



SOCIETY OF ACTUARIES

Article from:

The Actuary

May 1982 – Volume 16, No. 5

Women Actuaries in the U.K.

(Continued from page 4)

60's. It is agreed, I think, that it has amply achieved its purposes.

Looking Forward

Said an article in *The Economist* of 20th February 1982:

"The liberation that women have won so far too often means freedom to do a double job."

That article goes on to foreshadow the day of the "tele-commuting out-worker spending much of his or her time at a terminal at home or in a suburban satellite office." Until that day comes, how do and how can women actuaries cope with their "double job?"

They must, it seems, expect their career to be sometimes full-time, sometimes part-time, and sometimes a case of breaking off and then resuming—conditions that have applied ever since Mrs. Spicer's time. To these they may add job sharing, not easy to visualise in professional work but perhaps feasible and worth trying.

I am confident the actuarial profession will continue to provide opportunity for women as it has done for so long, and that ways and means of accommodating a woman's "dual career" will increasingly be found and put into operation.

1953 Table *a*.

(Continued from page 1)

jected experience mortality rates. After experimenting with both level margins and margins declining with increasing age, our Committee selected the 10% factor that had been used to obtain the 1971 IAM, as both adequate and suitable. A test based on ten companies contributing to the 1971-76 annuity experience indicated that the 10% reduction in mortality would be adequate for valuation purposes.

Mortality rates at quinquennial ages equal to 90% of those of the 1983 Basic Table were graduated by a Jenkins 5th difference osculatory interpolation formula; age 115 was chosen as the terminal age for both men and women, the same as in 1971.

U.K. REPORT

by Alistair Neill,
Edinburgh Correspondent

I. Response To Inflation

This is a sequel to William Vickers' interesting analysis of the same title (Feb. issue).

Since the time of our March 1981 budget, unemployment unfortunately has continued to grow, and there have been more company liquidations. But some unions are now realising that if employers are to survive, wage settlements have to be less than inflation. The effort to reduce interest rates was not initially successful though they are now seemingly again on a downward trend; the government's minimum lending rate was abolished but the average clearing banks' base rate, now treated as the guide, increased from the 12% of a year ago to 16% but has since declined to about 13½% (this written before the Falkland Islands invasion—Ed.) Rates of inflation in both earnings and prices seem now to be approaching single figures, even though their fall seems not yet much affected by possibly the most noticeable change of the past twelve months—the considerable depreciation of the pound sterling against the dollar, which is helping exports.

The March 1982 budget made little real change—just some slight relaxation and assistance to business through payroll tax reduction, and more direct help to small businesses.

II. Index-Linked Securities

Since my last report (Sept. 1981 issue) a third security maturing in 2011 has come out. The most interesting event has been elimination of any restriction on who could hold these stocks. They had been trading at a nominal yield of about 2½% but the sudden widening in the conditions increased their dealing prices by about 7% at a stroke. Some saw this as a good omen for a new stock to be issued with a 2% coupon maturing in 1988; however, not all the stock offered was tendered for at a price satisfactory to the government. Those who had tendered were allotted stock at 97½%, giving a nominal yield of about 2½%.

How these stocks should be priced, and their relationship to the normal government securities and to non-government investments, is proving a fascinating puzzle.

BOLESLAW MONIC FUND PRIZE

The competition for the Boleslaw Monic Prize, managed by a distinguished committee of European actuaries, happens this year to be of less interest than usual to most of our readers. Nevertheless, we are glad to draw attention to it. Prizes totalling Dutch florins 12,500 (roughly US\$4,500) are being offered for the three best papers submitted on:

"The significance of inflation for the *non-life* insurance industry, with particular reference to the relationship between direct insurance and reinsurance; the problems facing management and a suggested methodology for their solution."

The closing date for entries, which may be in English or in any of five other languages, is 30th September 1982. We have a set of guidelines and entry rules for anybody requesting it to our masthead address.

E.J.M.

Howard University

(Continued from page 1)

but the School of Business has so far been more successful in motivating students to elect the actuarial science major.

Essentials for Success

Two elements rank as essential to this program's success. First is to recruit an adequate flow of actuarial science majors with sufficient mathematical skills and career motivation. At present there are only a dozen of these, but we aim for total enrollment of at least one hundred within a few years.

The second essential is to give the students vigorous support while they are at Howard. Such support must include math courses and tutoring for the early exams, special courses and lectures on actuarial careers and other topics of actuarial interest, and, perhaps most importantly, summer and eventually permanent actuarial employment for our students.

Please Help

Society members who feel you might be helpful in any way, specially in employing students, are urged to write to me at:

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