ABOUT THE AUTHOR

Yogita Arora is a Fellow of the Institute of Actuaries of India with dual specialisation in General and Health Insurance. She has more than 13 years of experience across Life, General, and Health Insurance and Employee Benefits Valuation, and has worked for Indian, South Asian, Middle East and US markets.

Yogita is Principal and Consulting Actuary at Actuarial Analytics and Risk Consultants (AARC) and serves as Director-IFRS 17 with Global Risk Consultants (GRC).

Her experience has been further enriched by serving in crucial roles at leading direct insurer, consultant and shared service firms such as McKinsey, Milliman and Aviva Life Insurance.

Yogita has served as Appointed Actuary of the Agriculture Insurance Company of India Ltd and ECGC Ltd.

She holds a British Council certificate in Creative Writing and is an experienced proofreader of books on Quantitative Aptitude and Data Interpretation.

She likes to devote her free time to social work. She is a cinephile and passionately fond of dance.

Institute of Actuaries of India

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Worthy Milestones, Enduring Vision

CELEBRATING

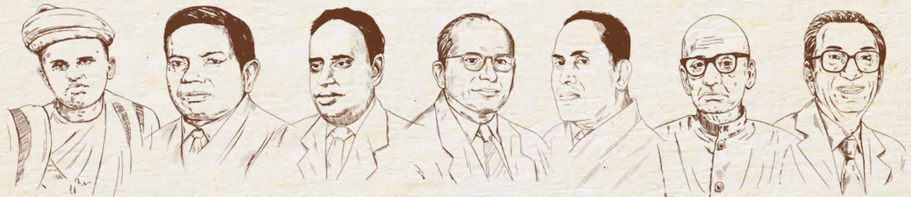
75

YEARS

OF INDIAN ACTUARIAL PROFESSION

EST. 1944

Worthy Milestones Enduring Vision



Institute of Actuaries of India

ABOUT THE BOOK

Worthy Milestones, Enduring Vision celebrates 75 years of the Indian Actuarial profession. It is a legacy document which provides glimpses of the history of the profession in India.

Over these 75 years, the profession has been through various challenging times and triumphs. This book reflects the tremendous will and resolve of those who stood out and made a difference.

While the journey began with the formation of the Actuarial Society of India in 1944, the roots of Actuarial concepts had been laid much before. In fact, the book takes us as far back as the Vedic era – since texts of that period point to what possibly could be the roots of insurance in India.

It also journeys through major events such as formation of the Actuarial Society of India in 1944, nationalisation of life insurance companies in 1956, the start of ASI's Actuarial Examinations in 1989, formation of the IRDAI and the launch of Global Conference of Actuaries in 1999, and the Actuaries Act, 2006, which helped in the evolution of the profession in India.

A profession is made up by people and their contributions and achievements and thus the book covers the contribution of noteworthy individuals who helped in shaping the Actuarial profession through the years to where we stand today.

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FEBRUARY 2020

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Dedicated to the passion, zeal and grit of the great visionaries who laid the foundation of the Actuarial profession in India.

Worthy Milestones Enduring Vision

YOGITA ARORA, Author and Editor
RAHUL JAIN, Associate Author

Institute of Actuaries of India

FROM THE DESK OF THE CHAIRPERSON



Liyaquat Khan
Chairperson,
21st GCA, AGFA
2020 and 75 Yrs
Celebration
Organising Group,
Institute of Actuaries
of India

The decision to publish a coffee-table book on the history of the Indian Actuarial profession in its formalised form was taken rather late, in October 2019. The date of release of the coffee-table book being February 17, 2020, the time period was rather stretched and extremely challenging.

I am really fortunate to have been entrusted with this responsibility and happy to recall my association with the profession since 1964, when after passing the Actuarial examinations, I was recruited as a Class I officer by the Life Insurance Corporation of India in the category of 'direct recruits'.

It was decided that the coffee-table book would capture the history of the Actuarial profession in India, which took shape in an organised form when the Actuarial Society of India was formed in 1944. Historical records, however, point to evidence of qualified Actuaries having worked in India right since 1912.

History is all about persons and events who make a difference and the Indian Actuarial profession is blessed with a large number of such persons – both Actuaries and non-Actuaries – who have made a difference to the progress of the profession. Events impacting the profession have also been recorded in the book. It is, therefore, not only a coffee-table book, but also one that aims to present factual history as much as can be verified from available records.

As a matter of principle we have avoided opinions about the past; rather, we have adhered to recording the contribution of people and events with integrity so that members of our profession as well as stakeholders can rely upon us. Actuaries are professionals who make a difference in the lives of the people and society. Life insurance is all about ensuring that money is available to people when they need it and economic institutions remain stable during calamities. Actuaries design products to ensure this and monitor solvency so as to make sure that money is available when it is needed.

This coffee-table book is a record of people who have made a difference to society in a land that we love as India, as Bharat.

FROM THE DESK OF THE PRESIDENT



Sunil Sharma
President,
Institute of Actuaries
of India

It is indeed a pleasure to see our dream of a coffee-table book come alive on the occasion of the celebration of 75 years of the Indian Actuarial profession. I would like to offer my heartfelt gratitude to our predecessors who contributed to the growth of this unique profession and helped us to achieve this milestone. The path to reach here has not been easy; it is the outcome of hard work and bold steps that were taken by our predecessors. They have been kind enough to help us visualise the path of the future.

I am blessed to have witnessed the evolution of the profession from conducting its own Global Conference of Actuaries to globalisation of the Indian Actuarial profession, MRA with UK, Australian and Canadian Actuarial professions, converting from a Society to a statutory body through the Actuaries Act, 2006 and striving to expand the horizon beyond traditional areas.

I must thank all my Actuarial colleagues and the IAI staff who took out time to contribute to various chapters of this coffee-table book.

I am very confident that together we can grow the profession at a much faster pace and expand the horizon for the Actuarial profession to the cause of public interest across all financial services.

BLESSINGS



डॉ. सुभाष चंद्र खुंटिआ
अध्यक्ष
Dr. Subhash C. Khuntia
Chairman

भारतीय बीमा विनियामक और विकास प्राधिकरण
INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA

MESSAGE

I am happy to know that the Institute of Actuaries of India is bringing out a Coffee Table Book on the occasion of Platinum Jubilee of Actuarial Profession in India.

Actuaries play a crucial role in the insurance sector by assessing various risks undertaken by insurers. This critical function demands not just academic skills but also a deep understanding of the overall financial market, the range of factors that influence the business as also a high level of integrity and professionalism. Keeping this in view, the Insurance Regulatory and Development Authority of India has mandated Appointed Actuary system for Indian insurers.

Institute of Actuaries of India, as the institution for regulating the profession of Actuaries in India, has to enhance its efforts to attract bright students across the country into the profession. I convey my best wishes to the Institute of Actuaries of India and to all the Actuarial Professionals in India on the occasion of the Platinum Jubilee and hope that the Coffee Table Book being brought out will adequately capture the journey of the profession in upholding public interest.

Hyderabad
29th January 2020

29/1/20
(Dr. Subhash C. Khuntia)

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BLESSINGS

International Actuarial Association
Association Actuarielle Internationale



The International Actuarial Association wishes to congratulate the Institute of Actuaries of India and Indian actuarial profession on its 75th anniversary. The profession has grown and now thrives in India, thanks to the tremendous efforts and support of the IAI. We wish the profession many more strong future years in India, as our two associations continue to work together to keep the profession relevant and always advancing.

Tonya B. Manning

Tonya B. Manning
IAA President

Actuaries Institute
Australia



On behalf of the Actuaries Institute Australia, it is my great pleasure to congratulate the Institute of Actuaries of India on the occasion of their 75th Anniversary.
It is inspiring to see the continuous growth in members, particularly the number of Fellows that have more than doubled over the past ten years.
The Actuaries Institute Australia and the Institute of Actuaries of India share similar values, particularly in integrity and continued professional learning.
We are very much looking forward to welcoming our colleagues from India to the 32nd International Congress of Actuaries being held in Sydney from 3 – 7 April 2022.

Hoa Bui
President, Actuaries Institute Australia
2020

Institute and Faculty of Actuaries



Institute of Actuaries of India

20 January 2020

75 Years of the Indian Actuarial Profession

Dear all at the Institute of Actuaries of India,

On behalf of the Institute and Faculty of Actuaries (IFoA), I would like to extend my warmest congratulations to you, as you celebrate 75 years of the Indian Actuarial Profession.

Over that time, you have demonstrated great staying power, and it is a great testament to the skill and the dedication of all who have passed through the Institute of Actuaries of India that it remains strong and vibrant today.

At the IFoA, we celebrate the values of community, integrity, and progress and it is clear that the Institute of Actuaries of India also models these values as a leader in the Indian actuarial profession.

Since joining the IFoA's Presidential Team, it's been my privilege and pleasure to work closely with the Institute of Actuaries of India and President, Sunil Sharma. This relationship has been characterised by its constructive and open nature, giving me great confidence that we can look forward to an enduring partnership that will continue to benefit members and India more generally.

We value the long-term relationship we have enjoyed with the Institute of Actuaries of India, and look forward to our continued partnership. Once again, congratulations on this momentous occasion.

Yours sincerely

John Taylor
President, Institute and Faculty of Actuaries

BLESSINGS



Steven D. Armstrong, **FCAS**
President, Casualty Actuarial Society

100 Years of Expertise, Insight & Solutions

Mr. Sunil Sharma, President
Institute of Actuaries of India

Dear President Sharma:

On behalf of the Casualty Actuarial Society (CAS), I extend warmest congratulations to the Institute of Actuaries of India on the 75th anniversary of the formal establishment of the professional actuarial body in India.

We particularly note and celebrate the many accomplishments of IAI that:

- Develop, promote and uphold high standards of professional education, training, knowledge, practice and conduct amongst actuaries;
- Promote, in the public interest, knowledge and research in all aspects of actuarial science and its application; and
- Promote the status of the actuarial profession.

As you know the CAS is focused specifically on General Insurance; and CAS supports the development of a robust GI actuarial community globally. From this vantage point, CAS has been pleased over the years to see diverse IAI offerings and initiatives that can help foster the GI actuarial community and practice within India and the region, including:

- General Insurance Specialist Track within the IAI Education Curriculum and Qualification program;
- Relevant Actuarial Practice Standards, as well as Guidance Notes;
- The IAI's ongoing series of seminars on topics such as Current Issues in General Insurance, Crop Insurance, and Data Science and Analytics; and
- Research in relevant areas such as claims inflation, crop insurance, and micro insurance, among others.

We perceive that there are interesting dimensions along which to explore potential expanded collaborations between IAI and CAS, specifically for the benefit of GI practitioners.

Clearly, IAI is serving key roles in India. But CAS congratulates IAI also for being an active member of the global actuarial community through full membership and participation in the International Actuarial Association; status as an accredited grantor of the Chartered Enterprise Risk Actuary global risk management credential; collaboration in various initiatives with other actuarial organizations around the world (including CAS); support of developing actuarial associations in Asia; and organizer/host of the Global Conference of Actuaries for the past twenty years. This year's GCA promises to be excellent, and we greatly appreciate the opportunity to support the Conference and to participate!

The Casualty Actuarial Society is delighted to join IAI's many Members and other stakeholders in celebrating the IAI's accomplishments to date; and we eagerly anticipate the opportunity to be both a witness, and a collaborator with you, as IAI tackles many important and interesting challenges, opportunities, and endeavors in the years to come.

Cheers!

Steven D. Armstrong
CAS, President

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January 23, 2020

Sunil Sharma
The Institute of Actuaries of India
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Seawoods, Near Seawoods Railway Station,
Navi Mumbai - 400 706

President Sharma:

My warmest congratulations in celebrating 75 years of the actuarial profession in India. I have been involved in the Indian actuarial community for the past decade, and I am humbled and proud to see how the actuarial profession has grown. I count many Indian actuaries amongst my most trusted colleagues and my best friends. The profession has changed lives and opened the door to opportunity to many aspiring actuaries. As we look to the future, it is leading the transformation of the Indian economy through the rapidly expanding insurance markets.

As SOA President and a long-time volunteer, I am proud to join you in acknowledging this anniversary and the Institute's efforts on behalf of the profession. There's an opportunity for actuaries around the world to support and expand the profession, and we look forward to working with you in the future.

Sincerely,

Andrew D. Rallis, FSA, MAAA
President, Society of Actuaries

BLESSINGS

SINGAPORE ACTUARIAL SOCIETY

163 Tras Street, #07-04 Lian Huat Building, Singapore 079024
UEN : S76SS0051K



20 January 2020

To: The Institute of Actuaries of India
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Seawoods, Near Seawoods Railway Station
Navi Mumbai – 400 706

Dear **President of the Institute of Actuaries of India**

CELEBRATING 75 YEARS OF INDIA ACTUARIAL PROFESSION

The Singapore Actuarial Society congratulates the Institute of Actuaries of India (erstwhile Actuarial Society of India) and Indian Actuarial Profession for completing 75 years of existence. Through hard work and excellence, you have now reached a incontestable status of respected Actuarial Institute across the world.

The SAS and IAI have achieved a lot together and I hope that the collaboration and friendship between our bodies and members will last for the next 75 years – at least!

Yours sincerely,

Mr. Frederic Weber
President, Singapore Actuarial Society



PERSATUAN AKTUARIS INDONESIA
(THE SOCIETY OF ACTUARIES OF INDONESIA)

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No. 0006/SRT/KTA-PAI/I/2020 Jakarta, 22 January 2020

Dear Mr. Sunil Sharma, President of Actuarial of Society of India

Greeting from The Society of Actuaries of Indonesia.

Proudly, we would like to congratulate The Institute of Actuaries of India and Indian Actuarial Profession for your 75 years of anniversary.

We are very proud with your proven contribution to the Financial Industries and the economic growth of India and we are seeing you as one of the most Influencer Actuarial Profession in Asia. We believe we will see a leapfrog improvement in Actuarial Profession across Asia by seeing you as the example.

Thank you and again, congratulation !!

Regards,

Fauzi Arfan,FSAI
President Actuarial of Society of Indonesia

The Institute of Actuaries of Japan
Think the Future, Manage the Risk

Harumi Island Triton Square, Office Tower X 29, 1-8-10, Harumi, Chuo-ku, Tokyo 104-6002, Japan
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January 22, 2020

Mr. Sunil Sharma, President
Institute of Actuaries of India
Unit F-206, 2nd Floor, F Wing Tower 2
Seawoods Grand Central, Plot R-1
Sector 40, Seawoods
Navi Mumbai 400 706
India

Dear Mr. Sunil Sharma,



The Institute of Actuaries of Japan wish to congratulate Institute of Actuaries of India on your 75-year Anniversary of foundation.

IAJ is pleased to have been a close relationship with IAI for a long time. I expect we will both continue to benefit from the relationship in the future.

Once again, congratulations on the IAI's 75th Anniversary, and I do hope the celebrations are a success and enjoyed by all.

Yours Sincerely,

Hiroshi Shoji
President
The Institute of Actuaries of Japan

ACKNOWLEDGEMENTS

Sincere thanks to one and all who have helped in this journey. This book is a combined effort of contributors, compilers, researchers, authors, editors, designers, friends and families of everyone involved. The information has been compiled from various sources such as archives of the IAI Library, LIC Library, New India Assurance Library, NIA, Pune Library, M/s K A Pandit Consultants & Actuaries Office, discussions with individuals and, of course, the World Wide Web.

We have tried to include the names of everyone involved (in alphabetical order). Sincere apologies if anyone has been missed.

Actuarial Fraternity

A G Hemamalini
Abhinav Kumar
Anshu Shanbhag
Anuradha Lal
Anurag Rastogi
B J Sane
Bruce Porteous
Chinnaraja Pandian
Chitra Jaisimha
D K Pandit
Derek Stott
Dhruv Rana
Dinesh Chandra Khansili
Dinesh Pant
Dr Elisabeth Goodwin
Dr S Doss
Gopal Kumar
G C Chaturvedi
G L N Sarma
Heerak Basu
Jason Noronha
Jayesh Pandit
Jenil Shah
K S Gopalakrishnan
K Subramanyam
Kailash Mittal
Khushi Parikh
Krushmi Gandhi
Liyaquat Khan
Mayuresh
N M Gowardhan
N Rangarajan
Nikita Bagaria
Nirav Mamniya
P A Balasubramanian
Parmod Kumar Arora
Rahul Jain
Raju Seetharaman
Richard Holloway
S Madhusudhanan
Sabyasachi Sarkar
Sanyam Tayal
Sharad S Ramnarayanan
Sherena Mehta
Smriti Aggarwal
Subhendu Kumar Bal
Sunil Sharma
Surabhi
Swati Umre
Tanay Chandra
V Rajagopalan

IAI Staff

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Binita Rautela
Gauri Kothari
Gururaj Nayak
Larry Barretto
Nilima Kadam
Nitin Kalani
Sandeep Mahajan
Vijaya Bhosle
Vinod Kumar Kuttierath



Rahul Jain,
Associate Author

A special note of thanks to the Spenta Multimedia team who worked tirelessly to publish this book.

AUTHOR'S NOTE



Yogita Arora

"The more you know about the past, the better prepared you are for the future."
– Theodore Roosevelt

The history of the Actuarial profession is a treasure trove of memories, a wealth that helps us appreciate the hard work and dedication of earlier generations. Today, as we delight in our high-paying jobs and smart offices, it is difficult to fathom the struggle of yesteryear's stalwarts. However, it is their labour of love that is the wellspring of the eminence of our profession. Ours has been an exemplary journey of great endeavours.

As for me, writing this book has been an enriching and enlightening experience.

I would like to thank Sunil Sharma, President, Institute of Actuaries of India (IAI) and the IAI for this wonderful opportunity. My sincere gratitude to Liyaquat Khan, Chairperson, 21st GCA, AGFA 2020 and 75 Yrs Celebration Organising Group, for entrusting me with the task, and his valuable guidance during writing. He not only enriched the imagination, but also understanding of how the events unfolded.

Rahul Jain, Associate Author, very diligently and patiently helped me discover the different eras of the profession, and it will not be incorrect if I acknowledge him as Associate Editor. Without his hard work, I could not have written the book.

My gratitude also to budding Actuary, Nirav Mamniya, who worked tirelessly in examining documents, photographs and data of the past.

A note of appreciation for the compilers of information of each era – each one of whom took out time from their busy schedules for the same – and also Vinod Kumar Kuttierath, who worked with the compilers to gather the information.

Binita Rautela and other IAI staff also extended full cooperation during the writing of this book and I am ever so grateful.

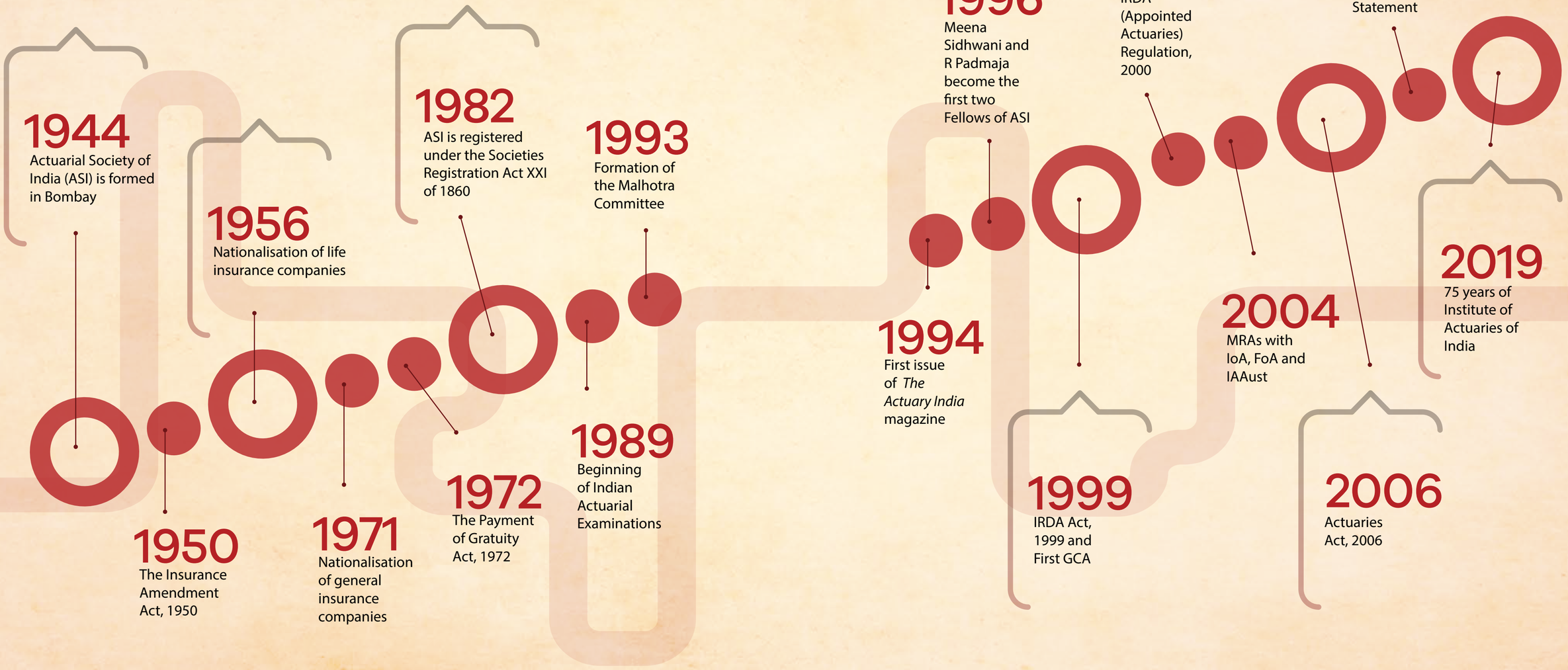
Heartfelt thanks to our publisher Spenta Multimedia, especially Chairman Maneck Davar, for publishing the book in such an efficient and fine way.

My gratitude to all who have been involved in the book – most importantly, my family for supporting me in completing the book in a short span of three weeks.

We have sourced data from insurance and Actuarial books, journals and publications over the years. Our endeavour has been to represent facts as they are, without judgement. Not everything that we wanted to feature in this book has been written; but hopefully, the spirit has been conveyed. We have also done our best to accurately present facts and our sincere apologies if we have missed out anything important.

Bon voyage! May this journey inspire us all.

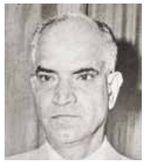
THE 75-YEAR JOURNEY



PRESIDENTS OF IAI




L S Vaidyanathan


K R Srinivasan


K A Pandit


N V Nayudu


A Rajagopalan

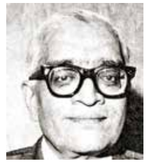

S D Srinivasan

D D Markan


V H Vora
(1967–1969)


J T Ranadive
(1969–1971)

M K D Patel


S Rangarajan


R M Mehta
(1979-1982)


R K Daruwala
(1982-1984)


M G Diwan
(1985-1986)


M C Chakravarti
(1987-1989)


N K Shinkar
(1989-1991)


R Ramakrishnan
(1991-1993)


N H Thanawala
(1993-1995)


S P Subhedar
(1995-1997)


N M Govardhan
(1997-1998)


K P Narasimhan
(1998-2000)


Liyaquat Khan
(2000-2001)


N R Kapadia
(2001-2002)


Liyaquat Khan
(2002-2005)


R Kannan
(2005-2007)


G N Agarwal
(2007-2010)


Liyaquat Khan
(2010-2012)


M Karunanidhi
(2012-2014)


Rajesh Dalmia
(2014-2016)


Sanjeeb Kumar
(2016-2018)


Sunil Sharma
(2018-Present)

Source: IAI Library

ACTUARIES WHO SERVED AS LIC CHAIRPERSON


R B Pradhan
(20/08/1975 – 25/09/1977)


S Rangarajan
(26/09/1977 – 11/11/1978)


J R Joshi
(25/07/1980 – 16/09/1982)


A S Gupta
(09/09/1985 – 30/11/1986)


N K Shinkar
(06/07/1989 – 08/10/1990)


M G Diwan
(09/10/1990 – 13/11/1991)


K P Narasimhan
(23/01/1992 – 31/10/1992)


N N Jambusaria
(24/12/1992 – 31/12/1993)


J S Salunkhe
(01/01/1994 – 31/07/1996)


N M Govardhan
(01.08.1996 – 31.05.1997)

RECOGNITION

M Karunanidhi, President, IAI, receiving the Education Leadership Award given to IAI by the Dewang Mehta Business School in 2013 in recognition of its leadership, development, innovation and industry interface.

Peter Clark, President, Institute of Actuaries, London (IoA) presenting the 'Insignia' of IoA to ASI President Liyaquat Khan and Vice President P A Balasubramanian on May 9, 2001.

