

## REVIEW

*Actuarial Evidence*

by

DONALD R. ANDERSON

(Carswell Legal Publications, Toronto, Canada, 1983)

With the publication by Her Majesty's Stationery Office of Actuarial Tables with explanatory notes for use in Personal Injury and Fatal Accident Cases, interest in the utilisation of actuarial evidence in assessing damages has (one hopes) been regenerated in the United Kingdom. It is, therefore, particularly appropriate that Mr. Anderson's book on certain aspects involved in the use of actuarial evidence, should be received almost simultaneously.

The book sets out essentially to explain the actuarial profession and the underlying skills inherent in the training and experience of the individual actuary, to those who practise the law. To this end, the early part of the book is devoted to a broad analysis of the actuarial profession and the fundamentals involved in the actuarial calculations as applied in litigation. Following chapters are devoted individually to a more in-depth analysis of the various components of the actuarial calculations (e.g. interest, inflation, mortality etc.). It is interesting to note that in the three Canadian Provinces to which reference is made, a net discount rate (that is, interest minus inflation) of  $2\frac{1}{2}$  per cent to 3 per cent has been adopted in practice, compared to the yield on Index-Linked Government Stocks of  $2\frac{1}{2}$  per cent to  $3\frac{1}{2}$  per cent recommended in the Actuarial Tables recently published in the United Kingdom.

The latter part of the book gives consideration to the drafting and contents of the actuarial report, together with a most interesting chapter on the role of the actuary in giving evidence as an expert and impartial witness in court. It is quite properly pointed out that unless the actuary is properly prepared for this role, he can be made to appear incompetent thereby causing a disservice both to the client and to the reputation of the profession.

The author undoubtedly covers a wide range of subjects, but the impression is that he is more concerned with explaining to his legal

counterparts the difficulties facing the actuary than with recommending possible solutions to his actuarial brethren. However, in fairness the author does state that the book is an attempt "to bridge the gap between those who practice the law and those who practice actuarial science".

Although the book is written from the perspective of an actuary practising before the courts in the Province of Ontario, Canada, the author hopes that a subsequent edition will explore differences and variations that occur among the many other jurisdictions. One certainly feels that those members of the legal profession and the courts in the United Kingdom who regard the predictions of an actuary as only a little more likely to be accurate (and almost certainly less entertaining) than those of an astrologer, will derive benefit from a study of Mr. Anderson's book.

B.S.R.