



SOCIETY OF ACTUARIES

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Editorial

Beat Bristol

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The Bristol referred to in the title is Bristol, England. Most of us know of it only because of the use of the name in the phrase "ship shape, Bristol fashion." It means that things are neat and well done. But let's discuss research done in the Society of Actuaries.

A former president of the Society, Edward Lew, once referred to the Education and Examination system as one of the most magnificent educational structures ever created. This is surely true, and it is not only powerful and strong but also vital. I believe that the changes implied by FES and FEM are good changes. But if they are in error, then they will be corrected. Right or wrong, they attest to the vitality of the operation, and the interest and support of the membership in this part of our activities. Such does not seem to be the case for our work in research.

While we take proper pride in our educational activity, the membership has regularly indicated an unfocused disquiet with our research. A poll of the membership a few years ago indicated substantial membership support for increased "practical research." Work on this request was held up, however, when no one could precisely determine what the practical research would be. A task force headed by Anna Rappaport is now investigating ways in which our research activity can be revitalized and extended. The results of these investigations will be presented and will surely prove valuable to our organization.

I don't believe, however, that we should depend upon the work of a task force to rectify the problem for us. Research is important to us all. The Education Committees provide for the continuation of our profession, but research defines it. The research work of past actuaries defines the profession as we now know it. The profession is also defined by the work of the experience committees, the papers in the *Transactions*, and the various other published works of our profession.

This is hardly a unique observation. The profession of physicists is defined by the published work that physicists present. The profession of physicians is defined by the literature that they publish, not just by their work. The profession of lawyers is defined by their publications and written opinions as well as their arguments in court.

These professions are all continually testing the boundaries of their fields as well as defending their turf. We periodically complain about the accountants as they do this. If the complaint is justified, it should not be surprising. It is the normal action of any healthy competitive organization. If we intend that our profession should remain healthy, then we should expect to be involved in the same kind of competitive race.

It would be easy to use this platform to castigate the membership for a failure to do enough research. But I think that would be wrong. I believe that a great amount of research is being done, but perhaps not recognized as such, by ourselves and by the other professions. Research is continually being done by individual actuaries for their companies and for their clients. In addition, research is being presented at Society meetings in the form of panel sessions and in presentation to the various actuarial clubs.

To some extent the desired increase in research could be partially met by making the studies that are done more widely known. The first question would be possible increases in the publication of more of the privately done work of the consultants and company actuaries. The outsider cannot make a judgment as to what constitutes a company secret and what should be construed as research work to be published. That can only be done by the practitioner and the firm. Much of the published work has come from insurance company actuaries. Of the work from consultants, the best known to insurance actuaries would be the James C. H. Anderson method of premium calculation. Certainly it would be appropriate for each of us to consider our recent work and determine if some aspect of it would be an appropriate addition to the literature of the profession. The

recent publication of the AIDS study is a good example of the way that this can take place.

There is also the question of method of dissemination. The AIDS study was prepared by two Society members, printed by three Sections of the Society, and distributed very promptly. The AIDS study will undoubtedly be subject to adequate discussion to establish its validity. Some of the other publications of the sections contain short research reports and need only to be subject to such discussion to move a step up in formality, and be better recognized as involving actual research. Section business meetings held in conjunction with Society meetings would not generally provide enough time for presentation of a paper and an active discussion. When a section holds an independent meeting, such opportunities would exist.

The actuarial clubs would seem a particularly good choice to start the development of published research. Papers could be distributed in advance and presented in a lower pressure setting. The membership could have an opportunity to discuss the methodology and conclusions, and the results could be made available to the entire membership of the Society upon request. In some cases the contents might eventually work their way up to an even more elaborate presentation for the *Transactions*.

The old Student Society of the Institute in Britain has been renamed the Staple Inn Actuarial Society, and ten papers were presented during the last year— independent of the publications of the *Journal* of the Institute. There are other local Societies in Great Britain that seem like our local clubs. In the last year, three papers were presented to the Glasgow Actuarial Students Society, two for the Bristol Actuarial Society and one each at York, Manchester, and Birmingham. I know it would be unreasonable to expect the New York, Los Angeles, Chicago, or our other clubs to compete with Staple Inn or Glasgow. But if the idea that we could use the clubs to start the change towards a more research-oriented culture has any merit, let's "Beat Bristol."