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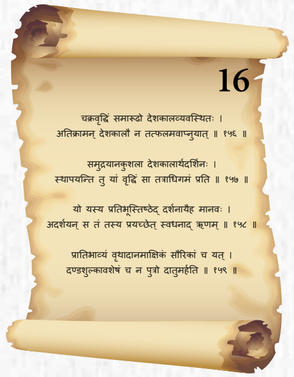
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16

चक्रवृद्धिं समास्थो देशकालव्यवस्थितः ।
अतिक्रामन् देशकालौ न तत्फलमवाप्नुयात् ॥ १५८ ॥

समुद्रयानकुशला देशकालार्थदर्शिनः ।
स्थापयन्ति तु यां वृद्धिं सा तत्राधिगमं प्रति ॥ १५९ ॥

यो यस्य प्रतिभूस्तिष्ठेद् दर्शनायेह मानवः ।
अदर्शयन् स तं तस्य प्रयच्छेत् स्वधनाद् ऋणम् ॥ १५८ ॥

प्रातिभाव्यं वृथादानमाक्षिकं सौरिकं च यत् ।
दण्डशुल्कावशेषं च न पुत्रो दातुमर्हति ॥ १५९ ॥



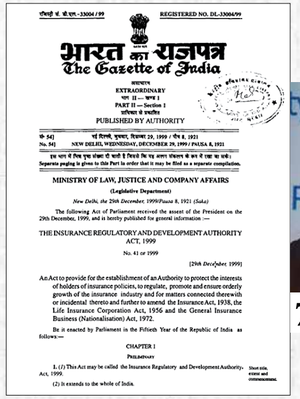
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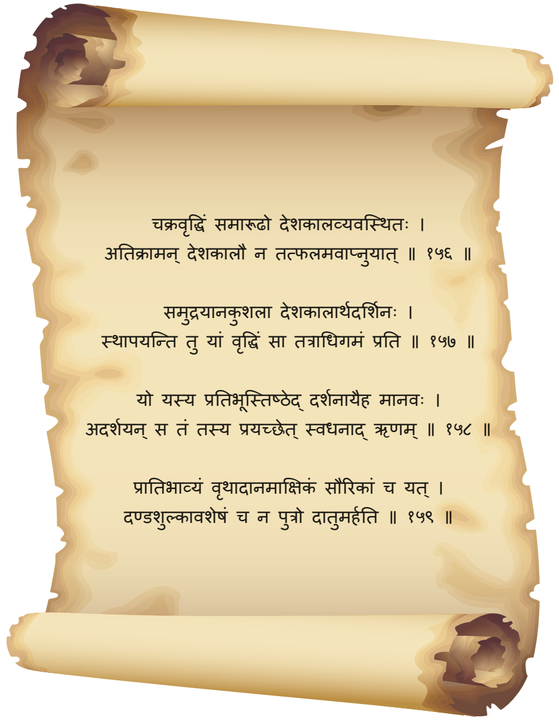

134

The seeds of the Actuarial profession in India was sown long before the formation of the Actuarial Society of India. The first era of the profession was defined by an atmosphere of professionalism that is enshrined in Actuarial Science. The profession is truly beholden to the legacy set by these pioneers.

Pre 1944

Looking Back

ACTUARIAL WORK IN ANCIENT INDIA



The lines alongside are from Shlokas 156-159 of Chapter VIII of *Manav Dharma Shastra*[1] and translated in English means[2]:

156. "He who has made a contract to carry goods by a wheeled carriage for money and has agreed to a certain place or time, shall not reap that reward, if he does not keep to the place and the time (stipulated).

157. Whatever rate men fix, who are expert in sea voyages and able to calculate (the profit) according to the place, the time, and the objects (carried), that (has legal force) in such cases with respect to the payment (to be made).

158. The man who becomes a surety in this (world) for the appearance of a (debtor), and produces him not, shall pay the debt out of his own property.

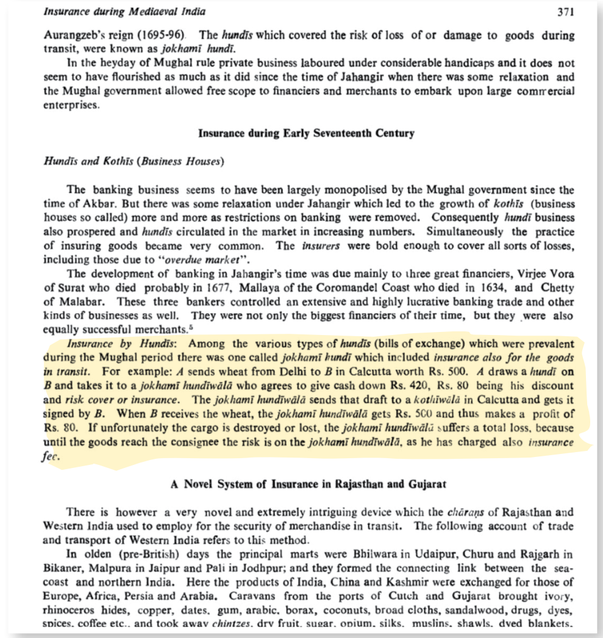
159. But money due by a surety, or idly promised, or lost at play, or due for spirituous liquor, or what remains unpaid of a fine and a tax or duty, the son (of the party owing it) shall not be obliged to pay."

Manu, India's ancient lawgiver, put forward the thought that a special charge be made on goods carried from one town to another (through land or sea), to ensure their safe carriage until handed over to the consignee at the destination. This was a type of insurance and the 'expert' men referred to above were doing what, in the actuarial world, has come to be known as 'pricing'. This is, perhaps, the first recorded instance of Actuarial work in Indian history. In fact, a few centuries after Manu, Yajnavalkya, an ancient teacher, in his *Dharmashastra* and Kautilya (Chanakya) in *Arthashastra* also laid down several rules and regulations of a similar nature[3].

This system enabled the establishment of a network of business relations through oceanic transport, leading to flourishing overseas trade. The 'contract of insurance' was part of the 'contract of carriage' and it is observed from the laws of Manu that 'expert men' those days had even anticipated the doctrines of 'average', 'contribution' and 'act of god'. If cargo was lost due to the negligence of the ship's crew, the loss had to be borne by all its members; but when the loss was caused by an 'act of god', the members of the crew were not held responsible.

Yajnavalkya, further developed the law relating to the carrier. A carrier who failed to reach the destination could not claim freight but was exempt from responsibility if loss of goods was occasioned by an 'act of god'. In the case of loss by piracy, etc., the carrier was not protected. Kautilya also discussed the legal position of the carrier in the same strain. It, therefore, appears from these ancient writings that the carrier was also an insurer in a limited sense. Seeds of insurance and actuarial concepts thus continued to grow.

Insurance took firm root in the 16th-17th century CE. There are references to cover against war risk or loss due to passage of royal troops through farms.These were compensated by the State as a gesture of goodwill – a form of 'social insurance' that required an 'expert' to assess the loss.



Insurance during Mediaeval India 371

Aurangzeb's reign (1695-96). The *hundīs* which covered the risk of loss of or damage to goods during transit, were known as *jokhamī hundī*.

In the heyday of Mughal rule private business laboured under considerable handicaps and it does not seem to have flourished as much as it did since the time of Jahangir when there was some relaxation and the Mughal government allowed free scope to financiers and merchants to embark upon large commercial enterprises.

Insurance during Early Seventeenth Century

Hundīs and Kothīs (Business Houses)

The banking business seems to have been largely monopolised by the Mughal government since the time of Akbar. But there was some relaxation under Jahangir which led to the growth of *kothīs* (business houses so called) more and more as restrictions on banking were removed. Consequently *hundī* business also prospered and *hundīs* circulated in the market in increasing numbers. Simultaneously the practice of insuring goods became very common. The *insurers* were bold enough to cover all sorts of losses, including those due to "*overdue market*".

The development of banking in Jahangir's time was due mainly to three great financiers, Virjee Vora of Surat who died probably in 1677, Mallaya of the Coromandel Coast who died in 1634, and Chetty of Malabar. These three bankers controlled an extensive and highly lucrative banking trade and other kinds of businesses as well. They were not only the biggest financiers of their time, but they were also equally successful merchants.[6]

Insurance by Hundīs: Among the various types of *hundīs* (bills of exchange) which were prevalent during the Mughal period there was one called *jokhamī hundī* which included *insurance also for the goods in transit*. For example: *A* sends wheat from Delhi to *B* in Calcutta worth Rs. 500. *A* draws a *hundī* on *B* and takes it to a *jokhamī hundīwālā* who agrees to give cash down Rs. 420, Rs. 80 being his discount and *risk cover or insurance*. The *jokhamī hundīwālā* sends that draft to a *kotīwāla* in Calcutta and gets it signed by *B*. When *B* receives the wheat, the *jokhamī hundīwālā* gets Rs. 500 and thus makes a profit of Rs. 80. If unfortunately the cargo is destroyed or lost, the *jokhamī hundīwālā* suffers a total loss, because until the goods reach the consignee the risk is on the *jokhamī hundīwālā*, as he has charged also *insurance fee*.

A Novel System of Insurance in Rajasthan and Gujarat

There is however a very novel and extremely intriguing device which the *chārans* of Rajasthan and Western India used to employ for the security of merchandise in transit. The following account of trade and transport of Western India refers to this method.

In olden (pre-British) days the principal marts were Bhilwara in Udaipur, Churu and Rajgarh in Bikaner, Malpura in Jaipur and Pali in Jodhpur; and they formed the connecting link between the sea-coast and northern India. Here the products of India, China and Kashmir were exchanged for those of Europe, Africa, Persia and Arabia. Caravans from the ports of Cutch and Gujarat brought ivory, rhinoceros hides, copper, dates, gum, arabic, borax, coconuts, broad cloths, sandalwood, drugs, dyes, spices, coffee etc., and took away *chintzes*, dry fruit, sugar, opium, silks, muslins, shawls, dyed blankets,

Screenshots from the book *Cultural Contours of India* by Dr Satya Prakash; Felicitation volume edited by Vijay Shankar Srivastava

It is also interesting to note that the earliest known policy in English (1555) is expressed as "on the good ship *Sancta Crux* from any port of the isles of India of Calicut into Lixborne". Thus, modern-day marine insurance also developed first in this country.

[1] Source: www.wisdomlib.org/hinduism/book/manusmriti-with-the-commentary-of-medhatithi

[2] From *Manusmriti: The Laws Of Manu 1500 BC'* translated by G Buhler

[3] https://shodhganga.inflibnet.ac.in/bitstream/ 10603/50603/5/ch-2.pdf, https://archive.org/details/in.ernet.dli.2015.224568/page/n23

INSURANCE UNDER THE EAST INDIA COMPANY AND BRITISH RULE[4,5]

Early history of the present system of insurance (based on principles of Actuarial Science i.e. happening of random events, its effect on the society and measure of the same) shows that it was introduced here by the British.

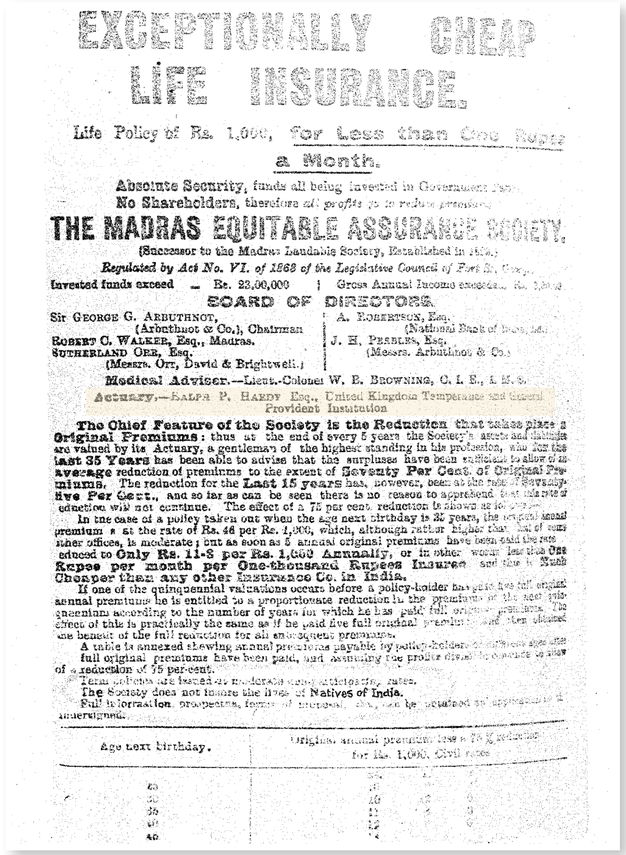
In 1818, a company called Oriental Life Insurance was set up in Calcutta, now Kolkata. It was the first insurance firm in India, and was followed by the Bombay Assurance Company in 1823 and the Madras Equitable Life Insurance Society in 1829. The Oriental Life Insurance failed in 1834.

The premium charged by early life insurers in India were almost 20 per cent higher for Indian policyholders than European policyholders due to the expected mortality difference. Until 1870, all insurance companies in India were subsidiaries of European companies.

It was Bombay Mutual Life Assurance Society that heralded the birth of the first Indian life assurance company in the year 1870. Unlike a subsidiary, it covered both Indian and European policyholders at same rates – thus eliminating pricing difference on grounds of difference in mortality.

[4] Source: *Saga of Security, Story of Indian Life Insurance 1870-1970*

[5] Source: *Tryst with Trust, The LIC Story*



EXCEPTIONALLY CHEAP

LIFE INSURANCE.

Life Policy of Rs. 1,000, for Less than One Rupee a Month.

Absolute Security, funds all being invested in Government Paper.

No Shareholders, therefore all profits go to reduce premiums.

THE MADRAS EQUITABLE ASSURANCE SOCIETY,

(Successor to the Madras Laudable Society, Established in 1818.)

Regulated by Act No. VI. of 1868 of the Legislative Council of Fort St. George.

Invested funds exceed ... Rs. 23,00,000 | Gross Annual Income exceeds ... Rs. 3,00,000

BOARD OF DIRECTORS.

Sir GEORGE G. ARBUTHNOT, (Arbuthnot & Co.), Chairman
ROBERT C. WALKER, Esq., Madras.
SUTHERLAND ORR, Esq. (Messrs. Orr, David & Brightwell.)
A. ROBERTSON, Esq. (National Bank of India, Ltd.)
J. H. PEARLS, Esq. (Messrs. Arbuthnot & Co.)

Medical Adviser.—Lieut.-Colonel W. E. BROWNING, C. I. E., I. M. S.

ACTUARY.—RALPH P. HARDY Esq., United Kingdom Temperance and General Provident Institution

The Chief Feature of the Society is the Reduction that takes place in **Original Premiums**: thus at the end of every 5 years the Society's assets and liabilities are valued by its Actuary, a gentleman of the highest standing in his profession, and for the **last 35 Years** has been able to advise that the surpluses have been sufficient to allow of an **average** reduction of premiums to the extent of **Seventy Per Cent.** of Original Premiums. The reduction for the **Last 15 years** has, however, been at the rate of **Seventy-five Per Cent.**, and so far as can be seen there is no reason to apprehend that this rate of reduction will not continue. The effect of a 75 per cent. reduction is shown as follows:—

In the case of a policy taken out when the age next birthday is 30 years, the original annual premium is at the rate of **Rs. 46** per **Rs. 1,000**, which, although rather higher than that of some other offices, is moderate; but as soon as 5 annual original premiums have been paid the rate is reduced to **Only Rs. 11-8 per Rs. 1,000 Annually**, or in other words less than **One Rupee per month per One-thousand Rupees Insured**, and this is **Much Cheaper than any other Insurance Co. in India.**

If one of the quinquennial valuations occurs before a policy-holder has paid five full original annual premiums he is entitled to a proportionate reduction in the premiums of the next quinquennium according to the number of years for which he has paid full original premiums. The effect of this is practically the same as if he paid five full original premiums, and then obtained the benefit of the full reduction for all subsequent premiums.

A table is annexed showing annual premiums payable by policy-holders at various ages after full original premiums have been paid, and assuming the profits already declared to allow of a reduction of 75 per-cent.

Term policies are issued at moderate annual premiums, rates.

The Society does not insure the lives of Natives of India.

Full information, prospectus, forms of proposal, etc., can be obtained on application to the undersigned.

Age next birthday.	Original annual premium less a 75 % reduction for Rs. 1,000. Civil rates
25	11 8
30	16 12 0
35	23 17 8
40	32 24 0
45	46 34 8

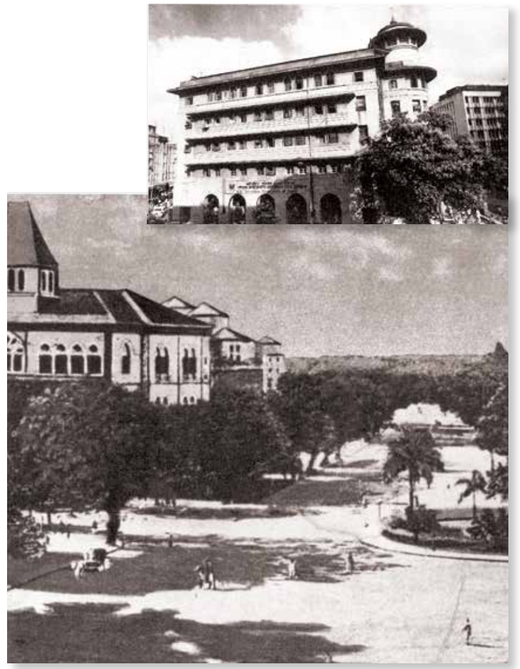
Advertisement for the Madras Equitable Society on February 27, 1906 showing the name of the Actuary, Ralph P Hardy, along with board members and directors



Facsimile copies of insurance policies issued by early insurance companies

Four years later, in the year 1874, the Oriental Government Security Life Assurance Company was established in Bombay.

Later from 1905, the Swadeshi Movement inspired the proliferation of insurance companies in India. Prominent among them were United India, Hindustan Cooperative, National Insurance, New India and Laxmi Insurance companies. Coincidentally, this was also the time when Indians started to take up the Actuarial profession.



Bombay Mutual Building

The Oriental Government Security Life Assurance Company[6]

A major contribution was by a British Actuary, Duncan McLauchlan Slater, Fellow of the Institute of Actuaries, London. On May 5, 1874, Slater along with a few influential Indians, started the first Indian proprietary insurance company, The Oriental Government Security Life Assurance Company (Oriental), in Bombay (now Mumbai).



Duncan McLauchlan Slater, Eng., F. I. A., Founder of the Company and Manager and Actuary, 1874–1899

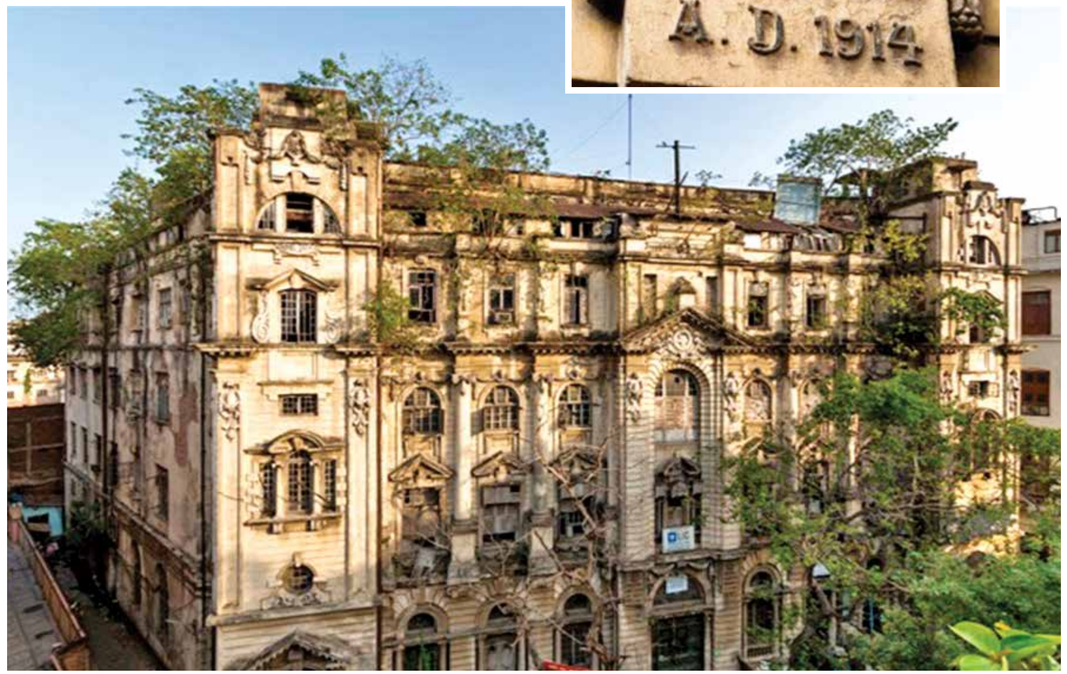
Given his considerable experience, enterprising expertise and foresight, Duncan McLauchlan Slater understood the requirements and available resources in the Indian market. He believed that Oriental should have full control over its operations, allowing policyholders a voice in the management and distributing profits in a fair manner between shareholders and policyholders.

Under the leadership of Slater, the company laid down definite rules of conduct guaranteeing security of its investments and careful management, which led to its unparalleled reputation as a strong and secure institution.

[6] *Short History of the Oriental Government Security Life Assurance Company Limited,* published in 1924 on the 50th anniversary of the company
http://double-dolphin.blogspot.com/2014/07/the-oriental-assurance-building-clive.html.
https://shodhganga.inflibnet.ac.in/bitstream/10603/50603/5/ch-2.pdf



Pictures of Oriental Assurance Building taken in July 2014[7]

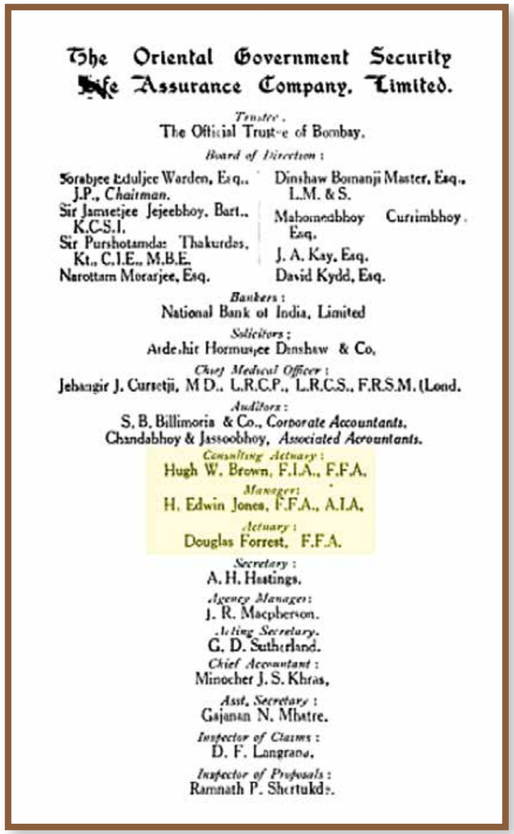


[7] (Photo Courtesy) http://double-dolphin.blogspot.com/2014/07/the-oriental-assurance-building-clive.html



H Edwin Jones

H Edwin Jones joined Oriental as an Assistant Actuary in 1912, the year in which the first life insurance Act in India was put in place. He served in the same capacity until 1922, after which he took over as Head of Oriental. In the 22 years of his leadership, Oriental saw a massive surge in business growth, from Rs 17 crore to Rs 117 crore. He was also the founder-president of the Indian Life Assurance Offices' Association (I.L.A.O.A) and was thrice elected its president. The most notable feature of H Edwin Jones' career was the fact that he completely identified himself with Indian insurance and served it nobly.



The Oriental Government Security Life Assurance Company, Limited.

Trustee:
The Official Trustee of Bombay.

Board of Direction:
Sorabjee Eduljee Warden, Esq., J.P., *Chairman.*
Sir Jamsetjee Jejeebhoy, Bart., K.C.S.I.
Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E.
Narottam Morarjee, Esq.
Dinshaw Bomanji Master, Esq., L.M. & S.
Mahomedbhoy Currimbhoy, Esq.
J. A. Kay, Esq.
David Kydd, Esq.

Bankers:
National Bank of India, Limited

Solicitors:
Ardeshir Hormusjee Dinshaw & Co.

Chief Medical Officer:
Jehangir J. Cursetji, M.D., L.R.C.P., L.R.C.S., F.R.S.M. (Lond.

Auditors:
S. B. Billimoria & Co., *Corporate Accountants.*
Chandabhoy & Jassoobhoy, *Associated Accountants.*

Consulting Actuary:
Hugh W. Brown, F.I.A., F.F.A.

Manager:
H. Edwin Jones, F.F.A., A.I.A.

Actuary:
Douglas Forrest, F.F.A.

Secretary:
A. H. Hastings.

Agency Manager:
J. R. Macpherson.

Acting Secretary.
G. D. Sutherland.

Chief Accountant:
Minocher J. S. Khras.

Asst. Secretary:
Gajanan N. Mhatre.

Inspector of Claims:
D. F. Langrana.

Inspector of Proposals:
Ramnath P. Shertukde.

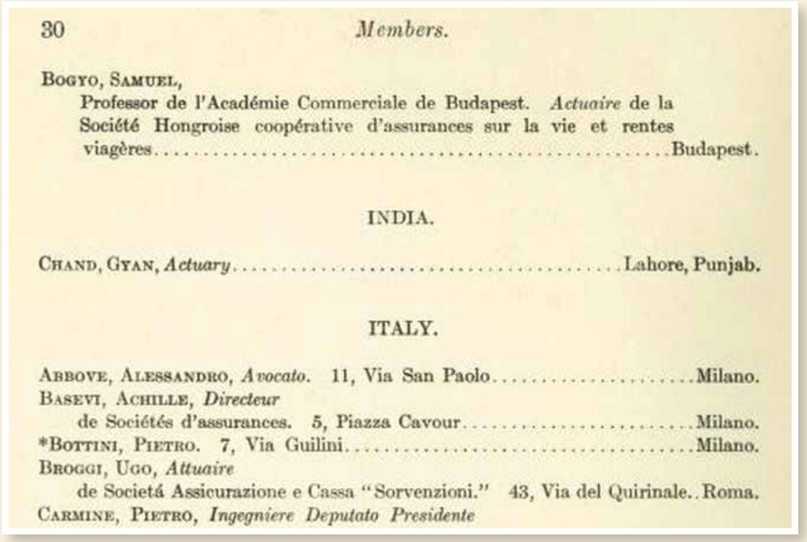
The Oriental Government Security Life Assurance Company Limited management in 1924 – at the time of the 50th anniversary celebration. The management included three Actuaries – Hugh W Brown, H Edwin Jones and Douglas Forrest.

