

*J.I.A.* 119, 1, 1-4

## PRESENTATION OF AN INSTITUTE GOLD MEDAL TO MR COLIN STEWART SINCLAIR LYON

[The Institute of Actuaries, 25 November 1991]

**The President (Mr H. H. Scurfield):** Stewart Lyon's career in the insurance industry began with the Liverpool and London and Globe in 1946, as an actuarial trainee. Shortly after qualifying he moved to Legal and General, where he held various posts in pensions, corporate planning and reinsurance, before becoming General Manager (Finance) and Group Chief Actuary and a main board director prior to his retirement in 1987.

Stewart served as a tutor, as Chairman of the Students' Society and as joint chairman of an inter-professional working party with the accountants. This led to the production of guidance notes on the relationship between the auditor and the Appointed Actuary of a life office. Later he was Chairman of the Legislation: Life Assurance and Miscellaneous Committee. He was a Council member for 18 years. He became a Vice-President and then President from 1982 to 1984. He has written papers of seminal value in the development of the profession, culminating in the 1988 paper, 'The Financial Management of a With-Profit Long Term Fund—Some Questions of Disclosure'.

Stewart was a member of the Companies Legislation Committee, the European Committee and the European (Technical) Panel of the former Life Offices Association, and was Chairman of the National Pensions Joint Committee. It was then that Stewart achieved so much in building up a good relationship between the Association of British Insurers and the government. He was a member of the Occupational Pensions Board from 1979 until 1982. In the early 1980s he chaired the Groupe Consultatif's committee that examined the accounts of insurance companies. His contributions continued with work on GN1, GN8 and the Temporary Practice Guidance Notes.

Throughout this period, Stewart has played an active part in negotiations with government, especially in the field of pensions, including the Crossman revisions to the State Scheme. Later he was a powerful and influential voice in the Fowler Committee. His profound sense of equity has allowed him successfully to balance the interests of society, commerce, government and the profession in his negotiations on the profession's behalf over so many years.

This desire for fairminded dealing has moved him to apply his talents to other fields, and he has, for over 25 years, been involved with national charities concerned with the financial consequences of severe disability, notably the Disablement Income Group, of which he is a director. His statistical skills have been brought to bear in another of his pursuits, the study of coins, where he has published papers on Anglo-Saxon coinage, and where he has been in the

forefront of research for many years. He is a Past President of the British Numismatic Society.

Stewart is a strong family man, and he shares with his wife, Elizabeth, and their children a love of music. On several occasions his family have sung for actuaries in this Hall. It is not surprising that, given his encouragement and enthusiasm for both his family and the profession, one of his sons is an actuary, who in turn has married one. In his diaries, the late Richard Crossman noted that Stewart, "is in real life as nice and understanding as he is on paper". Few would dissent.

Stewart, there is no single issue which has led to this award. It has stemmed from the outstanding value and dedication in your contribution over many years to the profession and also to the society that it serves. Your activity has enhanced the profession.

Stewart, I have enormous pleasure, acting with the authority of the Institute's Council, in presenting you with this Gold Medal.

**Mr C. S. S. Lyon:** Mr President, may I first thank you most sincerely for presenting me with this splendid Gold Medal, and for the generous way in which you have spoken about its award. There is no greater honour that the Institute can bestow on one of its members, and I can assure you that to receive it is a very moving experience.

Fellow members and guests, picture, if you will, a Cambridge summer's day many years ago with a 19-year-old undergraduate studying the pass list for Part I of the Natural Sciences Tripos on the board outside the Senate House. Intending to read metallurgy for Part II, he saw to his horror that he had got a Third. In 1946 (for such it was), this meant making way for returning warriors, and hoping that an honours degree would nevertheless be awarded after a period of approved work outside the university.

But what work? British industry had no use for a Third in Part I, nor had His Majesty for a man of that precise age whose call-up had been deferred. In desperation, our suspended student yielded to parental pressure to seek an interview at the head office of the Liverpool and London and Globe Insurance Company. Discovering that he knew some mathematics, they asked if he had thought of becoming something called an actuary. The preliminary examination and seven stimulating years later, he gratefully received his Fellowship certificate from John Bunford (now our senior Past President). Soon afterwards, he deserted Liverpool for the big city and a career at Legal and General.

