

## NOTES ON THE TRANSACTIONS OF THE FACULTY OF ACTUARIES

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ANDERSON, J. L. *Presidential Address*, pp. 1–20. The President considered the management of a life office under the headings qualification for management, organization, training, communication, discipline and personal relations. The greater part of the address, under the heading 'organization', was a detailed study of the responsibilities and ideal composition of the board of directors, the role and qualifications of the management and the chain of responsibility within the office. He also referred to the importance of the non-commissioned officer in training and enforcing discipline.

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DONALD, D. W. A. *Appointment of Trust Funds by Mutual Consent*, pp. 23–88. The paper records the growth in the number of apportionments of trust funds due to the passing of the 'Trusts (Scotland) Act 1961'. It considers the problems, as they arise in Scotland, of allowing for the impact of taxation, both in determining the interests to be valued and in fixing the valuation rate of interest, and it is suggested that the same net rate of interest need not necessarily be appropriate for all the beneficiaries.

Numerical examples are given of the effects on funds of varying size and investment content of various valuation assumptions, and the problem of disposing of the potential savings in taxation is discussed. The paper ends with a general section covering some practical points in the preparation of schemes to vary trust purposes.

WILKIE, A. D. *Valuation of Ordinary Life Assurance Business using a Medium-sized Electronic Computer and Magnetic Tape Files*, pp. 89–207. The paper describes the system used by one office to produce valuation and mortality statistics and to calculate bonus for ordinary assurances, using magnetic tape files and a Pegasus 2 computer.

After a brief outline of certain features of the office, the computer, and the previous system using punched cards, some of the factors that influenced the system finally developed are discussed. An outline of the main system is given, and of some of its subsidiary parts.

The policy data and movements system is discussed in detail, and some comments are made on the system of checking the data supplied to the computer. The principal routines to calculate the net premium and value the policy are described fully, and flow charts for the routines are appended. The calculations for analysis of surplus are also described in detail. Some features of the programmes peculiar to a computer system are also discussed, and a detailed example given.

It is shown how Flexowriter tapes could be used to replace punched cards for the input of data for new policies, and how new business statistics could be obtained. Finally, the possibility of using the computer system for an emerging costs valuation is explored, and some other possible future extensions of the system are discussed.

WHITEHEAD, D. *Mortality in the British Isles 1950–1960*, pp. 208–18. The note records

and comments on variations in mortality in the British Isles according to geographical region, population density, social class and occupation. It concludes that there may be little variation directly attributable to occupation, that there may be variations according to geographical region but they may be caused by population movements of fit lives, and that variations related to population density do not affect wives to the same extent as males and even for males the variations may be due to the less natural conditions of life in towns rather than to the environment itself.

CONTINUOUS MORTALITY INVESTIGATION

*Experience of Assured Lives* 1959–62 (the note in *J.I.A.* **91**, 68–70).

*Experience of Annuitants* 1959–62 (the note in *J.I.A.* **91**, 71–4).

*Experience of Pensioners under Life Office Pension Schemes* 1959–62 (the note in *J.I.A.* **91**, 75–9).

REPORT OF WORKING PARTY ON PENSION STATISTICS (the note in *J.I.A.* **91**, 196).