THE EARLY INDIAN ACTUARIES

The roots of the Actuarial profession in India can be traced to G S Marathe, more than a century ago.

The formation of the Institute of Actuaries, London in 1848 led to a steady influx of its members practising in India – eventually illuminating the path for Indians interested in Actuarial Science. While documentation on how Indians made their way into this profession is insufficient, by the beginning of the 20th century, the country had begun to witness the initiation of Indians into Actuarial Science. Those who found this 'art of numbers' fascinating, travelled to London to learn the science – although they were just a handful.

Gyan Chand was the first Indian to be taken as member of the International Congress of Actuaries held in New York, 1903[8].



30 *Members.*

BOGYO, SAMUEL,
Professor de l'Académie Commerciale de Budapest. *Actuaire* de la Société Hongroise coopérative d'assurances sur la vie et rentes viagères.....Budapest.

INDIA.

CHAND, GYAN, *Actuary*.....Lahore, Punjab.

ITALY.

ABBOVE, ALESSANDRO, *Avocato*. 11, Via San Paolo.....Milano.
BASEVI, ACHILLE, *Directeur*
de Sociétés d'assurances. 5, Piazza Cavour.....Milano.
*BOTTINI, PIETRO. 7, Via Guilini.....Milano.
BROGGI, UGO, *Attuaire*
de Societá Assicurazione e Cassa "Sorvenzioni." 43, Via del Quirinale..Roma.
CARMINE, PIETRO, *Ingegniere Deputato Presidente*

[8] https://shodhganga.inflibnet.ac.in/bitstream/10603/156516/7/07_chapter%202.pdf



G S Marathe

First Indian Associate[9]

G S Marathe was the trailblazer of the Actuarial profession in India. He qualified as an 'Associate' of the Institute of Actuaries, London in 1911 – the first Indian to be so.

On receiving permission from the Controller of Insurance in Simla, now Shimla, he was allowed to practise as Consultant Actuary in India – another first for an Indian.

He sincerely endeavoured to raise the status of Indian life insurance companies, to give them the stability and ability to sustain competition with foreign companies. He was the one who took an effort to use independent discretion in assumptions used in Actuarial valuation, based on circumstances unique to the Indian market rather than using assumptions used in European markets. He was of the opinion that long-term banking was perfectly compatible with the life assurance business.



L S Vaidyanathan

First Indian Fellow

One person who shaped the history of the Indian Actuarial profession was L S Vaidyanathan. He qualified as a 'Fellow' of the Institute of Actuaries in 1926 – the first Indian to be a Fellow of the institute.

Vaidyanathan's significant contributions helped in establishing the Actuarial profession in India and ultimately also helped the Indian insurance industry, post-nationalisation of the life insurance business in 1956. He joined the Oriental Government Security Life Assurance Co. Ltd as Assistant Actuary and was simultaneously appointed a part-time Professor of Actuarial Science in the Sydenham College of Commerce and Economics, Bombay. In his latter capacity, he launched several youthful aspirants on their Actuarial careers. He also worked with the government and contributed immensely to the Census of India, 1931 and the Insurance Act, 1938.



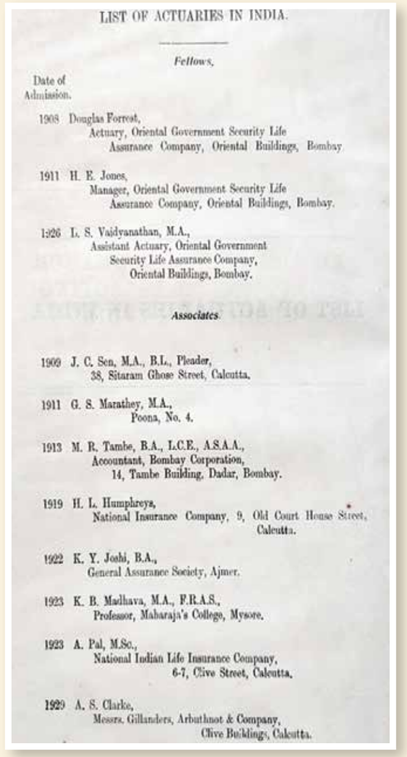
N V Nayudu

N V Nayudu made notable contribution to the insurance sector and Actuarial profession.

He qualified as an Associate of the Institute of Actuaries, London in 1937, and as a Fellow in 1939. Thereafter, for five years he was Assistant Superintendent of Insurance after which he joined United India in 1945. He was a member of the Post-War Sub-Committee on Insurance and Insurance Legislation Committee as well. He was also the president of the South India Insurance Offices' Association and the Indian Life Assurance Offices' Association (I.L.A.O.A).

[9] https://archive.org/details/in.ernet.dli.2015.224568/page/n245

According to the Insurance Year Book of 1929, only 11 Actuaries were practising in India then. In the next 11 years, the number increased to 39. The role of Actuaries gained importance after The Insurance Act, 1938. Actuaries were appointed to evaluate the financial condition of insurance companies and valuation of liabilities of insurance companies. While some practised as Consulting Actuary, others were appointed by the government for investigating mortality-related issues.



LIST OF ACTUARIES IN INDIA.

Fellows.

Date of Admission.

1908 Douglas Forrest,
Actuary, Oriental Government Security Life Assurance Company, Oriental Buildings, Bombay.

1911 H. E. Jones,
Manager, Oriental Government Security Life Assurance Company, Oriental Buildings, Bombay.

1926 L. S. Vaidyanathan, M.A.,
Assistant Actuary, Oriental Government Security Life Assurance Company, Oriental Buildings, Bombay.

Associates.

1909 J. C. Sen, M.A., B.L., Pleader,
38, Sitaram Ghose Street, Calcutta.

1911 G. S. Marathey, M.A.,
Poona, No. 4.

1913 M. R. Tambe, B.A., L.C.E., A.S.A.A.,
Accountant, Bombay Corporation,
14, Tambe Building, Dadar, Bombay.

1919 H. L. Humphreys,
National Insurance Company, 9, Old Court House Street, Calcutta.

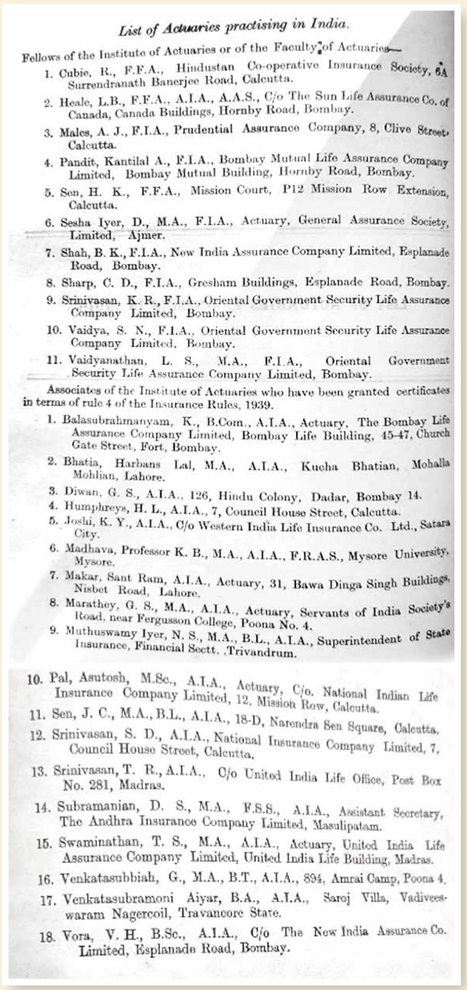
1922 K. Y. Joshi, B.A.,
General Assurance Society, Ajmer.

1923 K. B. Madhava, M.A., F.R.A.S.,
Professor, Maharaja's College, Mysore.

1923 A. Pal, M.Sc.,
National Indian Life Insurance Company, 6-7, Clive Street, Calcutta.

1929 A. S. Clarke,
Messrs. Gillanders, Arbuthnot & Company, Clive Buildings, Calcutta.

List of Actuaries in 1929



List of Actuaries practising in India.

Fellows of the Institute of Actuaries or of the Faculty of Actuaries—

1. Cubie, R., F.F.A., Hindustan Co-operative Insurance Society, 6A Surrendranath Banerjee Road, Calcutta.
2. Heale, L.B., F.F.A., A.I.A., A.A.S., C/o The Sun Life Assurance Co. of Canada, Canada Buildings, Hornby Road, Bombay.
3. Males, A. J., F.I.A., Prudential Assurance Company, 8, Clive Street, Calcutta.
4. Pandit, Kantilal A., F.I.A., Bombay Mutual Life Assurance Company Limited, Bombay Mutual Building, Hornby Road, Bombay.
5. Sen, H. K., F.F.A., Mission Court, P12 Mission Row Extension, Calcutta.
6. Sesha Iyer, D., M.A., F.I.A., Actuary, General Assurance Society, Limited, Ajmer.
7. Shah, B. K., F.I.A., New India Assurance Company Limited, Esplanade Road, Bombay.
8. Sharp, C. D., F.I.A., Gresham Buildings, Esplanade Road, Bombay.
9. Srinivasan, K. R., F.I.A., Oriental Government Security Life Assurance Company Limited, Bombay.
10. Vaidya, S. N., F.I.A., Oriental Government Security Life Assurance Company Limited, Bombay.
11. Vaidyanathan, L. S., M.A., F.I.A., Oriental Government Security Life Assurance Company Limited, Bombay.

Associates of the Institute of Actuaries who have been granted certificates in terms of rule 4 of the Insurance Rules, 1939.

1. Balasubrahmanyam, K., B.Com., A.I.A., Actuary, The Bombay Life Assurance Company Limited, Bombay Life Building, 45-47, Church Gate Street, Fort, Bombay.
2. Bhatia, Harbans Lal, M.A., A.I.A., Kucha Bhatian, Mohalla Mohlian, Lahore.
3. Diwan, G. S., A.I.A., 126, Hindu Colony, Dadar, Bombay 14.
4. Humphreys, H. L., A.I.A., 7, Council House Street, Calcutta.
5. Joshi, K. Y., A.I.A., C/o Western India Life Insurance Co. Ltd., Satara City.
6. Madhava, Professor K. B., M.A., A.I.A., F.R.A.S., Mysore University, Mysore.
7. Makar, Sant Ram, A.I.A., Actuary, 31, Bawa Dinga Singh Buildings, Nisbet Road, Lahore.
8. Marathey, G. S., M.A., A.I.A., Actuary, Servants of India Society's Road, near Fergusson College, Poona No. 4.
9. Muthuswamy Iyer, N. S., M.A., B.L., A.I.A., Superintendent of State Insurance, Financial Sectt., Trivandrum.
10. Pal, Asutosh, M.Sc., A.I.A., Actuary, C/o. National Indian Life Insurance Company Limited, 12, Mission Row, Calcutta.
11. Sen, J. C., M.A., B.L., A.I.A., 18-D, Narendra Sen Square, Calcutta.
12. Srinivasan, S. D., A.I.A., National Insurance Company Limited, 7, Council House Street, Calcutta.
13. Srinivasan, T. R., A.I.A., C/o United India Life Office, Post Box No. 281, Madras.
14. Subramanian, D. S., M.A., F.S.S., A.I.A., Assistant Secretary, The Andhra Insurance Company Limited, Masulipatam.
15. Swaminathan, T. S., M.A., A.I.A., Actuary, United India Life Assurance Company Limited, United India Life Building, Madras.
16. Venkatasubbiah, G., M.A., B.T., A.I.A., 894, Amrai Camp, Poona 4.
17. Venkatasubramoni Aiyar, B.A., A.I.A., Saroj Villa, Vadiveeswaram Nagercoil, Travancore State.
18. Vora, V. H., B.Sc., A.I.A., C/o The New India Assurance Co. Limited, Esplanade Road, Bombay.

List of Actuaries in 1940

MAJOR INSURANCE LAWS IN BRITISH INDIA

Prior to 1912, there was no legislation governing the functioning of insurance business in India. Almost 50 Life Offices and more than 500 Provident Societies operated in the first decade of the 20th century. Many of the Provident Societies were a result of the Swadeshi Movement. These societies, working on the 'dividing principle' had inherent defects and were destined to fail. This resulted in loud demands to regulate the affairs of insurance companies to avoid failures and check malpractices. The Government of India realised the inadequacy of the Assurance Companies Act, 1909 and decided to come up with separate rules and regulations to govern the insurance sector.

INDIAN LIFE INSURANCE COMPANIES ACT, 1912

In the year 1912, the Indian Life Insurance Companies Act and the Provident Fund Act were passed, and with their introduction, the government gave recognition to the importance of actuarial function in the life insurance sector.

The Indian Life Insurance Companies Act, 1912 made it necessary for premium rate tables and periodical valuations of companies to be certified by an Actuary[10]. Insurers were also required to keep certain stated deposits[11] to prevent any financial weakness, which is similar to the 'solvency margin' concept that exists now.

By law, every company had to submit certain returns in a schedule form to the Office of Government Actuary and these were published under the authority of the Government of India – "Every life assurance company shall once in every five years, or at such shorter intervals as may be prescribed by the instrument constituting the company, or by its regulations or bye-laws, cause an investigation to be made into its financial condition, including a valuation of its liabilities, by an Actuary."

But the Act differentiated between foreign and Indian companies on many accounts, putting Indian companies at a disadvantage. Due to various shortcomings such as limited power of the government Actuary, small paid-up capital requirements, absence of check on irregularities or unhealthy concerns and investment of their funds, the Act was not effective in curbing malpractices.

INDIAN INSURANCE COMPANIES ACT, 1928

Some of the loopholes and defects of the Life Insurance Companies Act, 1912 that were severe in nature were plugged by subsequent Acts. The Government of India in 1928 passed a stopgap legislation with the main objective of collecting statistics on insurance matters so that the information collected would be of value when time would come to pass a comprehensive legislation.
The Act was not very comprehensive and could only serve the purpose of collection of statistical data. It required every insurance company which conducted transaction in any class of insurance business in India to submit annual statements showing details of its business both in and outside India – supervision of which required expertise in terms of statistics and Actuarial techniques. It also allowed the government to collect statistical information from both foreign and Indian insurance companies operating in India.

THE INSURANCE ACT, 1938

Post the 1928 Act, the Indian Government decided to wait for the British Government to amend the Assurance Companies Act of 1909 – passed in the British Parliament – on which the Indian Life Insurance Companies Act of 1912 was based. Although the committee set up in Britain completed its enquiry in 1927, the binding legislation was not passed.

In 1935, the Indian government decided to proceed with the reform of insurance law without waiting for enactment of legislation in Britain.

Based on the report of the study of insurance market in India, submitted by Sushil C Sen towards the end of 1935, a consultative committee consisting of representatives of various interests, was formed. The committee framed a bill which was introduced in the Indian Legislative Assembly in 1937, became a law in early 1938 and came into force on July 1, 1939.

The Insurance Act, 1938 created a solid foundation for all subsequent Acts and Amendments. It was the first legislation that not only governed life insurance but also non-life insurance to provide strict State control over the insurance business.

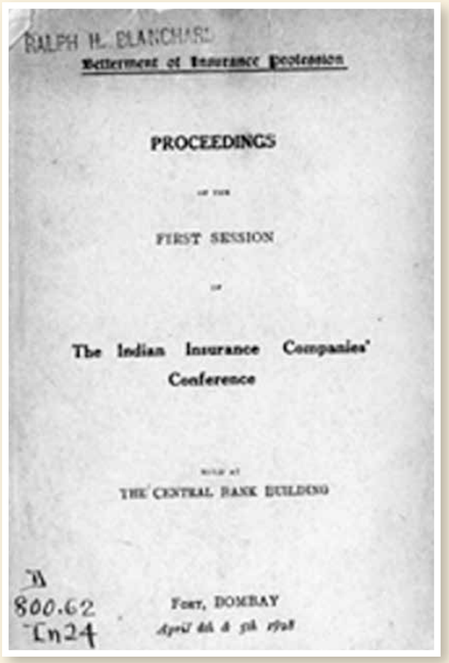
The Act, by its requirements and provision of control of insurers established a prominent place for Actuaries, as key risk managers, in insurance companies. Overall, it was perceived as a wide and well-balanced Act that addressed various complex issues of the insurance business.

The first Indian Actuary and first President of Actuarial Society of India, L S Vaidyanathan, was a prominent contributor to all such government initiatives, along with B K Shah and N V Nayudu.

[10] https://archive.org/details/in.ernet.dli.2015.224568/page/n113
[11] https://archive.org/details/in.ernet.dli.2015.224568/page/n109

THE INDIAN INSURANCE COMPANIES CONFERENCE, APRIL 4-5, 1928[12]

In 1928, for the first time in the history of the insurance business in India, a conference of Indian insurance companies was organised in Bombay. It was attended by some notable Actuaries of the time – G S Marathe and Prof K B Madhav.



RALPH H. BLANCHARD
Betterment of Insurance Profession

PROCEEDINGS

OF THE

FIRST SESSION

OF

The Indian Insurance Companies' Conference

HELD AT

THE CENTRAL BANK BUILDING

FORT, BOMBAY
April 4th & 5th 1928

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In24

That long term Banking is perfectly compatible with life Assurance business, has been opined, by eminent actuaries Mr. G. S. Marathey, the eminent Actuary of Poona, in his very recent article on Insurance in the popular Marathi monthly "Chitramaya Jagat" has favourably talked of investing the funds of life offices in sound long term investments. Sir Gerald Ryan opines in his Presidential Address :—"I may add that I am strongly in favour of a substantial portion of the funds of a life office being employed in mortgages of free hold and lease hold properties not only for the reasons given above but to lend stability to assets in times of monetary crises." There is Prof. K. B. Madhav M.A.A.I.A. another eminent Indian Actuary of Mysore who genuinely realized the importance of the problem of agricultural indebtedness in India and says in one of his articles "of immediate concern, is the relief of agricultural indebtedness, in the country which is well known and ever increasing. The ordinary kinds of financing, joint stock industrial and co-operative Banks, have naturally all failed, because of the peculiar, characteristics of Agricultural relief." On further discussing investments on land and real property mortgages by life Assurance companies, he adds "These loans satisfy all the canons of sound investment for life Assurance offices ; security unimpeachable, when not actually guaranteed by Govt. interest rates very favourable, long term investments, and being directly helpful in the relief of the indebted, it is intrinsically of the same nature of social service, as life Assurance itself. This form of investment is eminently suitable, for the life offices, and future participation is bound to bring both profit and popularity." These opinions of experienced Actuaries ought to weigh high on all sceptic minds and to remove

[12] LIC Library



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Oriental Govt. Sec. Life Assurance Co. Ltd.	Mr. R. H. Warden Sir Purshotamdas Thakurdas
	Mr. H. E. Jones " D. Forrest " G. D. Sutherland " L. S. Vaidyanathan " Mahajani " M. J. S. Khan
Presidency Provident & General Insurance Co. Ltd.	Mr. N. J. Gue. " R. H. Vyas
Premier Life Assurance Co. Ltd.	Mr. L. S. Saraswathibai.
Tropical Insurance Co. Ltd.	Mr. I. K. Yajnik
Universal Fire & General Insurance Co. Ltd.	Mr. K. D. Birla " Motilal Kanji " Raghavji Kanji " Kanchanlal Varajdas. " K. H. Setalvad " B. K. Setalvad
The Yuzuo Assurance Bank Ltd.	Mr. Patel
The Vulcan Insurance Co. Ltd.	Mr. Valji Lakhamsey " J. C. Setalvad " K. C. Desai.
The Western India Life Assurance Co. Ltd.	Mr. K. R. Majgaonkar " D. H. Pandit " W. G. Chirmade " V. M. Karandikar " Y. N. Deshpande
Zenith Life Assurance Co. Ltd.	Mr. H. M. Mehta " Byramji Hormasjee
Insurance Association Calcutta.	Mr. F. V. Subramaniam.
Actuary	" G. S. Marathey.

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SOME DISTINGUISHED VISITORS.

Sir Geoffrey Corbett
Mr. Jamnadas M. Mehta, M. L. A.
" H. P. Mody
" Mirza Ali Mohamedkhan
" S. S. Dalliwala
" Laxmidas R. Talrace
" Walchand Hirachand, C.I.E.
" S. N. Haji, M.L.A.
" M. A. Master
" Shanti Kumar N. Morarjee
" Hansraj Premji
" J. K. Mehta
" H. E. Davis Simon
" M. Leslie
" L. Randall
" J. Cochrane
" A. S. Chadwick
" F. C. St. Paul
" S. D. Saklatwala
" F. S. Graham
" Vishwanath P. Vaidya
" M. V. Merchant
" A. S. Erulkar.

List of Delegates present at the Conference.

The Andhra Insurance Co. Ltd.	Mr. Y. Mangayya " C. V. Narasimham
The Argus Insurance Co. Ltd.	Mr. N. B. Dave " R. P. Correia
The Asian Assurance Co. Ltd.	Mr. C. G. Fonder
Bharat Insurance Co. Ltd.	Mr. Lala Girdharilal Mullick. " V. B. Beherey " S. K. Trivedi

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Bombay Life Assurance Co. Ltd.	Sir Lalubhai Samaldas, Kt. Mr. P. J. Billimoria " J. L. Mehta " S. R. Card Master " N. S. Pai " K. Balasubramania Iyer.
Bombay Mutual Life Assurance Society Ltd.	Mr. L. V. Vaidya " V. P. Vaidya " M. K. Desai
British India General Insurance Co. Ltd.	Mr. H. M. Mehta " Geo. Brown " Fitter " Sawhak.
Crescent Insurance Co. Ltd.	Mr. R. M. Bhat
Empire of India Life Assurance Co. Ltd.	Mr. E. F. Allum " Bharucha
General Assurance Society of Ajmer.	Mr. S. Kalthour. " Sardesai
Hindustan Co-operative Insurance Society Ltd.	Mr. N. Datta
Hindu Mutual Life Insurance Co.	Mr. P. C. Ray
Hindustani Bhima Co. Ltd.	Mr. Lala Girdharilal
Ideal Democratic Assurance & Mortgage Loans Ltd.	Mr. S. M. Pandharipande " D. D. Deshpande " G. K. Pimpalkonkar
Indian Mercantile Insurance Co. Ltd.	Mr. P. E. Dhalla
India Equitable Insurance Co. Ltd.	Mr. F. S D'Souza

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The Industrial & Prudential Insurance Co. Ltd.	Mr. J. C. Setalvad " K. C. Desai " V. C. Setalvad " J. P. Mehta " K. J. Dalal
The Jupiter General Insurance Co. Ltd.	Mr. Lalji Naranji " B. J. Modi " K. S. R. Iyer. " Lakshmidas Dwarkadas " D. H. Hiranandani
Lakshmi Insurance Co. Ltd.	Mr. Lala Lajpat Rai " Pandit K. Santanam
National Indian Life Insurance Co. Ltd.	" H. K. Pathare
National Insurance Co. Ltd.	Mr. Humphreys " P. D. Churi " R. K. Mundargi
The New India Assurance Co. Ltd.	Mr. N. B. Saklatwala, C.I.E., Sir P. C. Sethna Kt. Mr. Narottam Morarji " B. F. Madon " E. J. Duff " A. D. Banker " K. J. Mehta " H. Mistry " M. M. Mundhar " K. B. Roy " G. S. Row " Patel
The Nurpur Pioneer Insurance Co. Ltd	Mr. A. V. Mahar " D. L. Bhagwat " B. V. Bhat.
New Era Insurance Co Ltd.	Mr. P. A. Baptist

The First Mortality Investigations[12]

Five mortality investigations were carried out from the time of inception of The Oriental Government Security Life Assurance Company Limited until 1938. Of the five, two were reported by Indian Fellow Actuary L S Vaidyanathan. The first mortality investigation by him was based on policyholders' experience of the 'Oriental' of 1905-25, while the second was based on policyholders' experience of 1925-35.

Mortality of Indian Assured Lives. By L. S. VAIDYANATHAN, M.A., F.I.A., *Assistant Actuary of the Oriental Government Security Life Assurance Co., Ltd.*

[Submitted to the Institute, 25 February 1929.]

MORTALITY OF INDIAN ASSURED LIVES

By L. S. VAIDYANATHAN, M.A., F.I.A.
Actuary of the Oriental Government Security Life Assurance Company, Ltd.

[Submitted to the Institute, 28 November 1938]

New Kid on the Block[13]



K A Pandit

Kantilal Anandrai Pandit, the founder of M/s K A Pandit, Consultants & Actuaries, was one of the earlier Fellows in India. He attained Fellowship from the Institute of Actuaries, London in the year 1940. He established M/s K A Pandit Consultants & Actuaries on February 1, 1943 – the oldest Actuarial consulting firm in India.

[13] https://www.ka-pandit.com/

Empire of India Life Assurance Co Ltd

Valuation Report of the Actuary

I HAVE completed the valuation of the Assets and Liabilities of the Company as at 31st December, 1954 and wish to report as under:

The total business valued consisted of 1,37,164 policies assuring together with bonus additions a sum of Rs. 29,01,57,205 as against 1,36,606 policies assuring with bonus additions Rs. 29,60,63,382 as at the date of the previous Valuation. The slight fall in the sum assured is the result of the unhappy events of and the rate war of 1954 resulting in the conversion of the existing policies into Paid-up ones and switching over to new policies at lower rates of premiums. The following table will show how in spite of the above facts the Company has been making all round progress from year to year. The new business underwritten, the premium income, the interest income and the assets of the Company have all been increasing.

