OF ACTUARIES

Hugh's leadership has been direct and dynamic. He has set his sights on the targets of the strategic plan, and has clearly directed us down this path. Words that come to mind to describe his particular attributes are 'forceful' and 'enterprising', but I find that those words are quite overshadowed by the further word 'kindliness'. These are an unusual and winning combination of attributes, which he has used energetically to encourage us forward, to lead the way and to direct us over the last 2 years.

I would also personally like to thank Hugh for the consideration he has extended to me over recent months, in easing my way and guiding me into becoming his successor. Hugh, you have the respect and the thanks of all the members of our Institute for all you have done for the profession in Britain during your 2 years as its President. We extend to you and to Jill our best wishes for the future, both in new actuarial roles and in pastures green.

Thank you very much for all that you have done for the profession.