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# Two heads are better than one

READERS CANNOT HAVE FAILED TO NOTE THAT THE FACULTY of Actuaries, having been established on 4 January 1856, celebrates its sesquicentenary this year. 1 January might have been preferred, but the inaugural meeting was probably delayed in deference to Hogmanay celebrations.

What has the Faculty brought to the profession? What might it contribute in the future?

Even before the Faculty's formation the contribution of Scottish actuaries had been acknowledged. At a dinner held in Edinburgh in 1850, John Finlaison, president of the Institute – incidentally, the founder president – said: 'it was to the actuaries of Scotland that the Institute was indebted for its existence.'

Records indicate that the Faculty members were active in research from the outset. In the second half of the 19th century an average of almost six papers a year were presented; many of these were published in the *Transactions of the Actuarial Society of Edinburgh*, which society was merged with the Faculty in 1900.

Like the Institute, the Faculty has a history of encouraging research and its publication. One of the most prolific authors in recent times has been Professor David Wilkie who, having qualified as an FFA, went on to qualify as an FIA as well. A widely used investment model bears his name.

Today, unfortunately, business pressures mean that few are now able to devote the time necessary to be the sole author of a paper for presentation at a sessional meeting. Most papers are now the work of several individuals and in some cases result from work commissioned by the profession, with FFAs frequently making significant contributions. Many papers are presented both at Staple Inn and in Edinburgh. However, not infrequently, the discussions follow different paths and on some occasions the format of the meeting differs between the two locations. These variations are to the benefit of the whole UK profession, as quite often more points are brought forward for consideration.

Scots, renowned as emigrants, have made their presence felt in many parts of the world, in particular in the countries of the Commonwealth and in the United States. It is not surprising that many FFAs emigrated and were involved in the development of the profession in their new homeland. A Society of Actuaries publication refers to 'the small band of FFAs who migrated to North America and who exerted extraordinarily large influence there'. This has resulted in a significant proportion of the Faculty's membership being resident overseas and in order to represent their views Faculty Council includes at least one overseas member.

The Faculty, through its delegates to both the Groupe Consultatif and the IAA, continues to play a part in the development of the actuarial profession throughout the world.

Given that one reason for establishing the Faculty was to promote and establish a school of actuarial study and research in Scotland, it is perhaps not surprising that at a time of steadily growing demand for



our professional skills Heriot-Watt was the first UK University to establish an actuarial department (in 1972). In addition to its teaching activities the department, which has expanded substantially over the years, is recognised internationally as a major centre for actuarial research. This recognition enables it to attract staff of a high calibre and many distinguished researchers on short-term visits.

Since 1856 there have been many suggestions of closer co-operation between the Faculty and the Institute; amalgamation was proposed as long ago as 1864. Common examinations were suggested on a number of occasions, for example by the Faculty president in 1928; despite the enormous demand on the profession's limited resources of operating two similar but distinct examination systems, common examinations were not held until 1994. Two years later FIMC was established and Councils delegated many of their routine responsibilities to that smaller and more streamlined body.

These changes have freed resources, in particular time, to devote to other developments. The Faculty has debated a number of issues and the UK profession made many beneficial changes that probably would not otherwise have been made. FFAs have played their part, alongside FIAs, in developing strategic solutions to a number of issues facing the UK profession – the launch of the *British Actuarial Journal*, the recently implemented educational strategy, proposals for peer review, changes to the disciplinary schemes, and the review of the CPD scheme are the more obvious recent developments. In discussing these developments, the profession has made significant changes where it would have been easy to settle for the status quo.

Throughout its existence the Faculty has had an influence on the development of the actuarial profession, not only in the UK but also in other parts of the world. The Faculty has always benefited from the fact that the vast majority of its fellows – wherever based – identify closely with, and show great loyalty to, their professional body. Many FFAs make important contributions to the activities of the profession. These attributes persist and should mean that the Faculty will exercise an influence through the 21st century and beyond.

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