The total Life Fund as on 31-12-1954 is Rs. 10.63,33,889. The funds of the Company are all invested in Redeemable Government Securities, Redeemable Debentures, Real Property and Mortgages.

After the Administrator took over charge, the investments have all been made only in Government securities or Municipal Loans. The total of these amounts to Rs. 2,40,37,600. The book value of these up to 31st December 1954 is Rs. 2,18.17,385 and the market value Rs. 2,19,20,825. No provision under 'Reserves' is required on account of these during this Valuation.

In regard to other assets, there has been no depreciation or loss during the Valuation period. But there has unfortunately been both a depreciation and a loss on account of some investments made by the previous management, the chief of which is the fraudulent investment made in the purchase of the controlling block of shares by camouflaging the transaction as though it were a loan on mortgage of properties. The [illegible] and an estimate has already been made of the possible realisable value and provision has been made in the Revenue Account for the period to cover the loss which has made on fair and reasonable line-; no further provision is necessary in this Valuation on that account.

When we come to analyse the claim experience it is to be noted with satisfaction that an increasing number of policies have matured after running over the full term while the claims by death have been more or less stationary. This is due in a large measure to the strict policy of selection of lives the Company has been following all along.

Mortality Experience :

An investigation into the mortality experience of the Company based on policies and on sum assured *has* been made for each year of the triennium and the results given in the following table show the extent of improvement since the quinquennium ended 31-12-1951. It may be noted that the ratio of actual to expected deaths during the said quinquennium was 66,9%.

Year	New Business: No. of Policies	New Business: Sums Assured	Premiums including Consideration for Annuities	Interest less Income-tax (excluding refund)	Total assets at the end of the year
		Rs.	Rs.	Rs.	Rs.
1952	10,058	2,81,45,900	1,17,10,606	29,39,119	11,52,70,583
1953	11,489	3,22,06,250	1,17,10,318	29,76,664	11,97,50,963
1954	11,887	3,84,06,774	1,19,77,645	32,90,968	12,38,65,507

Year	Claims by Death	Claims by Maturity	Total
	Rs.	Rs.	Rs.
1952	15,83,485	43,12,577	58,96,062
1953	18,08,941	54,14,759	72,23,700
1954	19,32,760	48,65,670	67,98,430

It was on a Saturday afternoon in the year 1944 that six Actuaries, including L S Vaidyanathan, K A Pandit and G S Diwan, met at Hotel Monginis in Churchgate in Bombay to decide the shape of the Actuarial profession in India.

Valuation report of the Actuary of the Empire of India Life Assurance Company Limited in *The Economic Weekly* on December 3, 1955.

1944-1955

The Beginning

ACTUARIAL SOCIETY OF INDIA

The Actuarial Society of India (ASI) was formed in September 1944 with the main objective of fostering growth of the Actuarial profession in the country, led by L S Vaidyanathan in the role of its first president.

Since all founding members and other Actuaries were members of the Institute of Actuaries, London (IoA), the formation of the ASI was communicated to the IoA in February 1945 – both for support and assistance. Centres were set up in Bombay (now Mumbai), Calcutta (now Kolkata), Madras (now Chennai) and New Delhi. The ASI also set up its library in Bombay. From November 1945, a process of discussing the examination paper of IoA was also set in motion.

From the outset, the ASI played a vital role in providing inputs to the government to help formulate policies regarding insurance, pension funds and more. In 1945, ASI members also met to discuss the income-tax system as applicable to life insurance business and submitted a note to the government on the same.

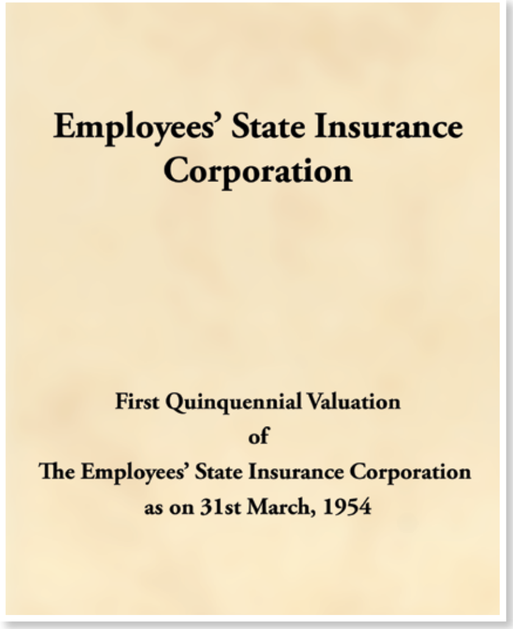
Year[1]	Number of Fellows	Number of Associates
1946	24	28
1947	30	38
1948	35	39
1949	41	45
1950	53	50
1951	72	38
1952	73	38
1953	82	29
1954	89	31
1955	102	31

Progression of Fellow and Associate members of ASI during this period

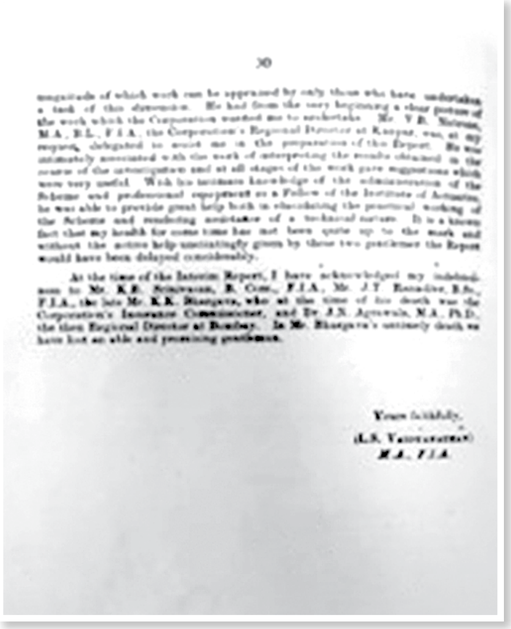
[1] Source: IAI data

EMPLOYEES' STATE INSURANCE CORPORATION[2]

In 1948, the Employees' State Insurance Corporation was inaugurated at Kanpur and Delhi, marking the beginning of social security in the country. However, it was only after almost three years that it began to be even partially implemented. On October 17, 1950, the Employees' State Insurance Corporation, under the Ministry of Labour, notified the Employees' State Insurance (General) Regulations. The 'First Quinquennial Actuarial Valuation' of the Corporation as on March 31, 1954, was carried out in accordance with Section 37 of the Employees' State Insurance Act, by L S Vaidyanathan, the first president of the ASI. The report contained the analysis and experience of different benefits, analysis of surplus, etc.


Employees' State Insurance Corporation

First Quinquennial Valuation
of
The Employees' State Insurance Corporation
as on 31st March, 1954



[2] Source: IAI Library

THE RUMBLINGS OF REGULATION[3]

In 1939, World War II broke out and continued for six years. Although the war did lead to an interruption in the normal course of development that might have happened after the introduction of the Insurance Act, 1938, there is no doubt that it did put the life insurance business on a healthy footing in the country.

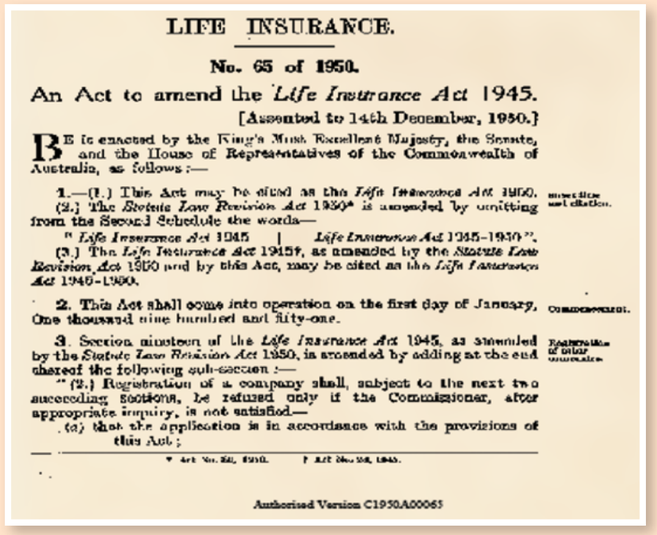
The year 1946 was a peak year for Indian insurers. Several life insurance companies emerged, riding on the spirit of *swadeshi*. However, despite record progress made by life insurance companies, the business was marked by malpractices, deficiencies and frequent liquidation of insurance companies – all of which resulted in loss of public confidence as policyholders were deprived of their savings and security.

In the post-war period, the *Government of India Gazette* often published notifications of the Superintendent of Insurance (the then Insurance Regulatory Department) cancelling the registration of insurance companies working in India.

INSURANCE AMENDMENT ACT, 1950

The Insurance Act, 1938 placed severe restrictions on investment of funds of insurance companies and was thoroughly denounced in insurance circles. However, several others thanked the government for its consistent refusal to amend the section that allowed funds to be used to promote unsound and speculative activities.

All these malpractices, led the government to form the Cowasjee Jehangir Committee led by Sir Cowasjee Jehangir as Chairman, L S Vaidyanathan (Actuary) as Secretary, Sarvashri Wajahat Hussain, K R P Shroff, J K Mitter, Sir Alan Lloyd and Sir George Morton as members. The report of the committee in March 1947 led to the introduction of the bill in April 1947. However, due to political developments in 1947, the Legislative Assembly could not take up the bill right away. Changes suggested by the committee had detractors who opposed the extreme State control suggested by the committee. Later, upon consideration, the amendments were deemed inadequate to some and unacceptable to others.



LIFE INSURANCE.

No. 65 of 1950.

An Act to amend the *Life Insurance Act* 1945.

[Assented to 14th December, 1950.]

BE it enacted by the King's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows:—

1.—(1.) This Act may be cited as the *Life Insurance Act* 1950. short title and citation.

(2.) The *Statute Law Revision Act* 1950* is amended by omitting from the Second Schedule the words—

"*Life Insurance Act* 1945 | *Life Insurance Act* 1945-1950".

(3.) The *Life Insurance Act* 1945†, as amended by the *Statute Law Revision Act* 1950 and by this Act, may be cited as the *Life Insurance Act* 1945-1950.

2. This Act shall come into operation on the first day of January, One thousand nine hundred and fifty-one. Commencement.

3. Section nineteen of the *Life Insurance Act* 1945, as amended by the *Statute Law Revision Act* 1950, is amended by adding at the end thereof the following sub-section:— Registration of other companies.

"(2.) Registration of a company shall, subject to the next two succeeding sections, be refused only if the Commissioner, after appropriate inquiry, is not satisfied—

(a) that the application is in accordance with the provisions of this Act;

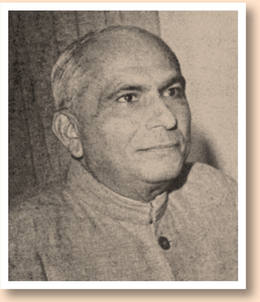
* Act No. 52, 1950. † Act No. 38, 1945.

Authorised Version C1950A00065

[3] Source: *Saga of Security: Story of Indian Life Insurance, 1870-1970*

In order to circumvent malpractices, the government decided to set up another committee, which included three members of the Executive Committee of the ASI – L S Vaidyanathan, B K Shah and N V Nayudu.

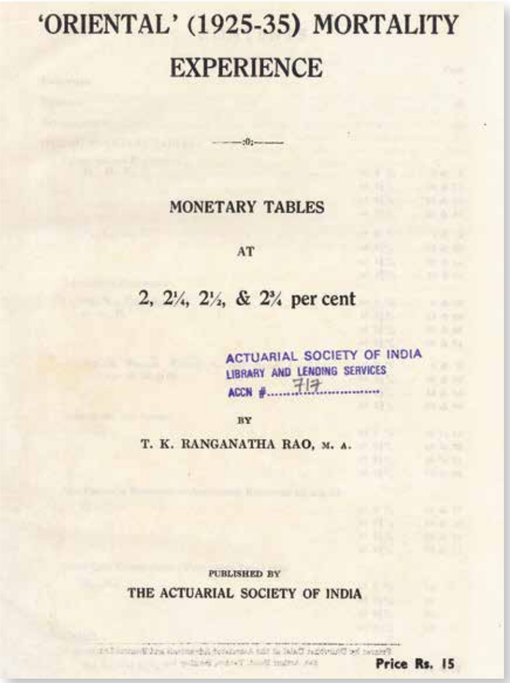
Based on the report of this committee, a fresh bill was introduced in the Legislative Assembly which ultimately became the Insurance Amendment Act, 1950. The Act redesignated the post of 'Superintendent of Insurance' as 'Controller of Insurance' and vested it with more powers. Autonomous organisations like Life Insurance Council and General Insurance Council were also set up. Provision was made for appointment of an administrator to manage the business of financially unsound concerns. Further, restrictions on investments, expense ratio, consolidation of shares of different classes into ordinary shares, etc. were introduced.



B K Shah

FIRST COMMUTATION FUNCTIONS TABLE

In 1948, the ASI published commutation functions using 'Oriental' ultimate mortality at various interest rates. The tables were prepared by T K Ranganatha Rao, a member of the ASI. It was based on the mortality rates 'Oriental (25-35)' prepared by L S Vaidyanathan, derived from the study of mortality experience of policyholders of the Oriental Government Security Life Insurance Company.



'ORIENTAL' (1925-35) MORTALITY EXPERIENCE

—o:—

MONETARY TABLES

AT

2, 2¼, 2½, & 2¾ per cent

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LIBRARY AND LENDING SERVICES
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BY

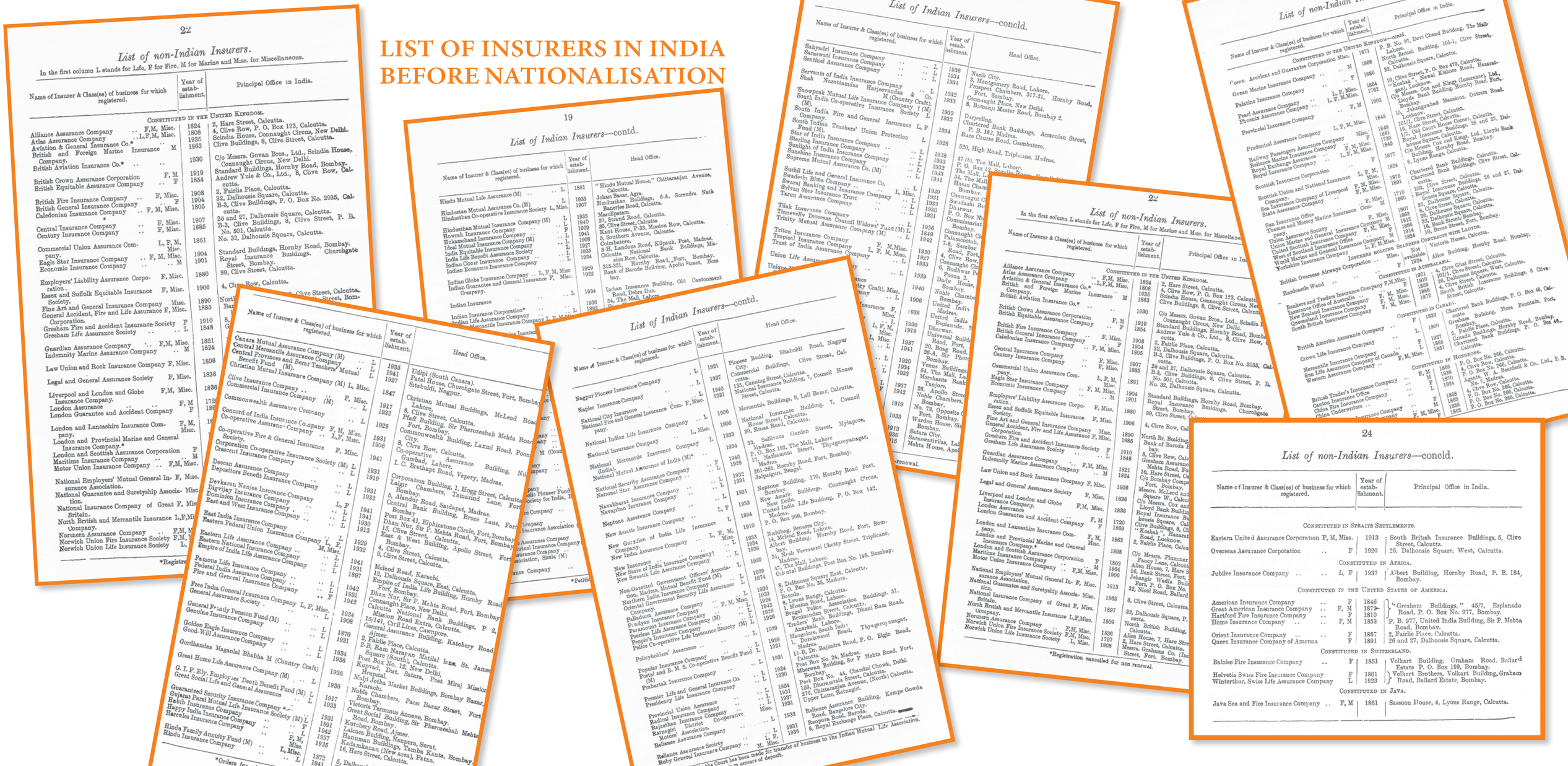
T. K. RANGANATHA RAO, M. A.

PUBLISHED BY

THE ACTUARIAL SOCIETY OF INDIA

Price Rs. 15

LIST OF INSURERS IN INDIA BEFORE NATIONALISATION



22

List of non-Indian Insurers.

In the first column L stands for Life, F for Fire, M for Marine and Misc. for Miscellaneous.

Name of Insurer & Class(es) of business for which registered.	Year of establishment.	Principal Office in India.
CONSTITUTED IN THE UNITED KINGDOM.		
Alliance Assurance Company .. F,M, Misc.	1824	2, Hare Street, Calcutta.
Atlas Assurance Company .. L,F,M, Misc.	1808	4, Clive Row, P. O. Box 123, Calcutta.
Aviation & General Insurance Co.* ..	1935	Scindia House, Connaught Circus, New Delhi.
British and Foreign Marine Insurance Company.	1863	Clive Buildings, 8, Clive Street, Calcutta.
British Aviation Insurance Co.*	1930	C/o Messrs. Govan Bros., Ltd., Scindia House, Connaught Circus, New Delhi.
British Crown Assurance Corporation .. F, M	1919	Standard Buildings, Hornby Road, Bombay.
British Equitable Assurance Company .. F	1854	Andrew Yule & Co., Ltd., 8, Clive Row, Calcutta.
British Fire Insurance Company .. F, Misc.	1908	2, Fairlie Place, Calcutta.
British General Insurance Company .. F	1904	32, Dalhousie Square, Calcutta.
Caledonian Insurance Company .. F, M, Misc.	1805	B-3, Clive Buildings, P. O. Box No. 2035, Calcutta.
Central Insurance Company .. F, Misc.	1907	26 and 27, Dalhousie Square, Calcutta.
Century Insurance Company .. F, Misc.	1885	B-3, Clive Buildings, 8, Clive Street, P. B. No. 501, Calcutta.
Commercial Union Assurance Company. L, F, M, Misc.	1861	No. 32, Dalhousie Square, Calcutta.
Eagle Star Insurance Company .. F, M, Misc.	1904	Standard Buildings, Hornby Road, Bombay.
Economic Insurance Company .. .. M	1901	Royal Insurance Buildings. Churchgate Street, Bombay.
Employers' Liability Assurance Corporation. F, Misc.	1880	99, Clive Street, Calcutta.
Essex and Suffolk Equitable Insurance Society. F, Misc.	1906	4, Clive Row, Calcutta.
Fine Art and General Insurance Company Misc.	1890	North Br. Building, Clive Street, Calcutta.
General Accident, Fire and Life Assurance Corporation. F, Misc.	1885	Bank of Baroda Buildings, Bombay.
Gresham Fire and Accident Insurance Society F	1848	8, Clive Row, Calcutta.
Guardian Assurance Company .. F, M, Misc.	1821	Gresham Assurance Buildings, Mehta Road, Fort, Bombay.
Indemnity Marine Assurance Company .. M	1824	16, Hare Street, Calcutta.
Law Union and Rock Insurance Company F, Misc.	1806	C/o Bombay Company, Fort, Bombay.
Legal and General Assurance Society F, Misc.	1836	Messrs. McLeod and Co., Square W., Calcutta.
Liverpool and London and Globe Insurance Company. F, M, Misc.	1836	C/o Messrs. Cox and Kings (Agents), Ltd., Lloyd Bank Building, Bombay.
London and Lancashire Insurance Company. F, M, Misc.	1720	Royal Insurance Buildings, Dalhousie Square, Calcutta.
London and Provincial Marine and General Insurance Company.*	1869	Clive Buildings, 8, Clive Street, Calcutta.
London and Scottish Assurance Corporation F		"Konkan," Hazratganj, Lucknow.
Maritime Insurance Company .. .. M	1863	2, Fairlie Place, Calcutta.
Motor Union Insurance Company .. F,M, Misc.	1898	C/o Messrs. Plummer Fancy Lane, Calcutta.
National Employers' Mutual General Insurance Association. F, Misc.	1864	Allen House, 7, Hare Street, Calcutta.
National Guarantee and Suretyship Associa- tion. F, M, Misc.	1913	16, Bank Street, Fort, Bombay.
National Insurance Company of Great Britain. F, Misc.	1906	Jehangir Wadia Building, Fort, P. O. Box No. 32, Nicol Road, Ballard Estate, Bombay.
North British and Mercantile Insurance Company. L,F,Misc.	1809	8, Clive Street, Calcutta.
Northern Assurance Company .. F,M, Misc.	1836	32, Dalhousie Square, Calcutta.
Norwich Union Fire Insurance Society F,M, Misc.	1797	North British Building, Calcutta.
Norwich Union Life Insurance Society L, Misc.	1808	Allen House, 7, Hare Street, Calcutta.
		2, Hare Street, Calcutta.
		Messrs. Graham & Co. (Insurance Dept.), Clive Street, Fort, Bombay.

*Registration cancelled for non renewal.

19

List of Indian Insurers—contd.

Name of Insurer & Class(es) of business for which registered.	Year of establishment.	Head Office.
Hindu Mutual Life Assurance (M) L	1891	"Hindu Mutual House," Chittaranjan Avenue, Calcutta.
Hindustan Mutual Assurance Co. (M) .. L	1935	Johari Bazar, Agra.
Hindusthan Co-operative Insurance Society Ltd., Misc.	1907	Hindusthan Buildings, 6-A, Surendra Nath Banerjee Road, Calcutta.
Hindusthan Mutual Insurance Company (M) L	1935	Masulipatam.
Himmat Insurance Company .. .. F	1929	30, Strand Road, Calcutta.
Hukamchand Insurance Company (M) .. L	1941	Kant House, P-33, Mission Row, Calcutta.
Ideal Mutual Insurance Company .. L	1908	5, Southern Avenue, Calcutta.
India Equitable Assurance Society .. L	1927	Coimbatore.
India Life Benefit Assurance Company .. L	1935	3-H, Landons Road, Kilpauk, Post, Madras.
Indian Cirear Insurance Company ..	1934	Calcutta National Bank Buildings, Mission Row, Calcutta.
Indian Economic Insurance Company	1929	315-321, Hornby Road, Fort, Bombay.
Indian Globe Insurance Company .. L, F, M, Misc.	1922	Bank of Baroda Building, Apollo Street, Bombay.
Indian Guarantee and General Insurance Company. F, Misc. .. L	1934	Indian Insurance Building, Old Cantonment Road, Dehra Dun.
Indian Insurance	1936	54, The Mall, Lahore.
Indian Insurance Corporation* L	1892	
Indian Life Assurance Company .. L, F, M, Misc.		
Indian Mercantile Insurance Company .. F, M, Misc.		

21

List of Indian Insurers—concld.

Name of Insurer & Class(es) of business for which registered.	Year of establishment.	Head Office.
Sahyadri Insurance Company L	1936	Nasik City.
Saraswati Insurance Company L	1934	3, Montgomery Road, Lahore.
Sentinel Assurance Company L	1934	Prospect Chambers, 317-21, Hornby Road, Fort, Bombay.
Servants of India Insurance Company .. L	1932	Connaught Place, New Delhi.
Shah Narottamdas Harjeevandas & Co. (Country Craft).	1933	8, Sumanji Master Road, Bombay 2.
Snowpeak Mutual Life Insurance Company † (M)	1939	Darjeeling.
South India Co-operative Insurance Society Company.	1932	Chartered Bank Buildings, Armenian Street, P. B. 182, Madras.
South India Fire and General Insurance Co. L, F	1934	Race Course Road, Coimbatore.
South Indian Teachers' Union Protection Fund (M).	1928	320, High Road, Triplicane, Madras.
Star of India Insurance Company L	1938	47 (6), The Mall, Lahore.
Sterling Insurance Company L	1933	P. O. Box 12, Scindia House, New Delhi.
Sunlight of India Insurance Company .. L	1923	The Mall, Lahore.
Supreme Mutual Assurance Co. (M) .. L	1933	34, The Mall, Lahore.
Sushil Life and General Insurance Co. L	1939	Hasan Chambers, Connaught Circus, New Delhi.
Swadeshi Bima Company Limited .. L, Misc.	1931	Swadeshi Building, Dharwar.
Swaraj Banking and Insurance Co. .. L	1933	P. O. Box No. 2035, Commissariat Road, Bombay.
Sylvan Star Insurance Company L	1936	Palamcottah, Tinnevelly District.
Taran Assurance Company L	1931	8, Sambar Road, Fort, Bombay.
Tilak Insurance Company L	1936	4, Clive Row, Calcutta.
Tinnevelly Diocesan Council Widows' Fund (M) L	1849	6, Budhwar Peth, Poona 2.
Trinity Mutual Assurance Company (M) .. L	1942	Daly House, Bombay.
Trilon Insurance Company .. F, M, Misc.	1850	Noble Chambers, Bombay.
Tropical Insurance Company .. L, F, M, Misc.	1927	United India Buildings, Esplanade, Madras.
Trust of India Assurance Company L	1935	Dharwar.
Union Life Assurance	1939	Universal Building, Road, Fort, Bombay.
Unique	1940	Venus Buildings, 26-A, Sir Phero Mehta Road, Fort, Bombay.
.. .. ..	1906	44, The Mall, Lahore.
.. .. ..	1938	Morchants Bank Buildings, Tanjore.
.. .. ..	1930	Noble Chambers, Bombay.
.. .. ..	1919	No. 73, Opposite G. P. O., Fort, Bombay.
.. .. ..	1933	Warden House, Sir Phero Mehta Road, Bombay.
.. .. ..	1913	Satara City.
.. .. ..	1936	Saraswativilas, Lakdi Bazar.
.. .. ..		Mehta House, Apollo Street, Fort, Bombay.

