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ACTUARIAL TRAINING IN SCOTLAND

by L. Blake Fewster

In Scotland there appears to be some activity in the actuarial field that has a familiar ring.

This concerns the establishment of the Chair of Actuarial Mathematics and Statistics—the first of its kind in any United Kingdom university — at Heriot-Watt University in Edinburgh. The Chair has been established through the generosity of life insurance companies whose head offices are in Edinburgh and with the support of the Faculty of Actuaries. At the same time, the Faculty is reviewing the educational syllabus, training methods and examinations.

Professor Gray, who occupies the new Chair at Heriot-Watt, delivered an eloquent inaugural lecture, "How Should Actuaries be Trained?" and this could be repeated, with only very minor editorial changes, and seem relevant to the continuing conversation on educational matters within the Society of Actuaries. The actuarial profession in North America owes much to the earlier development of actuarial ideas as well as actuarial organizations in the United Kingdom. Professor Gray's address leaves no doubt that, at least in educational matters, there continues to be a startling parallelism between developments in North America and the United Kingdom.

Professor Gray is hopeful that a pattern will emerge such that professional fellowship can be attained within two years of university graduation instead of the current four or more years. This would be accomplished by redesigning certain university mathematics and statistics degree courses to include actuarial subjects as options. Students would not lose other career possibilities and university staffs would be taking over more

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IMPORTANT

Manpower Study

Please forward information requested of employers in August for the Manpower Study. Every reply is important. Keep us off your back. For information or forms, get in touch with me.

Russell H. Smith, Jr.

ACTUARIES AND THE ACADEMY

by Jeanne Hooshagen

At the October meeting of the Actuaries Club of Indiana, Kentucky, and Ohio the after dinner speaker was Mr. E. J. Moorhead, Past President of the Society and President-Elect of the American Academy of Actuaries.

Using as his title "Honor & Toil," Mr. Moorhead spoke of the history, the present situation, and the road ahead of the Academy. He described the results of a survey that has been made to determine the present composition of Academy membership and the interests and occupational specialties of its members.

Quoting Humpty-Dumpty, "When I use a word it means just what I choose it to mean," the speaker predicted that the day is passing when the word "actuary" can be used by anybody to mean whatever that person chooses it to mean. Those who apply the word "actuary" to themselves when they are not qualified to do so will find themselves a laughing stock, he said.

Mr. Moorhead spoke enthusiastically about the potentialities of a new organization recently formed at the initiative of Academy President Morton D. Miller, consisting of the Presidents and the Presidents-Elect of the various actuarial organizations on this continent. He said that we are getting to know each other

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IN SEARCH OF CENTENARIANS: ON THE ROAD TO HUNZA

by Frederic Seltzer

It was dawn; black clouds hovered over the surrounding hills as our plane took off from Rawalpindi Airport. At last we were on the flight to Gilgit, often called the most dangerous in the world. Flying over green hills up the Kagan Valley, we approached the Karakoram Range. Clouds obscured the view below. Walled in by 20,000-foot mountains, there was no turning back in the narrow valley; the small plane could fly no higher. Like volcanic islands in the sea, the mountain peaks pierced the cloud barrier; we passed the flanks of Nanga Parbat, more than 26,600 feet tall.

Planning the trip had started seven months earlier in January with correspondence with those authorized to take visitors into the formerly forbidden Hunza, the submission of visa forms and applications for special permits, and the juggling of air schedules and hotel reservations. At the beginning of August, a 20-hour flight on Pakistan International Airlines had taken us to Karachi where connections via Lahore soon brought us to Rawalpindi at the height of the summer monsoon. Pakistan was then experiencing its worst floods in a quarter of a century.

We had arrived at Gilgit, gateway to Hunza, an area with many peaks over 23,000 feet high. Jeeps took us along the Gilgit River, over swaying suspension bridges and winding mountain roads, to meet the Raja of Punial. On our return, because of a shortage of rooms at the rest houses and the imminent arrival of Senator Percy with a party of 20, we were informed that we were to leave for Hunza the next morning.

After traveling several hours on precipitous roads strewn with boulders, past

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Letters

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ployee might end up with a $10,000 salary at age 65.

Under a 2% per year final pay plan, the employer would then have to fund a pension credit of 20% of the current year salary.

