

**MESSAGE FROM THE INTERNATIONAL ACTUARIAL  
ASSOCIATION TO THE FACULTY OF ACTUARIES IN SCOTLAND  
ON THE OCCASION OF ITS 150TH ANNIVERSARY**

Congratulations to the Faculty on its 150th Anniversary!

One hundred and fifty years! Wow, quite a feat! No wonder that there is a special name for it: a sesquicentenary!

For an association to be formed, it takes a number of visionaries. For an association to continue to exist for one hundred and fifty years, it takes an extraordinary amount of resource, resource which money cannot buy.

Oh, maybe some of it, but certainly not all of it. I am talking about the dedication of the volunteers. Without volunteers it would not have been possible for the Faculty to enjoy the string of successes which it has accumulated since its creation a century and a half ago.

Interestingly, the profession goes back more than 150 years in Scotland. I learned that the first scientifically-based pension fund providing benefits to the widows and children of Church of Scotland ministers dates back to 1742, while the seminal book entitled *Observations on Reversionary Payments* was published in Scotland in 1771. Another achievement which Scotland can be proud of is the creation of the world's first life insurance trade association, under the name of the Association of Managers of Life Offices in Scotland, later renamed the Associated Scottish Life Offices. These are just a few initiatives which illustrate the creativity of Scottish actuaries and their dedication to the profession, even before the creation of the Faculty in 1856, which was made possible only by volunteers choosing to dedicate time and effort to their profession.

That is true for the Faculty; it is true also for the 'Comité Permanent des Congrès d'Actuaires', established in 1895, renamed the International Actuarial Association (IAA) in 1968. Since its formation as an association of individuals, and particularly since its transformation to an association of associations in 1998, the IAA also has benefited from the generous support of Faculty volunteers.

I find it remarkable that, already in the early days of the Faculty, its members were establishing footholds the world over and participating in the development of the profession in many corners of the globe. At first, they worked for foreign branches of United Kingdom insurers, and then later joined national and international consulting firms. All the while, Faculty members were participating in the affairs of the IAA, dedicated at first to linking actuaries worldwide, and later to the research, education and development of the profession and of actuarial associations.

To this day, Faculty volunteers contribute to the seven sections of the

IAA: ASTIN, AFIR, IACA, PBSS, IAAHS, AWF and LIFE [see the explanation of acronyms in note 1] and to the various IAA committees [see list in note 2] in the pursuit of their respective missions.

Their support is all the more welcome, given the recent exponential increase in the demand for IAA input from other international organisations. In recent years, the main work of the IAA and its committees has focused on:

- the development of international actuarial practice guidelines, in response to the International Accounting Standards Board (IASB) and their International Financial Reporting Standards (IFRS);
- the development of practice guidelines for actuaries working in social security, in response to a request from the International Social Security Association (ISSA);
- collaboration with various other international organisations, such as the International Association of Insurance Supervisors (IAIS), the Organisation for Economic Cooperation and Development (OECD), and the International Federation of Accountants (IFAC);
- discussions with the World Bank and other donor agencies on the desirability and feasibility of developing and implementing an international actuarial education programme;
- exchanges with the World Trade Organisation (WTO) on cross border professional services; and
- the organisation of many successful seminars throughout the world on the very important topic of risk management.

In 2004, in response to a request from the IAIS, the IAA published the very successful book *A Global Framework for Insurer Solvency Assessment*; the work of the Working Party on Insurer Solvency Assessment of the Insurance Regulation Committee. The book has sold 500 copies worldwide, and a reprint is in hand.

I would also like to highlight the new format of the IAA International Congress of Actuaries, held every four years. Starting in Cancún in 2002, in addition to the research and scientific aspect, the Congress included, for the first time, sessions organised by IAA committees and member associations to address the need for discussions on issues of actuarial practice, as well as the integration of section tracks. This format is being continued in 2006 for the Paris Congress.

Without the active participation of experienced actuarial volunteers, many from the Faculty, the increasing influence enjoyed by the actuarial profession on the international scene would not have been possible.

At this moment, the temptation for me to list names is great, but I will refrain, for I do not want to run the risk of producing an incomplete list. I would like, however, to highlight the participation of recent Faculty Presidents who are active at the IAA and who lead by example: Harvie

Brown on Council and Accreditation, Paul Grace on Education, David Kingston on Financial Risks and Nominations, and Fraser Low, who recently retired from Professionalism.

I would also like to mention the participation of many Fellows of the Faculty scattered across various continents, and who participate in the activities of the IAA, some as past or present leaders of the actuarial organisation of their country of residence. The January-February edition of *The Actuary* demonstrates the reality of this diaspora through postcards featuring:

- Clare Duggan in Frankfurt, Germany;
- Ron Hunter in Melbourne, Australia;
- Pelagia Kafesu in Harare, Zimbabwe;
- Stuart Leckie in Hong Kong, SAR China;
- Shane Whelan in Dublin, Ireland; and
- Catherine Robertson in Toronto, Canada;

all FFAs who contribute to the outreach of the Faculty and of the global actuarial profession around the world.

Thank you, Faculty. We, at the IAA, are proud to count on so many of your members dedicated to our profession. Their dedication has contributed to the enviable reputation of the Faculty in Europe and on the wider international scene. May the Faculty continue to be an admired leader-association in the years to come!

The initiative of the Faculty in granting Honorary Fellowship to meritorious actuaries from other actuarial associations and non-actuaries who lead in various fields of expertise of interest to our profession is a demonstration of this leadership in recognising outstanding contributions to the global profession beyond its own borders. I note that the IAA and the Faculty share the merit of having granted honorary recognition to two eminent actuaries:

- Hans Bühlmann from Switzerland, who, as a member of the Provisional Executive Committee in the 1990s, led to the restructure of the IAA in 1998. Hans has also been active in the ASTIN Section for many years, and today he serves as its Honorary Chairman.
- Max Lacroix from France, who was instrumental in establishing the IAA Fund in 1992 and was its Delegate to Council until 2004, at which time he was appointed Delegatus Emeritus of the Fund. He continues to serve on the A&A Committee. Max worked relentlessly, and succeeded in having the IAA added to the Roster of the Economic and Social Council of the United Nations Organisation, and to the Special List of the International Labour Office.

Both Hans and Max were recognised as Distinguished Medallists of the IAA by the Council at its meeting in Estoril, Portugal in April 2001.

We need the continuous support of the Faculty and all other associations in our numerous projects to grow our profession further and deeper in this fast moving world, where risk and uncertainty have assumed a global dimension.

This is good for the actuarial profession, but, more importantly, it is good for the many publics which we serve. It helps us all in making this world a better place in which to live.

Note 1: ASTIN (Actuarial Studies in Non-Life Insurance); AFIR (Actuarial Approach for Financial Risks); IACA (International Association of Consulting Actuaries); PBSS (Pensions, Benefits and Social Security Section); IAAHS (International Actuarial Association Health Section); AWF (Actuaries Without Frontiers Section); and LIFE, the recently formed Life Section.

Note 2: IAA committees: Accreditation, Advice and Assistance, Audit and Finance, Education, Executive, Financial Risks, Insurance Accounting, Insurance Regulation, Nominations, Member Services, Pensions and Employee Benefits, Professionalism, Social Security and Supranational Relations.

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ASSOCIATION