

*J.I.A.* 119, 1, 11

**A MATTER FOR PROFESSIONAL JUDGEMENT  
IN THE MATTER OF THE PERFECT PROFITS PLC  
PENSION SCHEME**

Before Mr NIGEL INGLIS-JONES, B.A., Q.C.

*Barrister:* J. L. STEPHENS, B.A.

*Actuary:* T. M. ROSS, B.Sc., F.F.A., F.C.I.A., A.S.A.

[Presented to the Institute of Actuaries, 28 October 1991]

**THE CROSS EXAMINATION OF THE ACTUARY AS AN EXPERT**

IN giving their advice, actuaries form part of a complex series of interlocking relationships—pensions advice must take account of the Trust Deed, the Institute's and the Faculty's Rules of Professional Conduct and the law.

The law is paramount as interpreted by judges. Lawyers and judges have little difficulty in investigating transactions of many years ago—what was deemed normal and proper by actuaries then could well not be perceived by the court as reasonable—either then or now. The fact that everyone does it may be a defence against negligence—or it may not.

Now, both the corporate side and the membership are much more aware of pensions and their costs—as are also the creditors of insolvent companies.

The participants drew on their real life experiences to put together this example pensions case, dealing with the considerations of professional conduct to be applied to the giving of actuarial advice. A company had become insolvent and its pension scheme was being wound up. The banks, as creditors, objected to the surplus then available being used to augment the benefits of those who were still entitled under the scheme, and the case had come to court.

The meeting took the form of the cross examination of the company pension scheme actuary, and was followed by a discussion.