*Registration cancelled for non renewal.

23

List of non-Indian Insurers—contd.

Name of Insurer & Class(es) of business for which registered.	Year of establishment.	Principal Office in India.
CONSTITUTED IN THE UNITED KINGDOM—contd.		
Ocean Accident and Guarantee Corporation Misc.	1871	P. B. No. 97, Devi Chand Building, The Mall, Lahore.
Ocean Marine Insurance Company .. .. M	1888	North British Building, 101-1, Clive Street, Calcutta.
Palatine Insurance Company .. L, F, Misc.	1886	32, Dalhousie Square, Calcutta.
Pearl Assurance Company .. L, F, M, Misc.	1864	10, Clive Street, P. O. Box 879, Calcutta.
Phoenix Assurance Company .. .. F, M	1782	"Konkan," Newal Kishore Road, Hazratganj, Lucknow.
Provincial Insurance Company .. L, F, M, Misc.	1903	C/o Messrs. Cox and Kings (Insurance), Ltd., Lloyds Bank Building, Hornby Road, Fort, Bombay.
Prudential Assurance Company .. Misc.	1848	15, Lakshmi Building, 38 and 27, Dalhousie Square, Calcutta.
Railway Passengers Assurance Company .. F	1849	10(1), Clive Street, Calcutta.
Reliance Marine Insurance Company .. F, M, Misc.	1881	10, Hare Street, Calcutta.
Royal Exchange Assurance .. .. F	1720	1/2, Old Court House Corner, Calcutta.
Royal Insurance Company .. .. L, F, M, Misc.	1845	Royal Insurance Buildings, Dalhousie Square, Calcutta.
Scottish Insurance Corporation .. L, F, M, Misc.	1877	C/o Messrs. Cox and Kings, Ltd., Lloyds Bank Building, Hornby Road, Bombay.
Scottish Union and National Insurance Company. .. F, M, Misc.	1824	6, Lyons Range, Calcutta.
Sea Insurance Company of Liverpool .. F, M, Misc.	1878	Chartered Bank Buildings, Clive Street, Calcutta.
State Assurance Company .. .. F, Misc.	1891	Chartered Bank Buildings, 26 and 27, Dalhousie Square, Calcutta.
Sun Insurance Office .. .. F, Misc.	1710	103, Clive Street, Calcutta.
Thames and Mersey Marine Insurance Company. .. F, M	1860	Royal Insurance Buildings, Dalhousie Square, Calcutta.
Union Assurance Society .. .. F, Misc.	1907	32, Dalhousie Square, Calcutta.
Union Marine and General Insurance Company. F, Misc.	1863	8, Clive Street, Calcutta.
United Insurance Company .. .. L, F, M, Misc.	1913	26, Dalhousie Square, Calcutta.
United Insurance Company Limited .. L, F, M, Misc.	1914	32, Dalhousie Square, Calcutta.
West of Scotland Insurance Office .. F	1824	10, Bruce Street, Fort, Bombay.
World Marine and General Insurance Company. F, M, Misc.	1872	16, Bruce Street, Fort, Bombay.
Yorkshire Insurance Company .. .. F, M, Misc.		10, Bruce Street, Fort, Bombay.
INSURERS HOLDING STANDING CONTRACTS WITH LLOYDS.		
British Overseas Airways Corporation .. Misc.		Not available. Victoria House, Calcutta.
Hardcastle Wand .. .. .. F	1934	Alice Building, Hornby Road, Bombay.
CONSTITUTED IN AUSTRALASIA.		
Bankers and Traders Insurance Company F,M,Misc.	1921	4, Clive Ghat Street, Calcutta.
Insurance Office of Australia .. F, M, Misc.	1910	101/1, Clive Street, West, Calcutta.
New Zealand Insurance Company .. F, M, Misc.	1859	26, Dalhousie Square, West, Calcutta.
Queensland Insurance Company .. F, M, Misc.	1888	4, Clive Street, Calcutta.
South British Insurance Company .. F	1872	South British Insurance Buildings, 5 Clive Street, Calcutta.
CONSTITUTED IN CANADA.		
British America Assurance Company .. F	1833	Chartered Bank Buildings, P. O. Box 46, Calcutta
Crown Life Insurance Company L	1900	Gresham Building, Flora Fountain, Fort, Bombay.
Mercantile Insurance Company .. .. F	1861	2, Fairlie Place, Calcutta.
Sun Life Assurance Company of Canada .. F, M, Misc.	1865	Chartered Bank Buildings, P. O. Box 46, Calcutta.
Western Assurance Company .. .. F	1851	
CONSTITUTED IN HONGKONG.		
British Trader's Insurance Company .. F, M	1866	P. O. Box No. 266, Calcutta.
Canton Insurance Office Ltd. L	1835	4, Clive Row, Calcutta.
China Fire Insurance Company .. .. F	1865	Agents, W. A. Beardell & Co., Ltd., P. B. No. 7, Madras.
China Underwriters .. .. .. F, M, Misc.	1892	P. O. Box No. 266, Calcutta.
Chinese Insurance Company .. .. F	1863	4, Clive Row, Calcutta.
Hongkong Fire Insurance Company .. F	1868	P. O. Box No. 266, Calcutta.
Union Insurance Society of Canton .. F	1835	P. O. Box No. 266, Calcutta.
Yangtsze Insurance Association .. F	1892	P. O. Box No. 266, Calcutta.

24

List of non-Indian Insurers—concld.

Name of Insurer & Class(es) of business for which registered.	Year of establishment.	Principal Office in India.
CONSTITUTED IN STRAITS SETTLEMENTS.		
Eastern United Assurance Corporation F, M, Misc.	1913	South British Insurance Buildings, 5, Clive Street, Calcutta.
Overseas Assurance Corporation .. F	1920	26, Dalhousie Square, West, Calcutta.
CONSTITUTED IN AFRICA.		
Jubilee Insurance Company .. .. L, F	1937	Albert Building, Hornby Road, P. B. 184, Bombay.
CONSTITUTED IN THE UNITED STATES OF AMERICA.		
American Insurance Company .. F	1846	"Gresham Buildings," 45/7, Esplanade Road, P. O. Box No. 977, Bombay.
General American Insurance Company .. F, M	1872	
Hartford Fire Insurance Company .. F	1810	
Home Insurance Company .. .. F, M	1853	P. B. 977, United India Building, Sir P. Mehta Road, Bombay.
Orient Insurance Company .. .. F	1867	2, Fairlie Place, Calcutta.
Queen Insurance Company of America .. F	1891	26 and 27, Dalhousie Square, Calcutta.
CONSTITUTED IN SWITZERLAND.		
Baloise Fire Insurance Company .. F	1851	Volkart Building, Graham Road. Ballard Estate P. O. Box 199, Bombay.
Helvetia Swiss Fire Insurance Company .. F	1861	Volkart Brothers, Volkart Building, Graham
Winterthur, Swiss Life Assurance Company .. L	1923	Road, Ballard Estate, Bombay.
CONSTITUTED IN JAVA.		
Java Sea and Fire Insurance Company .. F, M	1861	Sassoon House, 4, Lyons Range, Calcutta.

ACTUARIES: KEEPERS OF A WELL-GUARDED SECRET

During 1945-55, as many as 25 insurers went into liquidation and an equal number transferred their business to other companies. Quite a few companies were unable to declare any bonus at their last 1953-55 Actuarial valuations.

In order to suggest effective ways of protecting policyholders, a sub-committee of the National Planning Committee, with Pandit Jawaharlal Nehru as its chairman, published an interim report. It had already suggested in 1946 the need for a State-established central coordinating National Insurance Board to organise national insurance business. The need to have the cheapest possible price for insurance was also highlighted.

Mr. Vaidyanathan on Nationalisation in 1945 and 1950

T. Bagchee, B.Sc., B.A. (Lon.), F.F.A. (Edin.)

Manager, Sentinel Assurance Co. Ltd.

IN his article on Nationalisation of Insurance published in *The Economic Weekly* of May 13, Mr. S. Chakravarty has quoted from the speech delivered by Mr. L. S. Vaidyanathan, M.A., F.I.A., at the Foutth Indian Insurance Conference, in support of his contention that nationalisation is the only remedy for the alleged malpractices in Insurance business.

It will be of interest to Mr. Chakravarty to read the remarks of Mr. Vaidyanathan contained in the Indian Insurance Year Book 1945 on the same subject.

As the then Superintendent of Insurance, Mr. Vaidyanathan criticised in his report the demand for nationalisation made by certain members of the Legislative Assembly when a Bill to further amend the Insurance Act, 1938 was iolroductd in November, 1944. In his note Mr. Vaidyanathan analysed the position if insurance undertakings were to be nationalised and condemned the move as it would have a deletarious effect not only on the business of insurance but also on the economy of the country.

I will just quote here the concluding remark from his able exposition of the subject.

" Therefore, from every point of view, it would appear that nationalisation of Insurance would be an entirely retrograde step and it would be inadvisable to embark on this venture without giving careful consideration to various untoward repercus-ions which the change would engender."

Obviously, Mr. Vaidyanathan has changed his view on the subject, as his recent utterances will show, though, personally, I do not think that the position of indigenous insurance business has changed since 1945 to such an extent as to call for its nationalisation.

But then, today, when the cry for nationalisation is in the air and nationalisation is at a premium, one can understand Mr. Vaidyanathan's advocacy for the same.

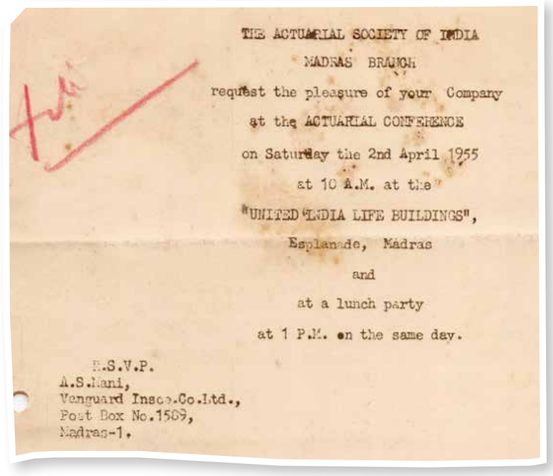
Although the National Planning Committee did not very categorically recommend nationalisation of the life insurance business, stress was on State control being more effective in the public interest. In 1955, at the All India Congress Committee (AICC) session at Avadi, there was a demand for nationalisation of the life insurance business.

Nationalisation of life insurance was by far one of the most well-guarded secrets. The brain trust for this decision was an eminent Actuary, A Rajagopalan – then the Controller of Insurance.



A Rajagopalan

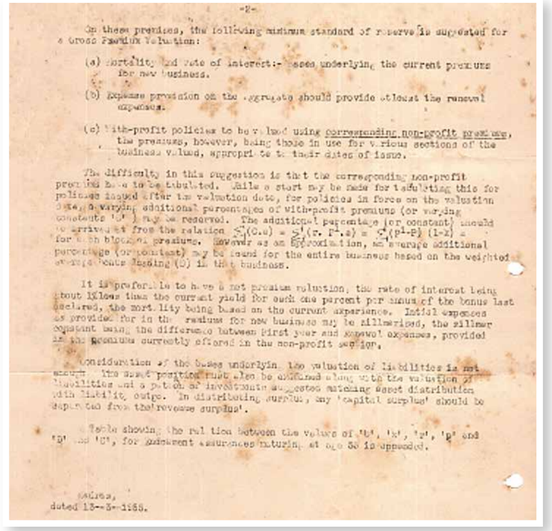
While it evidenced the role of Actuaries in sound government decisions, the nationalisation of the life insurance business was the beginning of retardation in the growth of the Indian Actuarial profession. The numbers speak for themselves since ASI Fellow/ Associate members grew by only 100 over more than four decades – from 133 in 1955 to only 233 in 1999.

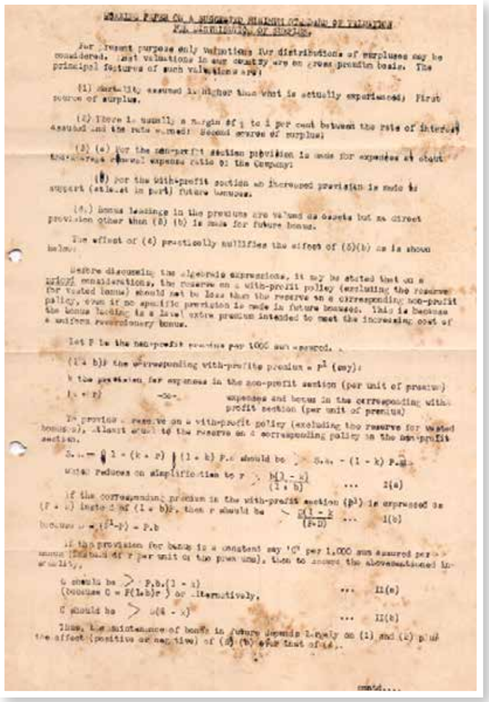


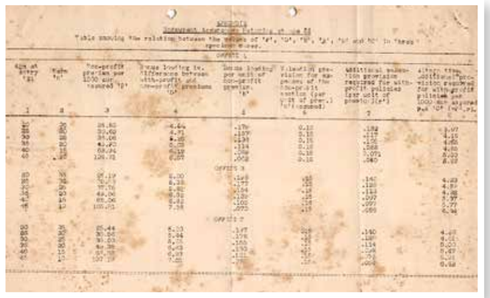
THE ACTUARIAL SOCIETY OF INDIA
MADRAS BRANCH

request the pleasure of your Company
at the ACTUARIAL CONFERENCE
on Saturday the 2nd April 1955
at 10 A.M. at the
"UNITED INDIA LIFE BUILDINGS",
Esplanade, Madras
and
at a lunch party
at 1 P.M. on the same day.

R.S.V.P.
A.S.Rani,
Vanguard Insce.Co.Ltd.,
Post Box No.1509,
Madras-1.







Invitation (including appendices) to the first Actuarial Conference in April 1955 in Madras

1956-1981

Winds of Change

1956

- January 19 - First step towards nationalisation of life insurance; Appointment of Actuaries as Custodians of 83 insurance companies
- Appointment of Lal Committee
- September 1 - Establishment of LIC of India, with its first board meeting held in the Oriental Building in Fort in Bombay

1957

- LIC offers a 350 sq ft space in Jeevan Kendra for ASI's office
- The Wealth Tax Act is enacted

1959-60

- TCM team on a study tour to the US

1962

- ASI decides to conduct tuition classes to prepare students for examinations of the Institute of Actuaries, UK. V L Sapre, N S Motiwala and D Krishnamurthy put in charge of tuition classes in Bombay

1964

- ASI publishes the first issue of the 'Transactions of Actuarial Society of India'
- Mortality investigation, 1961-64

1965

- Installation of computers, the first ever in any insurance company in India, for record maintenance, policy servicing, etc. as recommended by LIC's TCM team

1966

- Committee of seven Actuaries set up to analyse premium rates and bonus levels.

1967

- Committee on Expense: Morarka Committee, 1967, which includes Prof G S Diwan
- The first All India Conference of Actuaries in July in Bombay under the presidentship of D D Markan. Almost 20 papers covering Taxation of Gratuity and Superannuation Fund, Operational Research, Investment, Group Life Insurance, Underwriting, Electronic Data Processing, etc. are presented

1968

- Lapsation study by the Actuarial Department of LIC
- The Insurance Act is amended to regulate investments and set minimum solvency margins. The Tariff Advisory Committee is also set up

1969

- Morarka Committee submits report to Deputy Prime Minister, Morarji Desai

1971

- Nayadu Committee
- LIC Chairman announces withdrawal of 'Special Pay' benefits to Actuaries in LIC

1972

- Nationalisation of the general insurance industry
- 29 papers on various topics discussed at the second All India Conference of Actuaries in Bombay
- The Payment of Gratuity Act, 1972 is enacted and the Income-tax Act, 1961 is amended
- First standards issued by ASI-APS following the Payment of Gratuity Act

1974

- Mortality investigation, 1970-73

1975

- From May, ASI starts conducting entrance examinations twice a year, on behalf of the Institute of Actuaries, London
- ASI shifts office to Yogakshema Building in Bombay

1977

- ASI submits a memorandum to the Direct Tax Laws Committee on 'Taxation Aspects of Retirement Benefit Schemes' recognised under the Fourth Schedule to the IT Act, 1956
- On the recommendation of ASI, Bombay University includes Actuarial Science as an optional subject under its three-year Bachelor's Degree examinations

1978-79

- Committee of Actuaries formed under R M Mehta
- ASI submits a memorandum on Role of Actuaries in determination of contributions to approve superannuation, gratuity and other matters to the Central Board of Direct Taxes

1979

- ASI becomes a full member of IAA. R M Mehta, President of ASI, is nominated as the National Correspondent for India

1979-80

- Era Sezhiyan Committee is set up to review the workings of LIC
- R M Mehta and A Rajgopalan serve as members on the Era Sezhiyan Committee

1980

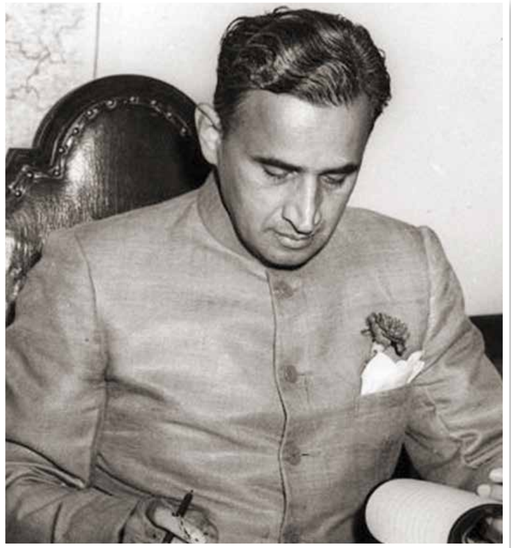
- The third All India Conference of Actuaries is held in July in Bombay, under the presidentship of R M Mehta
- ASI holds a special function in March to present a Gold Medal to Prof G S Diwan in recognition of his outstanding contribution to the profession

THE MOMENT THAT CHANGED IT ALL

January 19, 1956, was the day that changed India's life insurance sector for many years to come! It began with Union Finance Minister C D Deshmukh's announcement at 8:30 pm on All India Radio:

"This afternoon the government has promulgated an ordinance regarding life insurance. All life insurance companies, Indian as well as foreign, doing business in India has come under government management and control. This is the first and preparatory step towards nationalisation of life insurance. It will be followed by the more elaborate action that is called for, and it is proposed to be placed before the next session of Parliament a Bill for the nationalisation of this important sector of insurance business. Both in respect of the short period during which the management of the companies will vest on the government, and in respect of the ultimate assumption of proprietorial rights over them, reasonable compensation will be paid by the government."

The Indian life insurance sector was nationalised and 154 Indian insurers, 16 non-Indian insurers and 75 provident societies were combined to form the Life Insurance Corporation of India.



C D Deshmukh, Finance Minister of India, who announced the nationalisation of the insurance sector on January 19, 1956



The Hindustan Times

INDIA TO NATIONALIZE LIFE INSURANCE BUSINESS

Govt. Take Over Management Of Companies

ORDINANCE PROMULGATED; FIRST STEP, SAYS DESHMUKH

Provident Fund Societies Included

PROVISION FOR COMPENSATION TO SHAREHOLDERS

BOMBAY SITUATION UNDER CONTROL

Ministers Asked To Resign By M.P.C.C.

Safeguards For Linguistic Minorities

PANT TO DISCUSS ISSUE WITH CHIEF MINISTERS

Closer Indo-W. German Co-operation

NEHRU-BLUECHER STATEMENT

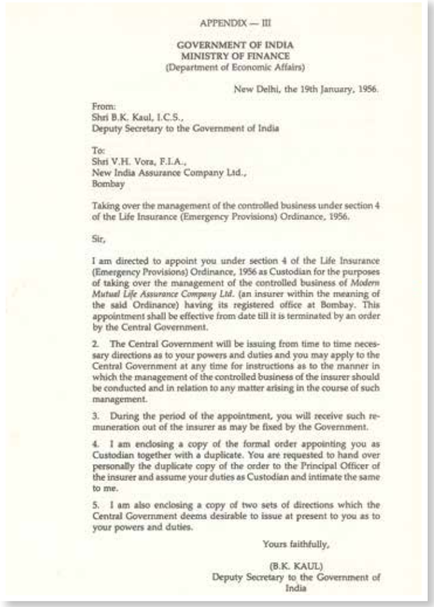
APPOINTMENT OF ACTUARIES AS CUSTODIANS

On January 19, 1956, the day nationalisation of the insurance sector was announced, A Rajagopalan flew to Bombay (now Mumbai) with signed orders of appointment of custodians for Bombay-based insurers. Similarly, Sarva P D Sheth, M J Rao and S K Vaiyapuri carried orders for insurers in Madras (now Chennai), Calcutta (now Kolkata) and Delhi respectively.

Nationalisation was enforced all over the country with the appointment of Custodians for various insurance companies. Of a total of 43 Custodians responsible for over 83 insurance companies in the country, 27 were Actuaries.

The process of transfer of management took nearly eight months. With management in Government hands, all decisions were taken at the ministry level.

A Joint Committee of Custodians (JCC) was also set up to evolve strategies of integration and build the future machinery of operations. Union Ministry of Finance Secretary, H M Patel, formed various JCC Sub-Committees to look into different aspects of operations. R M Mehta, an Actuary, was appointed as Secretary of the JCC to coordinate activities.



APPENDIX — III

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(Department of Economic Affairs)

New Delhi, the 19th January, 1956.

From:
Shri B.K. Kaul, I.C.S.,
Deputy Secretary to the Government of India

To:
Shri V.H. Vora, F.I.A.,
New India Assurance Company Ltd.,
Bombay

Taking over the management of the controlled business under section 4 of the Life Insurance (Emergency Provisions) Ordinance, 1956.

Sir,

I am directed to appoint you under section 4 of the Life Insurance (Emergency Provisions) Ordinance, 1956 as Custodian for the purposes of taking over the management of the controlled business of *Modern Mutual Life Assurance Company Ltd.* (an insurer within the meaning of the said Ordinance) having its registered office at Bombay. This appointment shall be effective from date till it is terminated by an order by the Central Government.

2. The Central Government will be issuing from time to time necessary directions as to your powers and duties and you may apply to the Central Government at any time for instructions as to the manner in which the management of the controlled business of the insurer should be conducted and in relation to any matter arising in the course of such management.

3. During the period of the appointment, you will receive such remuneration out of the insurer as may be fixed by the Government.

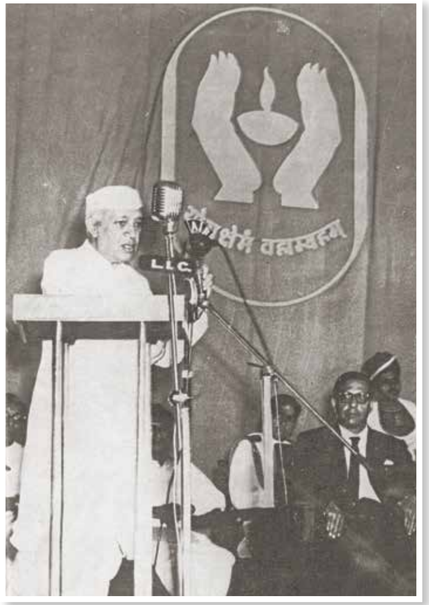
4. I am enclosing a copy of the formal order appointing you as Custodian together with a duplicate. You are requested to hand over personally the duplicate copy of the order to the Principal Officer of the insurer and assume your duties as Custodian and intimate the same to me.

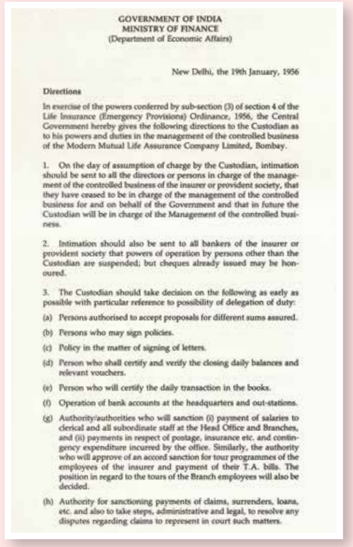
5. I am also enclosing a copy of two sets of directions which the Central Government deems desirable to issue at present to you as to your powers and duties.

