



SOCIETY OF ACTUARIES

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PROFESSIONS IN U.K. BECOMING MORE CLOSELY KNIT

by Peter E. Moody, F.I.A.

Ed. Note: The Society was honored by the presence at our Minneapolis meeting in May of Mr. Moody, President of the Institute of Actuaries. This is an excerpt from his address at that meeting.

In the United Kingdom the professions are feeling increasing pressure upon them to become a more closely-knit body. This stems partly from a feeling that a professional approach to matters of public controversy and interest might contribute something new and valuable to general discussion, and partly because long established practices, which to a substantial extent make professions what they are, have been under attack. Among such practices are restraints on advertising and on one actuary's intrusion into the relationship between another actuary and client; the "channeling" rule, aimed at preserving the independence of actuaries in the sense that they do not get too much business from a limited number of sources; and the requirement that actuaries operate as partnerships. (In this last, I personally think that before too long we may follow your example and permit incorporation in limited liability form.)

This threat to our customary practices is highlighted by a recent report on the engineering professions suggesting that they be controlled by a statutory body, some of whose members would be government appointees. This would seriously undermine the ability of the engineering professions to regulate themselves, and therefore sets a precedent that would be most unwelcome to most professional bodies.

In the U.K. we have two informal bodies through which senior members of various professions meet each other. The difference between them is that one consists of what the Europeans call the liberal professions, e.g., lawyers, doctors, accountants, architects and actuaries; the other larger body brings together the science-based industries—such bodies as engineers and chemists. Neither of these bodies has so far reached the point of being an effective voice for professions as a whole, but they do a good deal of useful work. Studies have been completed in such subjects as continuing education after qualification,

competence to practice, relations between trade unions and professions where it is common for an individual to be a member of both, and limitation of liability and the related subject of professional indemnity.

Certainly the first of these bodies has acted to oppose the worst aspects of that engineering report I already mentioned. The threats to our professional life come from people who cannot accept the idea that rules of conduct and guidelines can be designed with public interest in mind just as much as the interests of the professionals themselves. I do not maintain that actuaries are uncommercial people striving selflessly to serve the interests of their clients or employers, but I do genuinely believe that the interests of those he serves are a most important factor governing an actuary's conduct.

I bring to all members of the Society from the British Institute fraternal greetings and confidence in the future progress and welfare of your Society. If any of you are in London you would be most welcome at our headquarters in Staple Inn. Charles Dickens in his novel that was unfinished at his death in 1870 gave a description of Staple Inn that is wholly recognizable today except that he called it "a legal nook." It is no longer a legal nook; it is an actuarial nook and, I hope, devoted to constructive purposes.

THE PART 3 DEFINITION CONTROVERSY

by Arnold A. Dicke

As reported in the October issue, 36 replies have come in to the tricky notational problem that has plagued the Part 3 Committee so long that we finally put it to the membership (with the May issue of *The Actuary*).

We find that 28% of the letters (and 47% of the pages) came from colleagues in the academic world. (Ed. Note: Since a rational explanation is, "If you want something done, ask a busy man", we have deleted a remark here about this providing a gauge of structural underemployment).

Amending our October report, these replies were:

In favor of Definition I	11
In favor of Definition II	21
Undecided or cryptic	4

ADVANCE, YOU SAY?

Readers, who support this newsletter through your pungent contributions (and through your dues), are entitled to know about our new address for mailing of articles and letters, displayed in our masthead—Advance, North Carolina.

By its denizens, Advance is pronounced *AD*advance; by others it is infrequently pronounced. It lies in Davie County, some 15 miles southwest of Winston-Salem. A close approximation to Davie County's population can be arrived at by dividing the U.S.A. population by 10,000. Advance lays no claim to being the largest community in Davie County.

Davie County was originally called Forks-of-the-Yadkin because it nestles in the "V" formed by the converging Yadkin and South Yadkin Rivers. Yadkin is an Indian word meaning "big trees"; an 18th Century explorer, for whose veracity we do not vouch, spoke of trees so tall that a gun would not kill a turkey perched in the top.

The operations of our office at Mail-Drop 20-7 in New York City are not changed at all. That is where our Editor Emeritus patrols his beat, contributes his always needed suggestions, and watches for blunders. That is where our excellent production staff converts typed copy to grist for the printer, lays out the format, and in general creates the tidy and relatively error-free eight pages that you receive.

All that we have done is to shorten the line of communication between you and the Editor in his Davie County hide-away.

E.J.M.

Two articles from the *American Mathematical Monthly* and one textbook were quoted. The score here was: one for Def. I, one for Def. II, one clearly in favor of chain rules. To counter the advantage attributed to Def. II because of the better defined chain rule, several respondents pointed out that Def. I affords a generalized binomial theorem.

Students and former Part 3 chairmen rated the resolution of this conflict as a matter of some urgency, a view not shared by other correspondents. *No resolution has been reached, but work goes on.* (Emphasis added—Ed.) □