It is superfluous to remind an actuarial audience that chance seems to determine so much of one's progress through life. Stumbling into our profession may still happen today, though mercifully it must be far less common; but whom you meet, how they influence you, and what opportunities they open up for you, will always be largely a matter of luck. My particular lucky strike came in 1962, when my boss, Gordon Pingstone (whom I am delighted to see here today), put my name forward for a life offices' working party on national pensions, chaired by Frank Redington. Even before qualifying I had developed an empathy for

pensions, because of the social need they meet. The working party saw clearly that a quick-maturing earnings-related state scheme was inevitable if the gaps in the coverage of occupational schemes were to be closed, and that the complete contracting out of such a scheme was impracticable. A few years later, I had the privilege of leading the life offices' side of a joint working party with the Department of Health and Social Security, which examined the feasibility of partial contracting-out—or abatement, as Redington more elegantly called it.

At about this time, I was persuaded to act as an adviser on pensions to a remarkable woman, Megan Du Boisson, who had just founded the Disablement Income Group to draw attention to the financial hardship which disability so often brings in its train. She had developed multiple sclerosis and, after meeting another young mother with the same disability who had been born in Norway, wondered why the state invalidity pension available in Scandinavia to married women was not paralleled here. Indeed, she found that the National Insurance Scheme did not recognise long-term disability as creating any special needs, and merely continued indefinitely the payment of sickness benefit. I was due to visit Sweden to do some research on Viking Age coin hoards, so whilst there I gathered information about the benefits paid to disabled people in that country, and collected statistics about the disabilities involved.

Back here, I also became interested in the ideas being propounded by Sir Brandon Rhys Williams on the integration of social security and taxation. The distillation of all this was a paper to the Faculty, subsequently presented to the Institute, on Social Security and Occupational Pension Schemes. You, sir, quoted Dick Crossman's diary, but that paper nearly got me into trouble with him when he was Secretary of State, because he thought some of its ideas must have been leaked by people working on his forthcoming White Paper. Fortunately, I managed to convince him that all that had been required was to collate the many hints dropped in his own speeches.

Two more technical ingredients had yet to be added to my mixing bowl. One was provided by a short spell with my company's newly-acquired reinsurance subsidiary, where I found myself fascinated by the reserving problems of non-life treaty reinsurance—a class of business perhaps best described as the art of buying pigs in pokes. The other was when, after the untimely death in 1976 of my colleague Bob Matthews, I was catapulted into the post of Chief Actuary. The experience gained in the associated role of Appointed Actuary proved highly relevant to my subsequent work on Institute and Faculty committees and working parties.

But technical ingredients alone do not suffice. “The actuary who is only an actuary is not an actuary”, Redington insisted. Nevertheless, I doubt that he would have approved of the ease with which I have been distracted by other interests, both ancient and modern. I suppose it is to my signals experience in the Training Corps at Cambridge that I owe my interest in amateur radio; just as by a circuitous route my school days eventually pointed me towards research into Anglo-Saxon coinage. A practical concern for the financial consequences of

severe disability stems from the introduction to Megan Du Boisson, to which I have already referred.

Perhaps it was because I was born on St Cecilia's Day that music has been part of me for as far back as I can remember. It has been a great joy that my wife, Elizabeth, not only teaches music, but has filled our family life with it. We sang together in the Guildford Philharmonic Choir for many years before the Institute acquired a prior charge on my Monday evenings; and it was not until last year that I felt able to disengage myself from regular attendances at Staple Inn and the dining clubs so that I could rejoin her there. We are also involved in the life of our parish church. Without her constant support and encouragement, the things that caused me to be speaking to you tonight would have been impossible to accomplish. Thank you, Elizabeth. I am delighted that she and four members of our family are among my personal guests, and am very touched that our eldest son, Richard, a member of this Institute, has made a special journey from Sydney to be here.

Professionally, of course, I owe a very great deal to the many members of the Institute and the Faculty who have trained, guided, advised, cajoled or upheld me at one time or another in the course of a long career—and never more importantly than during my own presidency. I hope they will recognise themselves from that description, and understand my feeling that this medal is in a very real sense a tribute to the help and support and friendship they have so freely given me. The mistakes I have made and the opportunities I have missed are my fault, not theirs.

Thank you once again, Mr President, friends and colleagues, for the honour you have done me and for the warmth of your reception. It is very strange indeed to find my name bracketed in this way with my heroes, including some who are in this Hall tonight.