Yours faithfully,

(B.K. KAUL)
Deputy Secretary to the Government of India

Letter from Ministry of Finance to appoint V H Vora as a Custodian for the Modern Mutual Life Assurance Co Ltd.





GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(Department of Economic Affairs)

New Delhi, the 19th January, 1956

Directions

In exercise of the powers conferred by sub-section (3) of section 4 of the Life Insurance (Emergency Provisions) Ordinance, 1956, the Central Government hereby gives the following directions to the Custodian as to his powers and duties in the management of the controlled business of the Modern Mutual Life Assurance Company Limited, Bombay.

1. On the day of assumption of charge by the Custodian, intimation should be sent to all the directors or persons in charge of the management of the controlled business of the insurer or provident society, that they have ceased to be in charge of the management of the controlled business for and on behalf of the Government and that in future the Custodian will be in charge of the Management of the controlled business.

2. Intimation should also be sent to all bankers of the insurer or provident society that powers of operation by persons other than the Custodian are suspended; but cheques already issued may be honoured.

3. The Custodian should take decision on the following as early as possible with particular reference to possibility of delegation of duty:

(a) Persons authorised to accept proposals for different sums assured.

(b) Persons who may sign policies.

(c) Policy in the matter of signing of letters.

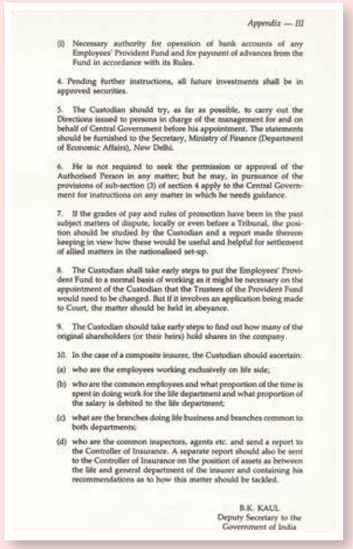
(d) Person who shall certify and verify the closing daily balances and relevant vouchers.

(e) Person who will certify the daily transaction in the books.

(f) Operation of bank accounts at the headquarters and out-stations.

(g) Authority/authorities who will sanction (i) payment of salaries to clerical and all subordinate staff at the Head Office and Branches, and (ii) payments in respect of postage, insurance etc. and contingency expenditure incurred by the office. Similarly, the authority who will approve of an accord sanction for tour programmes of the employees of the insurer and payment of their T.A. bills. The position in regard to the tours of the Branch employees will also be decided.

(h) Authority for sanctioning payments of claims, surrenders, loans, etc. and also to take steps, administrative and legal, to resolve any disputes regarding claims to represent in court such matters.



Appendix — III

(i) Necessary authority for operation of bank accounts of any Employees' Provident Fund and for payment of advances from the Fund in accordance with its Rules.

4. Pending further instructions, all future investments shall be in approved securities.

5. The Custodian should try, as far as possible, to carry out the Directions issued to persons in charge of the management for and on behalf of Central Government before his appointment. The statements should be furnished to the Secretary, Ministry of Finance (Department of Economic Affairs), New Delhi.

6. He is not required to seek the permission or approval of the Authorised Person in any matter; but he may, in pursuance of the provisions of sub-section (2) of section 4 apply to the Central Government for instructions on any matter in which he needs guidance.

7. If the grades of pay and rules of promotion have been in the past subject matters of dispute, locally or even before a Tribunal, the position should be studied by the Custodian and a report made thereon keeping in view how these would be useful and helpful for settlement of allied matters in the nationalised set-up.

8. The Custodian shall take early steps to put the Employees' Provident Fund to a normal basis of working as it might be necessary on the appointment of the Custodian that the Trustees of the Provident Fund would need to be changed. But if it involves an application being made to Court, the matter should be held in abeyance.

9. The Custodian should take early steps to find out how many of the original shareholders (or their heirs) hold shares in the company.

10. In the case of a composite insurer, the Custodian should ascertain:

(a) who are the employees working exclusively on life side;

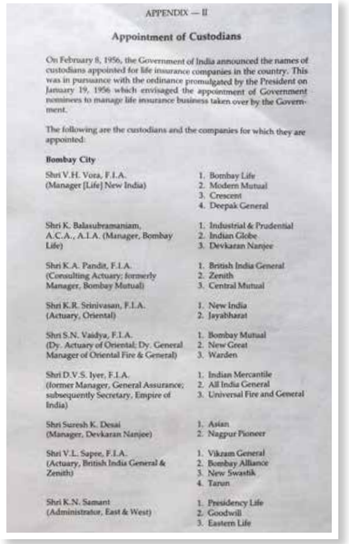
(b) who are the common employees and what proportion of the time is spent in doing work for the life department and what proportion of the salary is debited to the life department;

(c) what are the branches doing life business and branches common to both departments;

(d) who are the common inspectors, agents etc. and send a report to the Controller of Insurance. A separate report should also be sent to the Controller of Insurance on the position of assets as between the life and general department of the insurer and containing his recommendations as to how this matter should be tackled.

B.K. KAUL
Deputy Secretary to the
Government of India

Directions to Custodians



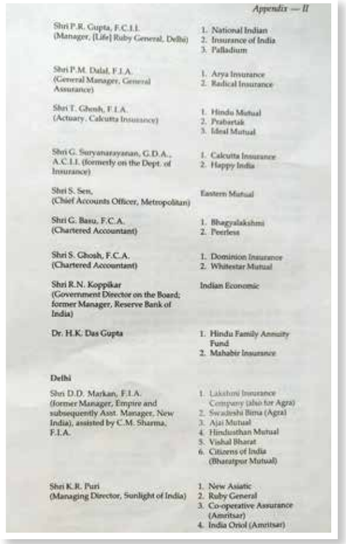
APPENDIX — II

Appointment of Custodians

On February 8, 1956, the Government of India announced the names of custodians appointed for life insurance companies in the country. This was in pursuance with the ordinance promulgated by the President on January 19, 1956 which envisaged the appointment of Government nominees to manage life insurance business taken over by the Government.

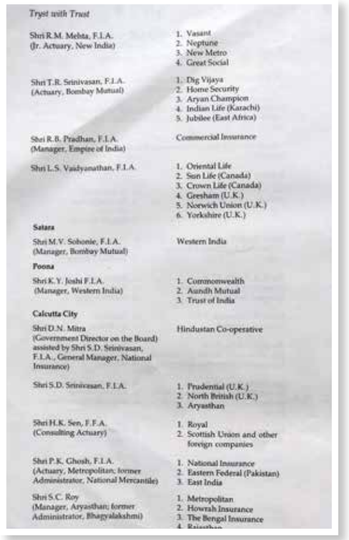
The following are the custodians and the companies for which they are appointed:

Bombay City	
Shri V.H. Vora, F.I.A. (Manager [Life] New India)	1. Bombay Life 2. Modern Mutual 3. Crescent 4. Deepak General
Shri K. Balasubramaniam, A.C.A., A.I.A. (Manager, Bombay Life)	1. Industrial & Prudential 2. Indian Globe 3. Devkaran Nanjee
Shri K.A. Pandit, F.I.A. (Consulting Actuary; formerly Manager, Bombay Mutual)	1. British India General 2. Zenith 3. Central Mutual
Shri K.R. Srinivasan, F.I.A. (Actuary, Oriental)	1. New India 2. Jayabharat
Shri S.N. Vaidya, F.I.A. (Dy. Actuary of Oriental; Dy. General Manager of Oriental Fire & General)	1. Bombay Mutual 2. New Great 3. Warden
Shri D.V.S. Iyer, F.I.A. (former Manager, General Assurance; subsequently Secretary, Empire of India)	1. Indian Mercantile 2. All India General 3. Universal Fire and General
Shri Suresh K. Desai (Manager, Devkaran Nanjee)	1. Asian 2. Nagpur Pioneer
Shri V.L. Sapre, F.I.A. (Actuary, British India General & Zenith)	1. Vikram General 2. Bombay Alliance 3. New Swastik 4. Tarun
Shri K.N. Samant (Administrator, East & West)	1. Presidency Life 2. Goodwill 3. Eastern Life



Appendix — II

Shri P.R. Gupta, F.C.I.I. (Manager, [Life] Ruby General, Delhi)	1. National Indian 2. Insurance of India 3. Palladium
Shri P.M. Dalal, F.I.A. (General Manager, General Assurance)	1. Arya Insurance 2. Radical Insurance
Shri T. Ghosh, F.I.A. (Actuary, Calcutta Insurance)	1. Hindu Mutual 2. Prabartak 3. Ideal Mutual
Shri G. Suryanarayanan, G.D.A., A.C.I.I. (formerly on the Dept. of Insurance)	1. Calcutta Insurance 2. Happy India
Shri S. Sen, (Chief Accounts Officer, Metropolitan)	Eastern Mutual
Shri G. Basu, F.C.A. (Chartered Accountant)	1. Bhagyalakshmi 2. Peerless
Shri S. Ghosh, F.C.A. (Chartered Accountant)	1. Dominion Insurance 2. Whitestar Mutual
Shri R.N. Koppikar (Government Director on the Board; former Manager, Reserve Bank of India)	Indian Economic
Dr. H.K. Das Gupta	1. Hindu Family Annuity Fund 2. Mahabir Insurance
Delhi	
Shri D.D. Markan, F.I.A. (former Manager, Empire and subsequently Asst. Manager, New India), assisted by C.M. Sharma, F.I.A.	1. Lakshmi Insurance Company (also for Agra) 2. Swadeshi Bima (Agra) 3. Ajai Mutual 4. Hindusthan Mutual 5. Vishal Bharat 6. Citizens of India (Bharatpur Mutual)
Shri K.R. Puri (Managing Director, Sunlight of India)	1. New Asiatic 2. Ruby General 3. Co-operative Assurance (Amritsar) 4. India Oriol (Amritsar)



Tryst with Trust

Shri R.M. Mehta, F.I.A. (Jr. Actuary, New India)	1. Vasant 2. Neptune 3. New Metro 4. Great Social
Shri T.R. Srinivasan, F.I.A. (Actuary, Bombay Mutual)	1. Dig Vijaya 2. Home Security 3. Aryan Champion 4. Indian Life (Karachi) 5. Jubilee (East Africa)
Shri R.B. Pradhan, F.I.A. (Manager, Empire of India)	Commercial Insurance
Shri L.S. Vaidyanathan, F.I.A.	1. Oriental Life 2. Sun Life (Canada) 3. Crown Life (Canada) 4. Gresham (U.K.) 5. Norwich Union (U.K.) 6. Yorkshire (U.K.)
Satara	
Shri M.V. Sohonie, F.I.A. (Manager, Bombay Mutual)	Western India
Poona	
Shri K.Y. Joshi F.I.A. (Manager, Western India)	1. Commonwealth 2. Aundh Mutual 3. Trust of India
Calcutta City	
Shri D.N. Mitra (Government Director on the Board) assisted by Shri S.D. Srinivasan, F.I.A., General Manager, National Insurance)	Hindustan Co-operative
Shri S.D. Srinivasan, F.I.A.	1. Prudential (U.K.) 2. North British (U.K.) 3. Aryasthan
Shri H.K. Sen, F.F.A. (Consulting Actuary)	1. Royal 2. Scottish Union and other foreign companies
Shri P.K. Ghosh, F.I.A. (Actuary, Metropolitan; former Administrator, National Mercantile)	1. National Insurance 2. Eastern Federal (Pakistan) 3. East India
Shri S.C. Roy (Manager, Aryasthan; former Administrator, Bhagyalakshmi)	1. Metropolitan 2. Howrah Insurance 3. The Bengal Insurance 4. Rajasthan



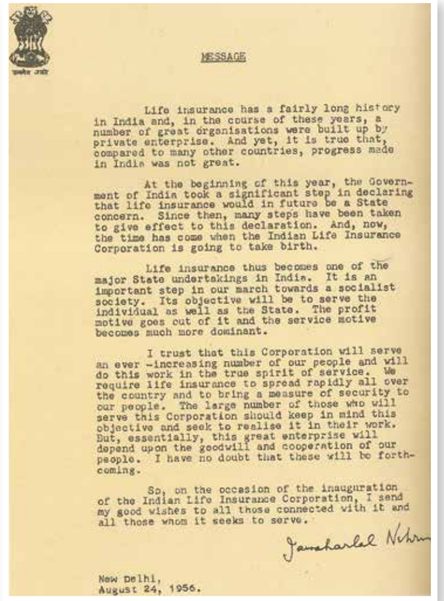
Tryst with Trust

Shri J.R. Rana, F.I.A. (Actuary, United India)	1. Sterling General 2. Sunlight of India 3. Policyholders 4. Punjab National
Shri A.L. Dutta (Manager, New Asiatic)	1. Indian Mutual 2. Saraswati
Shri H.L. Bhatia, F.I.A. (Actuary, Lakshmi)	Tilak Insurance
Shri Vaish, F.C.A. (Chartered Accountant)	Free India General (Kanpur)
Shri D.S. Subramanyam, F.I.A. (former Manager of Andhra)	General Assurance Society (Ajmer)
Madras	
Shri N.V. Nayudu, F.I.A. (Manager, United India Life)	1. Prithvi 2. Prithvi Provident 3. Asiatic 4. Premier Life & General 5. Madras Life
Shri T.S. Swaminathan, C.D.A., F.I.A., F.C.I.I. (General Manager, Prithvi)	1. United India 2. United India Provident 3. New Guardian 4. Indian Mutual
Shri T.V. Ramamurthy, F.I.A. (Actuary, Indian Mutual)	1. Indian Circar 2. Vanguard 3. Vanguard Provident 4. Midland
Shri S. Rangarajan, F.I.A., F.C.I.I. (Dy. General Manager, Prithvi)	1. Andhra 2. Hindusthan Ideal
Shri P.S. Sundaram, F.I.A. (Assistant Actuary, United India; former Administrator, Mysore Insurance)	1. Pioneer Fire & General 2. India Life & General
Mangalore	
Shri T.R.A. Pai (Manager, Canara Mutual), M.R.C.P.	Popular
Madurai	
Shri S.V. Subramaniam (former Life Superintendent, South India Fire & General)	Mother India and other companies in Madurai

List of Custodians



LIC enters the service of the country



MESSAGE

Life insurance has a fairly long history in India and, in the course of these years, a number of great organisations were built up by private enterprise. And yet, it is true that, compared to many other countries, progress made in India was not great.

At the beginning of this year, the Government of India took a significant step in declaring that life insurance would in future be a State concern. Since then, many steps have been taken to give effect to this declaration. And, now, the time has come when the Indian Life Insurance Corporation is going to take birth.

Life insurance thus becomes one of the major State undertakings in India. It is an important step in our march towards a socialist society. Its objective will be to serve the individual as well as the State. The profit motive goes out of it and the service motive becomes much more dominant.

I trust that this Corporation will serve an ever-increasing number of our people and will do this work in the true spirit of service. We require life insurance to spread rapidly all over the country and to bring a measure of security to our people. The large number of those who will serve this Corporation should keep in mind this objective and seek to realise it in their work. But, essentially, this great enterprise will depend upon the goodwill and cooperation of our people. I have no doubt that these will be forthcoming.

So, on the occasion of the inauguration of the Indian Life Insurance Corporation, I send my good wishes to all those connected with it and all those whom it seeks to serve.

Jawaharlal Nehru

New Delhi,
August 24, 1956.

Pandit Jawaharlal Nehru's message prior to the inauguration of LIC

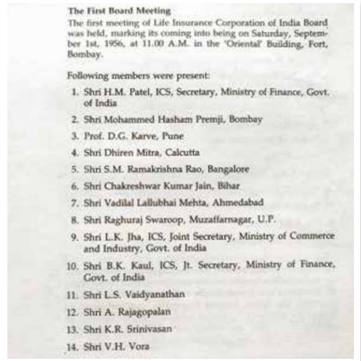


Yogakshema: LIC's historical building

LANDMARK IN HISTORY – THE START OF LIC OF INDIA

September 1, 1956, marked the beginning of the Life Insurance Corporation (LIC) of India, the now national life insurer. Its first Board meeting was held this very day, with four of 15 Board Members being Actuaries of the time. The first Managing Directors of LIC were Actuaries – L S Vaidyanathan and A Rajagopalan, who were also chosen as members of the Investment and Executive Committees respectively. The LIC's Executive Directors were D P Guzdar and Actuaries K R Srinivasan and V H Vora – all of whom were full-time employees of the Corporation.





The First Board Meeting

The first meeting of Life Insurance Corporation of India Board was held, marking its coming into being on Saturday, September 1st, 1956, at 11.00 A.M. in the 'Oriental' Building, Fort, Bombay.

Following members were present:

1. Shri H.M. Patel, ICS, Secretary, Ministry of Finance, Govt. of India
2. Shri Mohammed Hasham Premji, Bombay
3. Prof. D.G. Karve, Pune
4. Shri Dhiren Mitra, Calcutta
5. Shri S.M. Ramakrishna Rao, Bangalore
6. Shri Chakreshwar Kumar Jain, Bihar
7. Shri Vadilal Lallubhai Mehta, Ahmedabad
8. Shri Raghuraj Swaroop, Muzaffarnagar, U.P.
9. Shri L.K. Jha, ICS, Joint Secretary, Ministry of Commerce and Industry, Govt. of India
10. Shri B.K. Kaul, ICS, Jt. Secretary, Ministry of Finance, Govt. of India
11. Shri L.S. Vaidyanathan
12. Shri A. Rajagopalan
13. Shri K.R. Srinivasan
14. Shri V.H. Vora

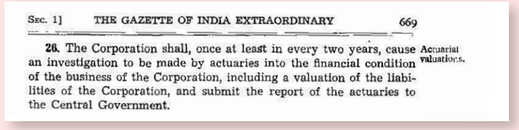


First Board Meeting of LIC in the 'Oriental' Building, Fort, Bombay on September 1, 1956

Mandate for More Frequent Actuarial Valuations

The importance of Actuaries in the life insurance business has been highlighted time and again. Nationalisation too indicated the same. The Government's reservations about high premiums and adverse expense experience, affecting the liquidity of some companies and their ability to provide bonus, led to an understanding of the importance of the Actuarial function in life insurance.

The Ordinance, along with the Finance Minister's explanation in Parliament, stressed on the need to limit premiums to those warranted by Actuarial calculations. Furthermore, the Life Insurance Corporation Act 1956, Section 26 highlights that valuation of liabilities would be done by Actuaries of the company and the same would have to be submitted to the Central Government for approval.



Sec. 1] THE GAZETTE OF INDIA EXTRAORDINARY 669

Actuarial valuations.

26. The Corporation shall, once at least in every two years, cause an investigation to be made by actuaries into the financial condition of the business of the Corporation, including a valuation of the liabilities of the Corporation, and submit the report of the actuaries to the Central Government.

KEY CONTRIBUTIONS BY ACTUARIES IN THE EARLY YEARS OF NATIONALISATION[1]

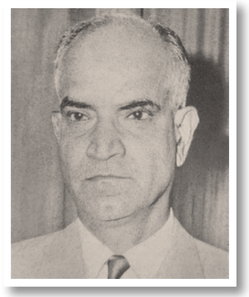
The post-nationalisation phase witnessed the creation of a series of committees by the Government to study and aid the industry in development, decision making, etc. Each committee had a significant presence of Actuaries in view of the expertise and knowledge that they brought to the table.

Senior Service Committee (Lal Committee), 1956

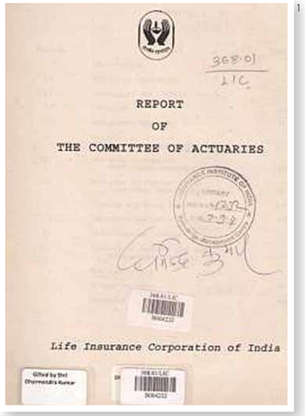
The Government appointed the Lal Committee towards the end of July 1956, to aid in the setting up of a proper hierarchy or seniority structure for the yet-to-be established Corporation, interviewing and grading interested officers and submitting a detailed report in this regard. The Committee consisted of eight members including two Actuaries, L S Vaidyanathan and A Rajagopalan.



S D Srinivasan



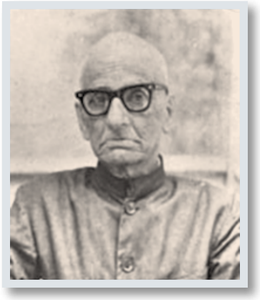
K R Srinivasan



Committee of Actuaries, 1966-68

In 1966, the LIC was keen on a proper analysis of premium rates offered to make necessary revisions in premiums. The task was assigned to a seven member Committee of Actuaries which included D D Markan (Chairman), S D Srinivasan, K R Srinivasan, V H Vora, M V Sohonie and A Rajagopalan, who was then OSD, Ministry of Finance. G H Damle, Controller of Insurance, was also included. In addition, two Actuaries from outside LIC, C S Anantapadmanabhan and N V Nayadu also attended some of the meetings. The report, submitted in 1968, took into consideration mortality studies performed between 1960 and 1963 by an Actuarial team, providing an exhaustive analysis and suggestions for reduction in premium rates and bonus levels offered.

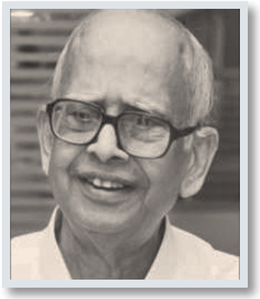
[1] *Saga of Security, Story of Indian Life Insurance 1870-1970*
Tryst with Trust, The LIC Story



Prof G S Diwan

Committee on Expense; Morarka Committee, 1967

The Government's concern on adverse level of expenses sparked the need to set up a committee in 1967 to study the causes of the same. The Committee, which included a Fellow Actuary member, Prof G S Diwan, submitted a report to Deputy Prime Minister Morarji Desai on April 30, 1969.



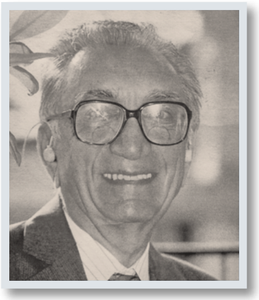
Era Sezhiyan



N V Nayadu

Nayadu Committee, 1971

The LIC decided to appoint a committee to advise it on the role and power of central and zonal offices, Policyholder Service (PHS) functions through branch offices and the organisational set-up. A four member team was thus created and chaired by Actuary N V Nayadu with R M Mehta as a member.



R M Mehta

Committee of Actuaries, 1978-79

The LIC appointed an expert committee of Actuaries, including S N Vaidya (Chairman), A Rajagopalan, R M Mehta and C M Sarma to examine the premium rates offered and to suggest any possible revisions to ensure equitable treatment of policyholders, alignment with LIC objectives, examination of valuation and bonus methods, etc. The report was submitted in June 1979.

Era Sezhiyan Committee, 1979-80

The Government appointed a seven member committee under the chairmanship of Era Sezhiyan, Member of the Rajya Sabha, to review the workings of the LIC. The team consisted of Actuaries such as A Rajagopalan, former Chairman, GIC and R M Mehta, former MD, LIC.

EARLY STUDIES/INVESTIGATIONS CONDUCTED BY THE PROFESSION



J T Ranadive

Study by the Technical Corporation Mission (TCM), LIC, 1959-60

The approval for sending a study team consisting of S D Srinivasan, Managing Director, LIC, R M Mehta, Secretary (Personnel), LIC, and J T Ranadive (Actuary), LIC, to the USA to study the latest methods of administration in the American and European life insurance industries was obtained in November 1959. It led to the creation of a special project and the team visited the USA between September and November 1960. On their return, they submitted a detailed report of advances in these countries and how those could be applied in India.



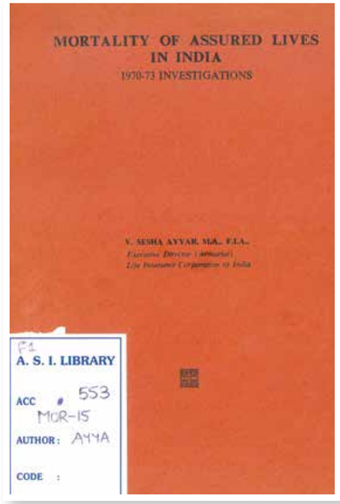
V H Vora

Mortality Investigation, 1961-64

V H Vora and D D Markan, along with their team of Actuaries, took on the task of investigating the mortality of policyholders over a period of three years – from 1961 to 1964. This was an important study as prior to this the only significant mortality study had been of the 1925-35 period. Also, there was a strong belief that mortality patterns and experience had changed since then. The table that was thereafter published was used for many years for Actuarial work.

Lapsation Studies, 1968

The Actuarial Department of LIC undertook the task to study and identify the causes of lapsation which they believed went beyond low quality of business and financial incapability. To have an idea of the underlying causes of lapsation, a sample survey was done through a questionnaire for a select sample of lapsed policyholders in 1968. The main aim of the study was to bring down lapsation experienced. It was found that indifferent policy servicing, incorrect assessment of the needs of policyholders were also reasons for lapsation.



Mortality Investigation 1970-73

The mortality study of 1961-64 was followed up with another in 1970-1973 by LIC's Actuarial team. The policyholders' experience studied in the 1960s were restudied almost a decade later to compare and analyse changes. It was revealing since deaths that had occurred, but had gone unreported, also came to light – providing a much more refined review of the mortality experience. It was also noticed that mortality rates had improved over the decade.