I do not think a particular factor can be isolated from the other actuarial hypotheses used and from the circumstances in which it is utilized. There are various possible methods; it is the role of the professional actuary to advise his client and use his judgment in each particular case.

Jacques Hébert

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Youth

Sir:

The trend toward a younger Board of Governors has continued for the third year as the result of the 1973 elections.

The median year for attaining Fellowship is now 1956. It was 1946 three years ago, 1951 two years ago, and 1954 last year. If each median year is related to the corresponding year of election, the reductions of four years and two years are followed by one of one year.

The range of years of attaining Fellowship remains unchanged, extending from 1934 to 1967.

Robert H. Hoskins

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Fellowship Examinations

Sir:

In the October issue of *The Actuary*, John A. Fibiger discussed the new look of the Fellowship examinations of the Society. Since the implementation of the new exams has definitely been set for May 1976, I wonder if the E & E Committee can publish the transition arrangements now, even without their being finalized, unless this could be done within a few months.

This will enable students who are about to begin or continue their Fellowship exams to be able to decide which exams to take. For example, under the syllabus in effect prior to May 1963, the student who passed Part 6 was given credit for Parts 6A, 7B, 10EA or 6A, 7B, 9IA, 10IA, depending on whether the "E" or "I" branch were elected. The student who elected to take Part 6 last was, in my opinion, better off because he had fewer exams to pass in the required three-year period.

Although 18 months is the proposed minimum, I believe that the transition arrangements should be distributed now, even if they have not been set definitely. This will give the student much more time to plan his sequence of exams over the next three years.

Murray Cautin

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Arabic Transactions

Sir:

Dreading the day when I need to refer to volume XXXVIII of the *Transactions*, or even worse, should I live that long, to volume LXXXVIII, and out of concern for future generations of actuaries who may have to contend with CCCLXXXVIII, I would like to make a suggestion.

Upon its XXVth anniversary, let us have the Society step into the XXth century by adopting, thenceforth, arabic numerals to describe volume numbers of its *Transactions*. Let us start with volume 26, next year.

This will help us cut down on space, when writing articles (scholarly or otherwise) referring to the *Transactions*, thus helping conserve the writer's energy, ink and paper. Arabic numbers are easier to read too (whether one yet wears bifocals or not).

I would suggest we adopt the lawyers' system of citation in our publications where the volume number *precedes* the initials, and the page number follows, all without commas. Isn't it simpler to cite 38 *TASA* 56 than *TASA*, XXXVIII, 56?

For Reports numbers, we should put the year first, so as to have, for instance, 1971 TSAR 37.

Nobody has to put up with more books, I would think, than the legal profession which has a good, manageable and efficient citation system. Let's adopt it.

Claude Y. Paquin

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Social Security Note

Abraham Niessen, *New Actuarial Valuation of the Railroad Retirement System*, Actuarial Note 7-73, September 1973, U.S. Railroad Retirement Board, Chicago, Illinois, p. 6.

This actuarial note summarizes the actuarial balances presented in the Twelfth Valuation of the Assets and Liabilities of the Railroad Retirement System. The valuation results are based on the 1972 Social Security and Railroad Amendments with estimates of the experience under the 1973 Amendments to both programs. All temporary benefit increases are assumed to be permanent. The actuarial deficit of the Railroad Retirement System is more than 6 percent of payroll, with the deficit increasing to more than 8 percent of payroll if the 1973 Amendments are included.

Free copies of this Note may be obtained from the Office of the Chief Actuary, Railroad Retirement Board, Chicago, Ill. 60611. □

Actuaries and the Academy

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better and to trust each other more thoroughly and to pool our ideas in solving the several organizational problems ahead for the actuarial profession.

"To assure the Academy of the strength it will need," said the speaker in conclusion, "you should become a member if you are not one and are qualified; you should stay a member even if you are sometimes annoyed or discouraged, or even if the dues go up; volunteer to help; read the NEWSLETTER and ask questions about what is going on; discuss the Academy at local Club meetings; be emotionally and intellectually prepared for difficult questions, such as the dilemma of actuarial independence of the actuary.

"Last and most important, go into a quiet place every so often and meditate on how you will deal with that exceedingly difficult question that only you can answer—how you will balance loyalty to the interests of your employer with your responsibility to the public and to the ethical requirements of your profession." "My worry," he said, "is not that you will arrive at the wrong answer, but that too many of you will allow basic questions of professional conduct to go unresolved by default." □