



SOCIETY OF ACTUARIES

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ACTUARIAL LIVERYMEN

by Geoffrey Heywood, F.I.A., F.F.A.

The Livery Companies of the City of London date back to the 14th Century and have their origins in the ancient craft guilds. Their original purpose was to ensure that anybody becoming a Liveryman was fully qualified to carry out his trade or craft. These days the link between liverymen and their occupation has become tenuous; their functions have become largely social, although they enjoy electoral power and have charitable responsibility as an essential requirement.

Some eighteen months ago, it occurred to a few actuaries that it would be a good idea to form a Worshipful Company of Actuaries, i.e., a Livery Company for this profession in London. A petition by these actuaries to the Lord Mayor and Court of Aldermen was approved on 18th September 1979, bringing into being the Worshipful Company of Actuaries as the 91st Livery Company of the City of London.

The oldest such Company, No. 1, is the Mercers Company (1393), and the order of seniority is jealously guarded. There were no new Companies from 1709, when No. 76 was set up, until 1932, since when, particularly during the last twenty years, there has been a resurgence of interest. Already there is one junior to us, by a hairsbreadth, the Worshipful Company of Insurers, No. 92.

On 30th January 1980, at a most impressive ceremony in Mansion House, all of us being fully robed, the Lord Mayor presented to the Master our Letters Patent. This was followed by a luncheon there for the Lord Mayor, the Court of Aldermen and the Members of the new Livery Company.

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To All Our Readers,
A Happy New Year!
The Editors

SOCIETY FELLOW ADDRESSES ACTUARIAL SOCIETY OF INDIA

Rajendra P. Sharma (F.S.A. 1979) of Philadelphia had the opportunity in July 1980 to address the Actuarial Society of India in Bombay. As his topic he selected *The History of Private Pension Plans in the United States of America*, and gave his audience of about 150 actuaries and other insurance executives the following reason for this choice:

"I selected the topic primarily for the reason that I see a lot of similarities between the initial stages of pension plans in the U.S. and the existing gratuity and provident-fund schemes of retirement income security in India. Examining the path of development towards the current system in the U.S. may be a useful indication of what future course the retirement income security system in India may take."

The speaker described the growth pattern of U.S.A. private pensions, and the successive economic and societal influences that determined that pattern. He gave also a succinct analysis of theories that have been advanced to account for pension development — the gratuity theory, the human depreciation theory, the deferred wage theory—and then expressed this view:

"However persuasive some of these theories are, it is doubtful that the private pension expansion can be explained in any one social, political, economic or philosophic concept. The only real explanation

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SUMMARY OF NON-ROUTINE BUSINESS BY BOARD AND EXECUTIVE COMMITTEE, FOUR MONTHS TO OCTOBER 31st

by Myles M. Gray, Secretary

At meetings of the Executive Committee on September 18th, and the Board of Governors on October 18-19, the following non-routine business was transacted:

(1) *Education and Examinations.* The Executive Committee and the Board discussed a proposal for joint sponsorship and administration of examination Parts 1 and 2 with the American Society of Pension Actuaries and concluded that this was not an appropriate time to pursue the matter.

A liaison representative has been appointed from the Society to the Mexican Actuarial Association to explore possible further cooperative educational efforts.

(2) *Sections Within the Society.* The Board approved institution of Sections and reviewed proposed by-laws and operating rules and procedures.

(3) *Society Operations.* The Board adopted the budget for fiscal year 1980-81. It includes increases in seminar fees (\$20 for one-day and \$35 for two-day seminars), and a \$20 increase in registration fee for Spring Meetings.

The Executive Committee removed the maximum limit on reimbursement of reasonable expenses for the President and President-Elect.

(4) *Public Relations.* The Board received the report of the Council of Presidents' Task Force on Public Relations and authorized the President to appoint two Society representatives to a new Joint Committee on Public Relations.

(5) *Professional Conduct.* The Board received two proposed Opinions on professional conduct: a revised Opinion

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