2ND CONTINUOUS MORTALITY INVESTIGATION
Period of Investigation : 1970-73
Duration : 1 and Over

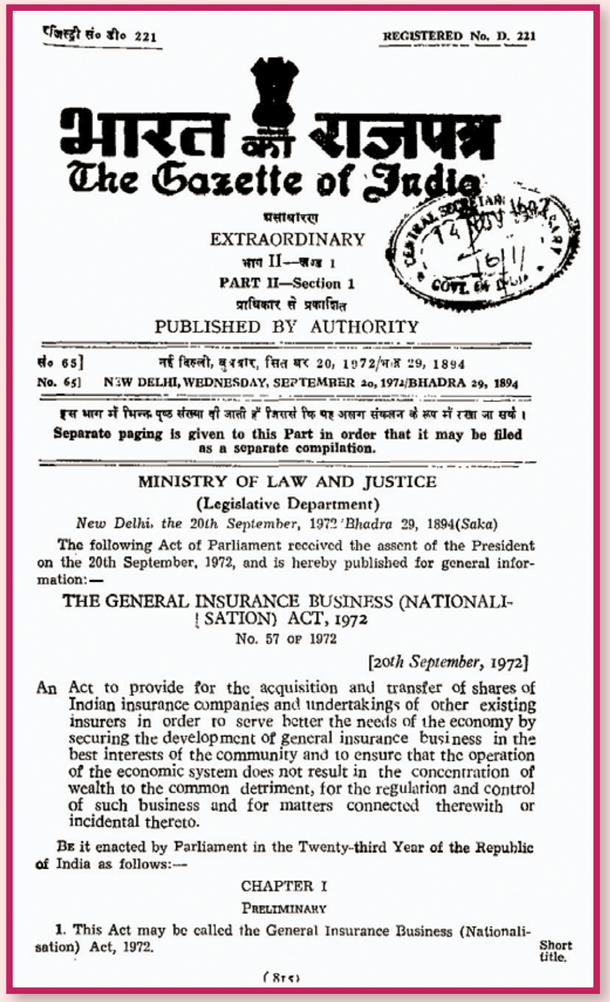
Class of Lives : Male Medically Examined Accepted at O. R. (Valuation Tables 1 to 6)

Age	Exposed to risk	Actual deaths A	Expected deaths E	A—E +	A—E —	Cumulative (A—E) +	Cumulative (A—E) —	√E	/A—E/ √E
16	2097		2.75		2.75	2.75		1.66	1.66
17	5245	1	6.87		5.87	8.62		2.62	2.24
18	8192	6	10.65		4.65	13.27		3.26	1.43
19	11577	11	15.05		4.05	17.32		3.88	1.04
20	15206	20	19.77	0.23		17.09		4.45	0.05
21	19280	26	24.87	1.13		15.96		4.99	0.23
22	24929	34	32.16	1.84		14.12		5.67	0.32
23	32318	35	41.37		6.37	20.49		6.43	0.99
24	39162	48	50.13		2.13	22.62		7.08	0.30
25	45768	59	58.58	0.42		22.20		7.65	0.05
26	52733	65	66.97		1.97	24.17		8.18	0.24
27	59684	78	75.80	2.20		21.97		8.71	0.25
28	64917	75	83.74		8.74	30.71		9.15	0.96
29	71287	108	93.39	14.61		16.10		9.66	1.51
30	78286	107	104.90	2.10		14.00		10.24	0.21
31	87212	121	121.22		0.22	14.22		11.01	0.02
32	93142	130	135.99		5.99	20.21		11.66	0.51
33	98578	140	152.80		12.80	33.01		12.36	1.04
34	102701	178	169.46	8.54		24.47		13.02	0.66
35	105761	183	188.25		5.25	29.72		13.72	0.38
36	108232	186	208.89		22.89	52.61		14.45	1.58
37	109152	230	230.31		0.31	52.92		15.18	0.02
38	107373	243	248.03		5.03	57.95		15.75	0.32
39	107076	243	271.97		28.97	86.92		16.49	1.76
40	105360	312	295.01	16.99		69.93		17.18	0.99
41	104043	339	321.49	17.51		52.42		17.93	0.98
42	101571	318	347.37		29.37	81.79		18.64	1.58
43	99312	376	376.39		0.39	82.18		19.40	0.02
44	95671	400	401.82		1.82	84.00		20.05	0.09
45	89775	367	417.45		50.45	134.45		20.43	2.47
46	88784	478	457.24	20.76		113.69		21.38	0.97
47	85245	517	485.90	31.10		82.59		22.04	1.41
48	80632	501	508.79		7.79	90.38		22.56	0.35
49	76495	508	533.94		25.94	116.32		23.11	1.12

GOVERNMENT TAKES OVER GENERAL INSURANCE (GI) – NATIONALISATION OF GI

Under the General Insurance Business (Nationalisation) Act, 1972, the general insurance industry was also nationalised and all business, including that of general insurance subsidiaries of LIC, was transferred to the Central Government in January 1973.

This was followed by an amalgamation of 107 insurers (55 Indian and 52 foreign) which were then grouped into four main companies, namely, the National Insurance Company Ltd., the New India Assurance Company Ltd., the Oriental Insurance Company Ltd. and the United India Insurance Company Ltd. General Insurance Corporation (GIC) was incorporated as a holding company of these four companies in November 1972. It began business in January 1973, and unlike the LIC, was responsible for decisions instead of the Government.



रजिस्ट्री सं० डी० 221 REGISTERED No. D. 221

भारत का राजपत्र
The Gazette of India

असाधारण
EXTRAORDINARY
भाग II—खण्ड 1
PART II—Section 1
प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

सं० 65] नई दिल्ली, बुधवार, सितम्बर 20, 1972/भाद्र 29, 1894
No. 65] NEW DELHI, WEDNESDAY, SEPTEMBER 20, 1972/BHADRA 29, 1894

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW AND JUSTICE
(Legislative Department)

New Delhi, the 20th September, 1972/Bhadra 29, 1894(Saka)

The following Act of Parliament received the assent of the President on the 20th September, 1972, and is hereby published for general information:—

THE GENERAL INSURANCE BUSINESS (NATIONALISATION) ACT, 1972
No. 57 OF 1972

[*20th September, 1972*]

An Act to provide for the acquisition and transfer of shares of Indian insurance companies and undertakings of other existing insurers in order to serve better the needs of the economy by securing the development of general insurance business in the best interests of the community and to ensure that the operation of the economic system does not result in the concentration of wealth to the common detriment, for the regulation and control of such business and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Twenty-third Year of the Republic of India as follows:—

CHAPTER I
PRELIMINARY

1. This Act may be called the General Insurance Business (Nationalisation) Act, 1972. Short title.

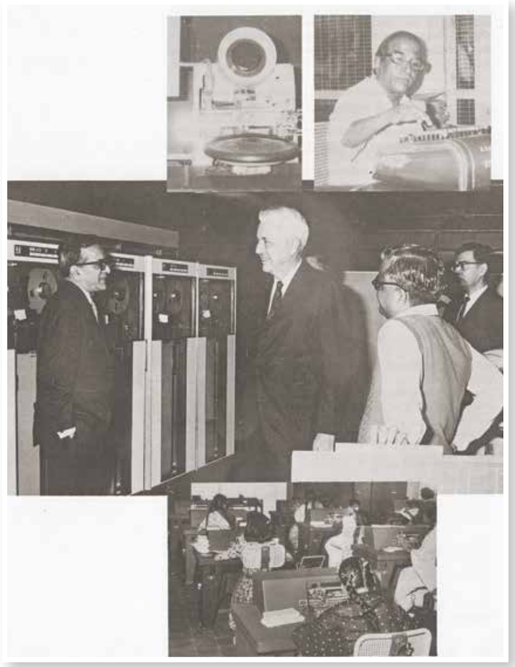
(815)

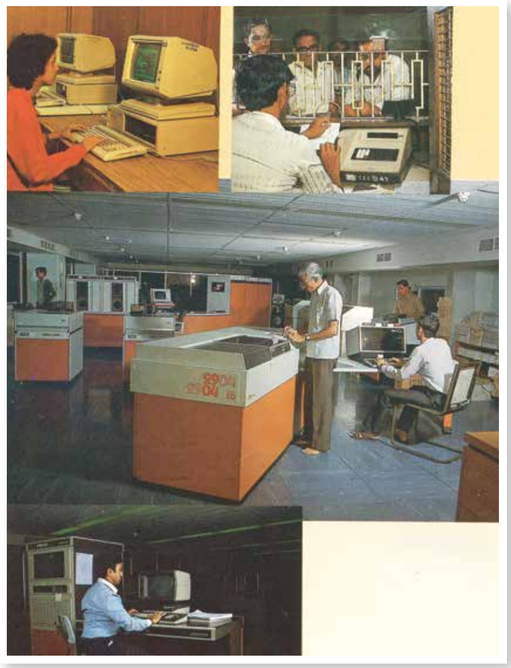
DIGITISATION AND AUTOMATION

The Technical Corporation Mission (TCM) was a significant study by Actuaries as it prompted the introduction of computers in LIC, the first insurance company in India to do so. The study highlighted the need to introduce automation and digitisation in the life insurance sector in India – just like in the USA and Europe.

The computer department, called Electronic Data Processing (EDP), was set up with IBM computers. J T Randive, an Actuary, was appointed as Manager, EDP.

The installation of the computers was in Bombay in 1965 and, from 1967, was used for multiple functions such as record maintenance, policy servicing, etc. However, Actuarial valuations began to be done on computer systems only in later years.





First use of computers in LIC

BEYOND INSURANCE

The Wealth Tax Act of 1957 required that Life Interest and Remainderman Interest under a trust be valued by an Actuary. It also required a figure certified by an Actuary to be included in the wealth of an individual when calculating his or her taxable wealth. A similar provision was present in Estate Duty Act, 1953. An Actuary was required to be a registered valuer under these Acts.

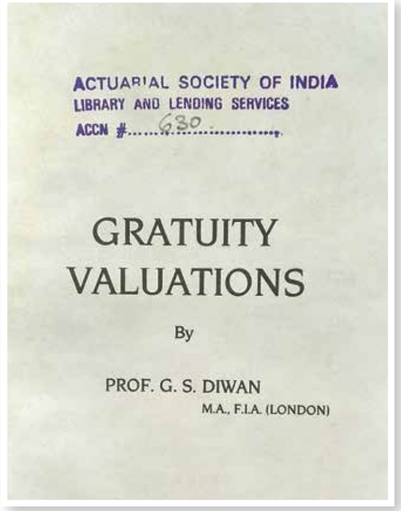
An interesting area of work for Actuaries during this time was evaluation of annuity type contracts between film producers and movie actors. In those days, movie actors demanded long-term regular payments from movie producers as part of the movie fee. This would provide them a running income like annuities. The producers would get these contracts evaluated by Actuaries.

The Payment Of Gratuity Act, 1972

The Payment of Gratuity Act and the Metal Box Company judgement of the Supreme Court emphasised on Actuarial valuations of gratuity liability of companies employing 10 or more employees.

Further, an amendment of the Income-tax Act, 1961 made it mandatory for companies to have an Income-tax Approved Gratuity Fund before December 31, 1974 – whereby 50 per cent of the Actuarial provision made in earlier years (before it became time-barred) was to be deposited before March 31, 1975 and the rest before March 31, 1976, along with ordinary annual contribution to this approved Gratuity Fund to continue receiving an income tax exemption for these Actuarial provisions.

The nationalisation of life insurance companies had reduced the demand for Actuaries. However, these Acts ensured a sustainable demand for Actuaries and helped the profession survive beyond insurance companies.



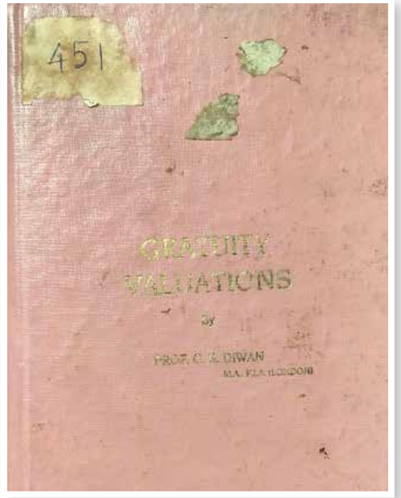


TABLE I.

NUMBER OF INDIANS WHO QUALIFIED AS FELLOWS OF THE INSTITUTE OF ACTUARIES ACCORDING TO YEAR OF QUALIFICATION.

Year of qualification	No.		Year of qualification	No.		Year of qualification	No.	
1934	1		1945	5		1954	10	
1937	3	5	1946	6	16	1955	5	23
1939	1		1947	5		1956	8	
1940	3		1948	6		1957	6	
1941	1	6	1949	8	22	1958	8	20
1942	2		1950	8		1959	6	
			1951	14		1960	4	
			1952	6	30	1961	1	10
			1953	10		1962	5	

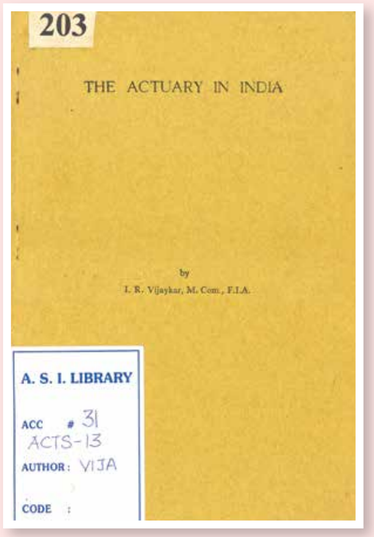


Meeting at ASI addressed by B K Shah

TABLE II

NUMBER OF STUDENTS WHO PASSED PRELIMINARY EXAMINATION OF THE INSTITUTE OF ACTUARIES ACCORDING TO THE YEAR OF PASSING

Year of qualification	No.		Year of qualification	No.	
1948	51		1957	31	
1949	25	122			
1950	46		1958	16	74
1951	32		1959	27	
1952	24	75			
1953	19		1960	34	
			1961	40	100
1954	17				
1955	19	68	1962	26	
1956	32				



BRAIN DRAIN – AN EXODUS OF ACTUARIES

Nationalisation of life insurance companies was a mixed bag of outcomes and although importance was given to the Actuarial profession, the merger of life insurance companies actually reduced the work of Actuaries.

Actuaries were majorly employed by the LIC. Since there was a decline in the number of clients, only a few continued with their consulting practices while some moved to other fields.

Apart from core Actuarial functions, Actuaries employed at LIC were involved in various functions such as Investment, Marketing, etc. To promote Actuarial students, as it was believed that Actuaries should be in top management to ensure effective growth, LIC granted special leaves and incentives to employees pursuing Actuarial studies.

However, this did not go down well with non-Actuarial Class I officers (almost 95 per cent) of LIC. There was a 'movement' of sorts led by non-Actuarial Class I Officers. In the book *The Actuary in LIC: Myth and Reality* J M Sawhney, Secretary, LIC of India Class I Officers (Bombay) Association wrote: "Over the years the management of LIC has helped to push up Actuaries out of all proportions to its genuine needs by giving them accelerated promotions. Despite all big words, the management has failed to shed its bias for Actuaries."

Unhappy with the additional benefits and faster promotions offered to Actuaries in LIC, the non-Actuarial Class I officers strongly opposed what according to them was a "biased" practice. As a result, on July 31, 1971, the Chairman of LIC withdrew all additional benefits and positions offered to Actuaries with retrospective effect. This decision massively reduced the requirement of Actuaries in LIC.

In 1994, the Malhotra Committee reported in Section 14.22 that: "At the time of nationalisation of life insurance, there were 67 Actuaries (Fellow of Institute of Actuaries, London) in the service of LIC. Their number has come down to eleven. This is because of the high cost of pursuing Actuarial courses of study, effort and time required to qualify as an Actuary and absence of commensurate rewards."

The Malhotra Committee report was instrumental in the turn of events that came towards the end of the last century.

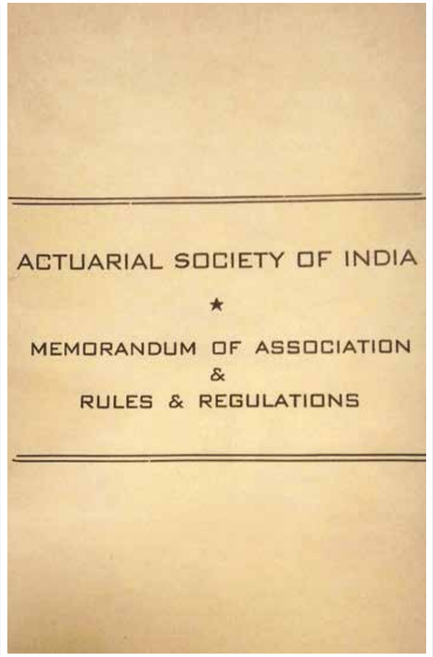
This period brought in many changes in the Actuarial profession and the insurance industry. Some of these changes resulted in major insurance reforms and provided the base for the profession as we know it today.

1982-1998

Setting Out on the Journey

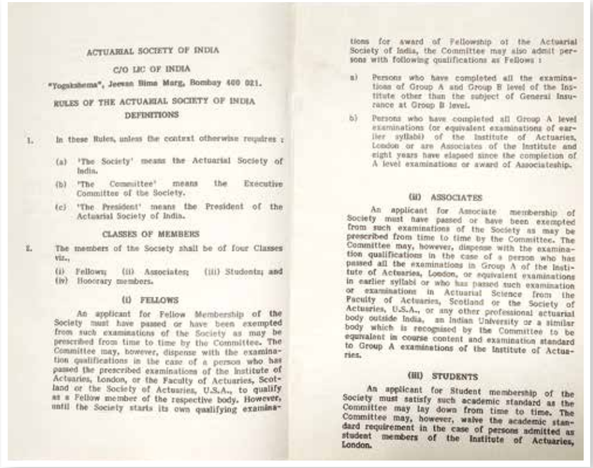
THE LEGAL IDENTITY

In order to formally establish the profession and with long-term growth in mind, the Actuarial Society of India (ASI) decided to take a huge leap. In September 1982, the Society drew up a Memorandum of Association[1] (MoA) to ensure systematic administration of activities of the ASI – copies of which were published and distributed among members of the ASI.



[1]Memorandum of Association – IAI Library

Later that year, on December 14, 1982, after filing the MoA with the Registrar of Societies, ASI was formally registered under the Societies Registration Act XXI of 1860. A couple of months later, ASI also got registered under the Public Charitable Trust Act, 1950 on February 28, 1983. These legal identities enabled the ASI to set out on a new journey.



ACTUARIAL SOCIETY OF INDIA
C/O LIC OF INDIA
"Yogakshema", Jeevan Bima Marg, Bombay 400 021.

RULES OF THE ACTUARIAL SOCIETY OF INDIA
DEFINITIONS

1. In these Rules, unless the context otherwise requires :
(a) 'The Society' means the Actuarial Society of India.
(b) 'The Committee' means the Executive Committee of the Society.
(c) 'The President' means the President of the Actuarial Society of India.

CLASSES OF MEMBERS

2. The members of the Society shall be of four Classes viz.,
(i) Fellows; (ii) Associates; (iii) Students; and (iv) Honorary members.

(i) FELLOWS

An applicant for Fellow Membership of the Society must have passed or have been exempted from such examinations of the Society as may be prescribed from time to time by the Committee. The Committee may, however, dispense with the examination qualifications in the case of a person who has passed the prescribed examinations of the Institute of Actuaries, London, or the Faculty of Actuaries, Scotland or the Society of Actuaries, U.S.A., to qualify as a Fellow member of the respective body. However, until the Society starts its own qualifying examinations for award of Fellowship of the Actuarial Society of India, the Committee may also admit persons with following qualifications as Fellows :

a) Persons who have completed all the examinations of Group A and Group B level of the Institute other than the subject of General Insurance at Group B level.

b) Persons who have completed all Group A level examinations (or equivalent examinations of earlier syllabi of the Institute of Actuaries, London or are Associates of the Institute and eight years have elapsed since the completion of A level examinations or award of Associateship.

(ii) ASSOCIATES

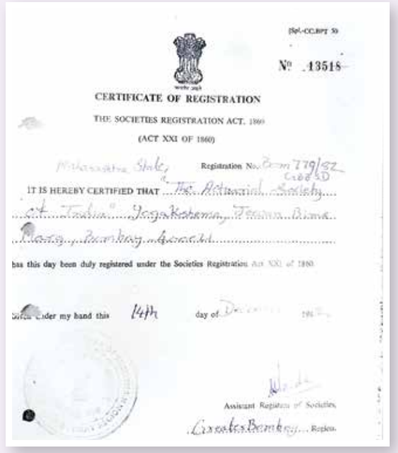
An applicant for Associate membership of Society must have passed or have been exempted from such examinations of the Society as may be prescribed from time to time by the Committee. The Committee may, however, dispense with the examination qualifications in the case of a person who has passed all the examinations in Group A of the Institute of Actuaries, London, or equivalent examinations in earlier syllabi or who has passed such examination or examinations in Actuarial Science from the Faculty of Actuaries, Scotland or the Society of Actuaries, U.S.A., or any other professional actuarial body outside India, an Indian University or a similar body which is recognised by the Committee to be equivalent in course content and examination standard to Group A examinations of the Institute of Actuaries.

(iii) STUDENTS

An applicant for Student membership of the Society must satisfy such academic standard as the Committee may lay down from time to time. The Committee may, however, waive the academic standard requirement in the case of persons admitted as student members of the Institute of Actuaries, London.

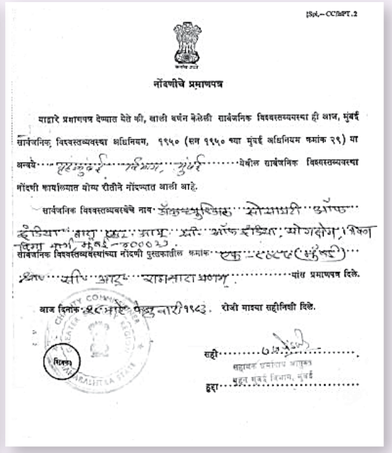
The Executive Committee

One of the most integral parts of the MoA was the formation of the Executive Committee (EC). It was decided that the Committee would consist of 12 Fellow members of the Society, elected by Associate and Fellow members. To function as a professional body, Actuaries such as R K Daruwalla and R M Mehta formed the first Executive Committee (EC) and worked towards the growth of the Actuarial profession.



CERTIFICATE OF REGISTRATION
THE SOCIETIES REGISTRATION ACT, 1860
(ACT XXI OF 1860)
No. 13518
Registration No. Bom 779/82
IT IS HEREBY CERTIFIED THAT
has this day been duly registered under the Societies Registration Act XXI of 1860.
Given under my hand this 14th day of
Assistant Registrar of Societies,
Greater Bombay, Region.

Certificate of Registration under the Societies Registration Act XXI of 1860



नोंदणीचे प्रमाणपत्र

याद्वारे प्रमाणपत्र देण्यात येते की, खाली वर्णन केलेली सार्वजनिक विश्वस्तव्यवस्था ही आज, मुंबई सार्वजनिक विश्वस्तव्यवस्था अधिनियम, १९५० (सन १९५० च्या मुंबई अधिनियम क्रमांक २९) या सनदे... येथील सार्वजनिक विश्वस्तव्यवस्था नोंदणी कार्यालयात योग्य रीतीने नोंदण्यात आली आहे.

सार्वजनिक विश्वस्तव्यवस्थेचे नाव:

दिनांक ... सार्वजनिक विश्वस्तव्यवस्थांच्या नोंदणी पुस्तकातील क्रमांक ... यांस प्रमाणपत्र दिले.

आज दिनांक ... रोजी माझ्या सहीनिशी दिले.

सही
सहायक धर्मादाय आयुक्त
मुंबई शहर विभाग, मुंबई
द्वारा

Certificate of Registration under the Public Charitable Trust Act, 1950

ANNEXURE - I

Sr. No.	Name and Address of the Member	Occupation
1.	Shri R. M. Mehta 10-B, Jeevan Asha 60-A, Peddar Road Bombay 400 026.	Company Director and Actuary.
2.	Shri V. Sesha Ayyar Executive Director (Actl.) L.I.C. of India, Central Office Yogakshema, J.B. Marg Bombay 400 021.	Service
3.	Shri R.K. Daruwalla 41, Lalkaka House 684, Khareghat Road Dadar, Bombay 400 014.	Consulting Actuary
4.	Shri I.R. Vijaykar 3-E, Navroze Apartment 35, Bhulabhai Desai Road Bombay 400 026.	Service
5.	Shri N.K. Parikh F-78, Gujarati Society Nehru Road, Vile Parle Bombay 400 057.	Service
6.	Shri D. Basu Chief (PHS) L.I.C. of India, Central Office Yogakshema, J.B. Marg Bombay 400 021.	Service
7.	Shri D.R. Iyer Chief (O & M) L.I.C. of India, Central Office Yogakshema, J.B. Marg Bombay 400 021.	Service

ANNEXURE - I

Sr. No.	Name and Address of the Member	Occupation
8.	Shri C.R. Ramanarayanan C-20/13 Jeevan Ashyana Co-op Hsg. Society J.B. Nagar, Borivli (W) Bombay 400 103.	Consulting Actuary
9.	Shri V.D. Gadrey 101-3 Block, Kailas Parbhat Society Vidyanagari Marg, Santacruz (E) Bombay 400 098.	Consulting Actuary
10.	Shri M.C. Chakravarti Retirement Benefit Services P-22 Bondel Road, 6th Floor Calcutta 700 019.	Consulting Actuary
11.	Shri V. Govindan Asst. Secretary (Actuarial) L.I.C. of India, Central Office Bombay 400 021.	Service
12.	Shri V. Rajagopalan A.O., EDP Department L.I.C. of India, BDO Yogakshema, J.B. Marg Bombay 400 021.	Service

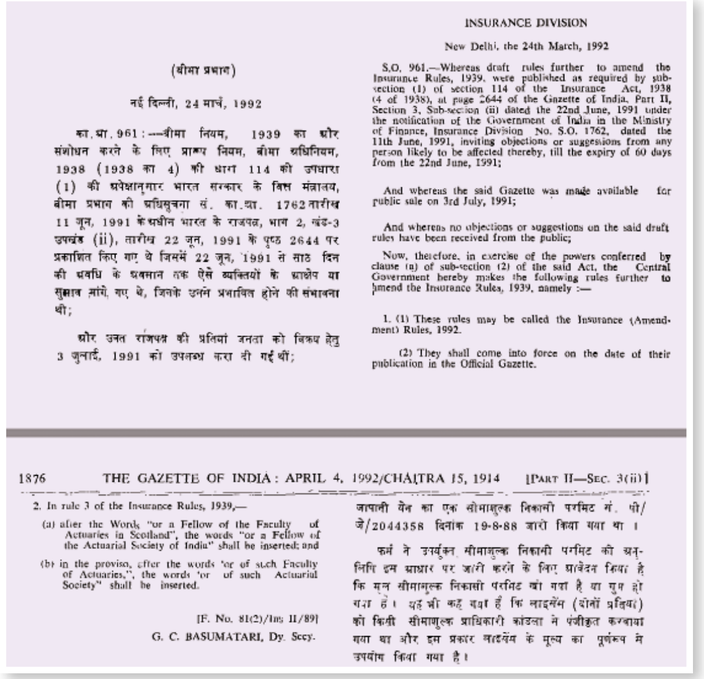
Members of the first Executive Committee

INDIAN ACTUARIAL EXAMINATIONS

Until 1989, members of the ASI were admitted on the basis of examinations conducted by the Institute of Actuaries, London (IoA). In 1983, the ASI formed an Education Committee with the objective of introducing an Indian qualification in the Actuarial profession. Six years later, in 1989, the ASI started conducting its own Actuarial examinations for Associateship. The Fellowship examination also started in 1991. Subsequently, on March 24, 1992, the Government of India officially recognised the Fellowship of Actuarial Society of India by a Gazette notification on Amendment of Rule 3 of the Insurance Rules, 1939 to include a 'Fellow of the Actuarial Society' in the definition of the word 'Actuary'.

In the year 1996, Meena Sidhwani and R Padmaja qualified as the first two Fellows of the Actuarial Society of India. Meena Sidhwani is an example of great courage as despite being differently abled, she qualified as the first Fellow of ASI. In fact, the Meena Sidhwani Award is the symbol of ASI's appreciation of her exemplary attitude.

Tuition course and study material for examinations of the IoA, London is provided through the Actuarial Education Company (ActEd). In 1998, the IoA provided the same material free of cost and free of copyright for use and distribution to Indian students within India for ASI examinations.



(बीमा प्रभाग)

नई दिल्ली, 24 मार्च, 1992

का.आ. 961 :—बीमा नियम, 1939 का और संशोधन करने के लिए प्रारूप नियम, बीमा अधिनियम, 1938 (1938 का 4) की धारा 114 की उपधारा (1) की अपेक्षानुसार भारत सरकार के वित्त मंत्रालय, बीमा प्रभाग की अधिसूचना सं. का.आ. 1762 तारीख 11 जून, 1991 के अधीन भारत के राजपत्र, भाग 2, खंड-3 उपखंड (ii), तारीख 22 जून, 1991 के पृष्ठ 2644 पर प्रकाशित किए गए थे जिसमें 22 जून, 1991 से साठ दिन की अवधि के अवसान तक ऐसे व्यक्तियों के आक्षेप या सुझाव मांगे गए थे, जिनके उससे प्रभावित होने की संभावना थी;

और उक्त राजपत्र की प्रतियां जनता को बिक्री हेतु 3 जुलाई, 1991 को उपलब्ध करा दी गई थीं;

INSURANCE DIVISION

New Delhi, the 24th March, 1992

S.O. 961.—Whereas draft rules further to amend the Insurance Rules, 1939, were published as required by sub-section (1) of section 114 of the Insurance Act, 1938 (4 of 1938), at page 2644 of the Gazette of India, Part II, Section 3, Sub-section (ii) dated the 22nd June, 1991 under the notification of the Government of India in the Ministry of Finance, Insurance Division No. S.O. 1762, dated the 11th June, 1991, inviting objections or suggestions from any person likely to be affected thereby, till the expiry of 60 days from the 22nd June, 1991;

And whereas the said Gazette was made available for public sale on 3rd July, 1991;

And whereas no objections or suggestions on the said draft rules have been received from the public;

Now, therefore, in exercise of the powers conferred by clause (a) of sub-section (2) of the said Act, the Central Government hereby makes the following rules further to amend the Insurance Rules, 1939, namely :—

1. (1) These rules may be called the Insurance (Amendment) Rules, 1992.

(2) They shall come into force on the date of their publication in the Official Gazette.

1876 THE GAZETTE OF INDIA : APRIL 4, 1992/CHAITRA 15, 1914 [PART II—SEC. 3(ii)]

2. In rule 3 of the Insurance Rules, 1939,—

(a) after the Words "or a Fellow of the Faculty of Actuaries in Scotland", the words "or a Fellow of the Actuarial Society of India" shall be inserted; and

(b) in the proviso, after the words "or of such Faculty of Actuaries,", the words "or of such Actuarial Society" shall be inserted.

[F. No. 81(2)/Ins. II/89]

G. C. BASUMATARI, Dy. Secy.

जापानी येन का एक सीमाशुल्क निकासी परमिट सं. पी/जे/2044358 दिनांक 19-8-88 जारी किया गया था ।

फर्म ने उपर्युक्त सीमाशुल्क निकासी परमिट की अन्तर्निहित इस आधार पर जारी करने के लिए आवेदन किया है कि मूल सीमाशुल्क निकासी परमिट खो गया है या गुम हो गया है। यह भी कहा गया है कि लाइसेंस (दोनों प्रतियां) की किसी सीमाशुल्क प्राधिकारी कार्यालय में पंजीकृत करवाया गया था और इस प्रकार लाइसेंस के मूल्य का पूर्णरूप से उपयोग किया गया है।

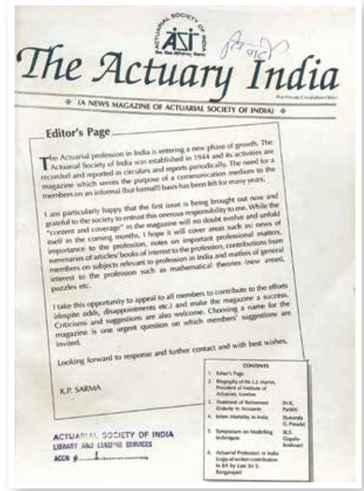
Gazette notification recognising 'Fellow of the Actuarial Society' in the definition of 'Actuary'

THE ACTUARY INDIA MAGAZINE

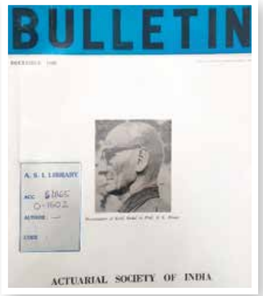
Ever since the establishment of the ASI in 1944, its activities were periodically recorded and reported in circulars and reports. Its first ever publication, the *Bulletin*[2], covering news and various activities was published in December 1980. However, it was stopped after a few issues in 1981.

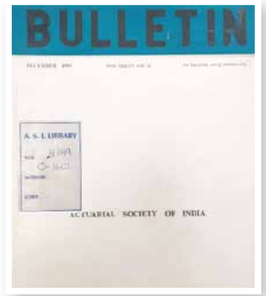
In an EC meeting on May 28, 1987, K P Narasimhan took the responsibility to restart *Bulletin*. However, a more formal publication *The Actuary India*[3] was started only in 1994. It was intended to serve as a medium of communication for ASI members. *The Actuary India* became an important platform for Actuaries to express their views on Actuarial matters such as developing an understanding of regulations, Actuarial methodology, update on new developments, etc. Many important articles which gave expression to the profession, were part of the magazine.

Incidentally, 2019 was the year when the magazine completed 25 years.

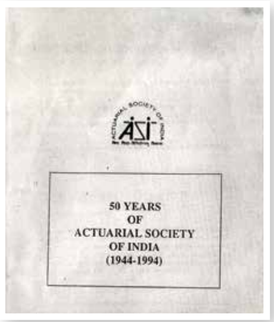








[2] *Bulletin* – IAI Library
[3] *The Actuary India* – IAI Library



FIFTY YEARS OF ASI

The year 1994 marked 50 years of the ASI. During these years, the Actuarial profession went through several highs and lows. ASI members contributed to many Government initiatives, helped in shaping the insurance industry (nationalisation and other endeavours), introduced many global practices in India, worked in investment and employee benefits, and participated in national and international conferences.

On the occasion of its 50th anniversary, the ASI released a booklet which featured a list of past presidents and an article on the Actuarial profession in India by S Rangarajan.



Actuarial Profession in India

Mr. S. Rangarajan

Late Shri S. Rangarajan, M.A., FIA, was formerly President of the Actuarial Society of India and Chairman of Life Insurance Corporation of India. During the centenary celebrations of the Institute of Actuaries, London, the centenary volume of the Institute of Actuaries, London was brought out. Written contribution of Shri Rangarajan to this journal is reproduced below. The contents of the contribution may still be of interest to members of the society.

The profession in India is more than a hundred years old as Mr. Duncan McLauchlan Slater, a Fellow of the Institute, came to India in 1866 to represent some insurers. Later in 1874, he, in association with some prominent Indians, founded the Oriental Government Security Life Assurance Co. Ltd., which later blossomed into the foremost life assurance company of India. He was its founder Manager and Actuary. The company's first valuation was performed in 1877 by Mr. John Hill Williams, the then President of the Institute.

A prominent actuary in the early years of the profession in the country was Mr. H.G.W. Meikle. He was for some years the Actuary of the Oriental and thereafter became Actuary to the Government of India. Other actuaries, who held important positions in Indian insurance companies in the early decades of this century, were Mr. H.E. Jones, Mr. Douglas Forrest and Mr. H.L. Humphreys.

Indians began appearing for the examinations conducted by the Institute from the early years of this century and a few qualified as Associates. Mr. L.S. Vaidyanathan was the first Indian to become a Fellow of the Institute. He qualified in 1926.

Broadly, the history of the actuarial profession in India falls into three periods. The first covers the period till 1942 when the profession was in its infancy, with only a handful of Fellows. However, there was a growing realization among insurance companies of the value of actuarial advice. Several insurance companies were appointing actuaries and actuarial students on their staff. The companies began seeking the advice of their consulting actuaries on a wide range of matters not limited to statutory valuations and premium rates.

The second period covers the years from 1945, when the examinations of the Institute were resumed after the war, till 1956 when life insurance business was nationalized. It was during this period that the actuarial profession in India came into its own. As many as 83 qualified as Fellows. The trend in the insurance industry was to accord to the actuary a status comparable to that enjoyed by his counterpart in the U.K. A number of actuaries became chief executives of life offices and many more rose to senior management positions. Their examples served as an inspiration to many a bright graduate to seek entry into the profession.

The momentous step of nationalization of life insurance business in India, 1956, marked the commencement of the third period. While nationalization was undoubtedly in the interests of the country and the policyholders, it inevitably had a significant impact on the role and development of the profession. Consistently with the positions held by actuaries as managers and senior executives of the companies, a very large number of top positions in the nationalized Corporation was held by actuaries. Notwithstanding this, it was felt that replacement of a large number of independent companies by a single organization could lead to a drastic reduction in the number of positions which were necessarily filled by actuaries and that prospects for new entrants to the profession would be limited. This was reflected in a sharp fall in the number of Indians taking up the examinations of the Institute.

I would, however, point out that the nationalized life insurance industry does continue to offer ample scope for actuaries. The Corporation is organized into a large number of constituent units, namely Divisional Offices, each of which functions within a limited territory and is comparable to an insurance company in its day-to-day operations. Over the years, the Divisional Offices have been entrusted with more and more functions and responsibilities. In this context, a large number of managerial and executive positions with varied functions are available. Actuaries, placed in these positions, have discharged their responsibilities in the manner expected of them because of their training and technical background. What I am trying to stress is that, though the number of positions in the strictly technical fields have become limited, opportunities continue to be available for them to show their ability in a variety of management positions.

Having traced the growth of the profession, I would like to touch briefly on the scope for actuaries outside the field of life insurance. As against fifty actuaries in the life insurance business and six in the Office of the Controller of Insurance who functions also as Government Actuary, eleven are in general insurance. Eleven actuaries are working in industrial or financial institutions in a variety of jobs where their actuarial training and background have stood them in good stead. I expect that in the coming years more and more actuaries will find scope for their talents in wider fields.

I should like to mention a few challenges faced by the Indian actuaries and the manner in which these were met. One of the problems faced immediately after nationalization was laying down the basis for valuation of the Indian business of insurers incorporated outside India to determine the 'excess assets' to be repatriated. In this, the actuarial advisers to the Government of India had the guidance of no less a person than Mr. Redington. The solution which was finally arrived at was accepted as sound and fair.

When life insurance was nationalized, a very large number of companies, varying widely in the pattern of working and in financial strength, were merged into the Life Insurance Corporation of India. The Indian actuaries had to face the problem of fixing in an equitable manner the relative rates of bonuses. The fact that they found an elegant solution is a matter of credit to them.

In a developing country like India, the economic and financial conditions are different from those of developed countries. Whether in the matter of underwriting or investment, the actuary has to take into account the environment and the constraints and find practical solutions consistent with actuarial principles.

India was the first country in the democratic world to nationalize life insurance business. Several countries in Asia and Africa have followed suit. Indian actuaries have given technical assistance to these countries whenever requested.

There have been a few contributions to the *Journal* by the Indian actuaries. These include a note by Mr. D.P. Mishra on *Uniqueness versus multiplicity of the rate of interest in a purely financial transaction (J.I.A., 64, 71)* and a paper on *Mortality of Indian Assured Lives* by Mr. L.S. Vaidyanathan (*J.I.A., 70, 15*). I cannot help feeling that there could have been more contributions from our side to the *Journal*. I hope that the Indian actuaries will make more contributions in the years to come.

The Actuarial Society of India was established in 1945; meetings are held to discuss papers on actuarial subject. Recently we have had two conferences when several subjects of actuarial interest were discussed.

The profession has a considerable part to play in the economic life of our country. We have to attract more and more entrants to the profession. With this in view, the Actuarial Society of India is exploring the possibility of including actuarial subjects in the University curriculum. The remark of Mr. Heywood in his Presidential address, that the public is not sufficiently aware of the services rendered by the profession, applies even more in India. The Society is applying itself to the task of projecting the image of the profession and creating avenues for gainful employment not only in the traditional field but in other spheres as well.



Symposium at Work
A view from the city wall

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Article on Actuarial profession in the booklet released on the 50th anniversary of the ASI

OTHER SIGNIFICANT EVENTS[4]

- The Memorandum of Professional Conduct and Practice passed by the general body meeting of ASI on October 10, 1987 became effective from January 1, 1988.
- In July 1988, the Centennial Celebration Committee invited members of the ASI to participate in the centennial celebrations of the Society of Actuaries, USA, in 1989.
- On September 1, 1991, Hugh Scarfield, president of the Institute of Actuaries, London presented gold medal to R M Mehta and mementos to other members for completing 50 years as Fellows of the Institute of Actuaries, London.
- Actuaries continued to contribute to government initiatives. C R Thakore represented the ASI in a committee that periodically reviewed the working of the BSE index.
- In August 1997, the ASI prepared the first draft of the Institute of Chartered Actuaries of India Act, 1997. On the IRA's (now IRDAI) feedback, a second version of the Institute of Actuaries of India Bill, 1997 was sent to IRDAI in November 1997.
- In November 1997 a decision was taken to introduce General Insurance as a subject in Actuarial examinations – beginning from1999.

[4] Minutes of meetings of Executive Committees, *The Actuary India* magazine



Shri H.L. Jain, Actuary, ESIC, addressing the International Conference at Rome as a delegate from India.



ISSA Conference in May, 1984 at Rome

A report by Shri H. L. Jain

An International Conference on the Application of Methods of Quantitative Analysis to social security was held in Rome from 9th to 11th May, 1984. Shri H.L. Jain, Actuary ESIC, was deputed by the Govt. of India to participate in that Conference. A gist of his report is given below :—

The Conference was organised by the International Social Security Association at the invitation of the National Social Insurance Institute of Italy in collaboration with the International Labour Office. It was attended by about 250 delegates and observers from about 50 countries and by representatives of International Organisations like I L O, Commission of the European Communities, Statistical Office of the European Communities, Organisation for Economic Cooperation and Development, International Actuarial Association etc.

This Conference represented a new formula of the former International Conference of Social Security Actuaries and Statisticians, better adapted to the present needs so as to provide for a dialogue not only between actuaries & statisticians, but also for participation of economists as well as financial and planning experts working in the field of social security.

The Conference dealt mainly with questions connected with the statistical, economic and actuarial analysis of the main problems affecting social security. There were three main items in the agenda of the Conference. These were :

(1) *Techniques applied in the short and medium-term establishment of social security receipts and expenditures.* Reporter : Mr. J.F. CHADELAT, Member, French Institute of Actuaries (France).

(2) *Econometric models and their utilisation in the study of economic effects of social security.* Reporters: Messrs. M.A. COPPINI, Professor, University of Rome and G. LAINA, Economic Adviser, Commission of the European Communities (Italy).

(3) *Present policies and methods regarding the adjustment of longer-term benefits.* Reporter : Mr. C.M. STEWARD, Directing Actuary, Government Actuary's Department (United Kingdom).



In addition to the main items a number of supplementary papers discussing certain important and interesting aspects of the agenda items and giving experiences of certain member countries were also tabled/circulated. The proceedings of the Conference provided a frank and free forum for detailed exchange of views. The background material provided was exhaustive and informative.

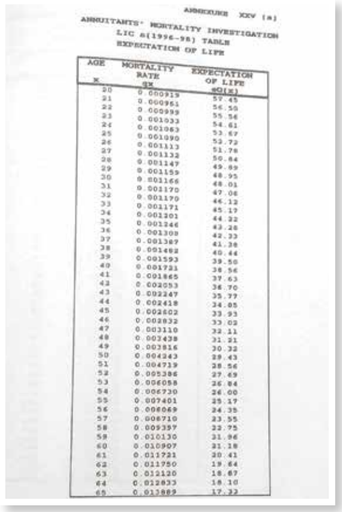
During the course of discussion following the presentation of the report on the first item, I was given an opportunity to speak. I briefly mentioned the salient features of the ESI Scheme with particular reference to its statistical and actuarial aspects and touched upon certain practical problems being encountered in the areas of costing, funding, accounting and forecasting.

Describing, the existing benefits provided by the ESI Scheme are 'Short term' benefits except the two namely, the PDB and the DB which are of a long range incidence. For short-term benefits like Sickness, Maternity, Temporary Disablement, Medical care etc. the "Assessment" or the "Pay-as-you-go" method of finance has been adopted under which the cost is taken as the actual amount of expenditure paid during the accounting year. Thus no "reserves" or "funds" are built up.

For the two long term benefits namely, PDB & DB which are payable for life of the beneficiary a "funding" method has been adopted under which the 'Actuarial present Values' or 'capitalised values' of all expected future payments in respect of cases of disability and death leading to these benefits arising during the accounting year are charged corresponding amounts are carried over annually to two separate funds called the 'PDB Reserve Fund' and the 'DB Reserve Fund'. Each year these reserve funds are credited with interest and debited by the actual payments of periodic pensions made during the year. The level of funding is 100%, in retract of cases of pensions which have actually set in, but no funds are set aside in respect of expected fresh claims. Thus the method adopted is a compromise between the 'assessment' system and the 'funding' system of assessing the liabilities.

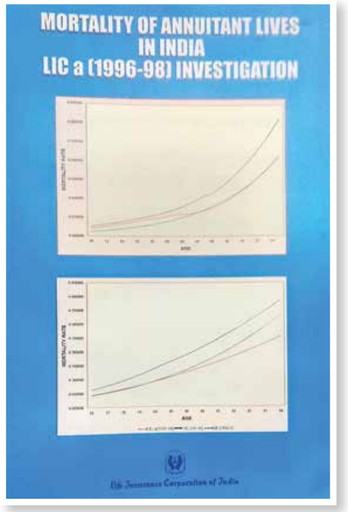
Similarly the Pension Benefit for the employees of the Corporation is also financed on a "fully funded" basis under which the pension contribution at a specified rate expressed as a percentage of emoluments as determined by the Actuary in respect of all employees cover-

A reportage on H L Jain, Actuary, Employees' State Insurance Corporation, addressing an international conference in Rome in 1984

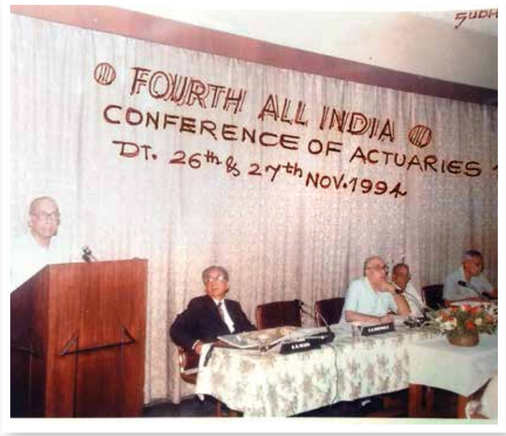


ANNUITANTS' MORTALITY INVESTIGATION
LIC a(1996-98) TABLE
EXPECTATION OF LIFE

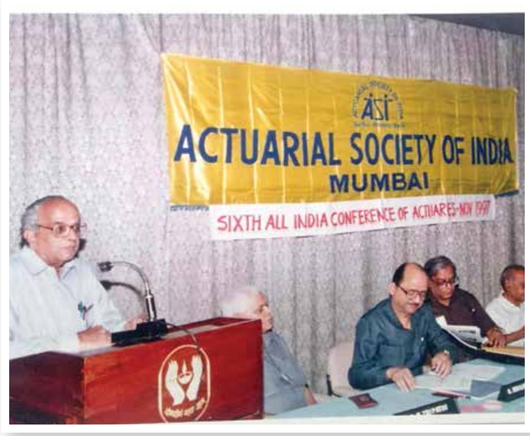
AGE x	MORTALITY RATE qx	EXPECTATION OF LIFE e(x)
20	0.000919	57.45
21	0.000951	56.50
22	0.000999	55.54
23	0.001033	54.61
24	0.001063	53.67
25	0.001090	52.72
26	0.001113	51.78
27	0.001132	50.84
28	0.001147	49.89
29	0.001159	48.95
30	0.001166	48.01
31	0.001170	47.06
32	0.001170	46.12
33	0.001171	45.17
34	0.001201	44.22
35	0.001246	43.26
36	0.001309	42.33
37	0.001387	41.38
38	0.001482	40.44
39	0.001593	39.50
40	0.001721	38.56
41	0.001865	37.63
42	0.002053	36.70
43	0.002247	35.77
44	0.002438	34.85
45	0.002602	33.93
46	0.002832	33.02
47	0.003110	32.11
48	0.003439	31.21
49	0.003816	30.32
50	0.004243	29.43
51	0.004719	28.56
52	0.005286	27.69
53	0.006058	26.84
54	0.006730	26.00
55	0.007401	25.17
56	0.008069	24.35
57	0.008710	23.55
58	0.009397	22.75
59	0.010130	21.96
60	0.010907	21.18
61	0.011721	20.41
62	0.011750	19.64
63	0.012120	18.87
64	0.012833	18.10
65	0.013889	17.32



Mortality of Annuitant Lives in India Investigation LIC–1996-98 by P C Gupta, G N Agarwal and Meena Sidhwani. This was the first mortality investigation of annuitant lives by the LIC.



The 4th All India Conference of Actuaries, November 1994



The 6th All India Conference of Actuaries, November 1997

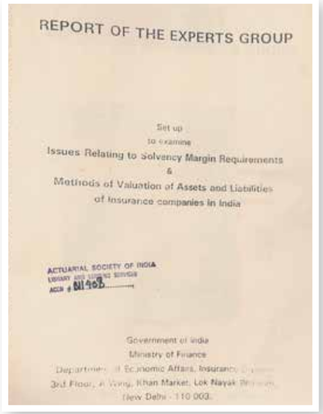
OPENING UP OF THE INSURANCE SECTOR

The Mukherjee Committee[5]

Formed by the Government of India, on December 7, 1994, to examine issues related to 'solvency margin requirements' and 'methods of valuation of assets and liabilities of insurance companies', the five-member Mukherjee Committee significantly had three Actuaries – R Ramakrishnan (former President, ASI), K P Sarma and P I Majmudar.

The committee which submitted its report on May 5, 1995 highlighted the importance of the role of Actuaries in valuation of liabilities in the insurance industry and in reinsurance arrangement for a life insurance company, in addition to the role of Actuaries in life offices.

It also recommended the ASI to come up with a proper code of conduct so that guidelines could be issued for gratuity and pension schemes. Last but not the least, it put forward the importance of a system of Appointed Actuaries and how an independent department headed by a Government Actuary could help various Ministries and public sector bodies with the Actuarial aspects of their respective departments.

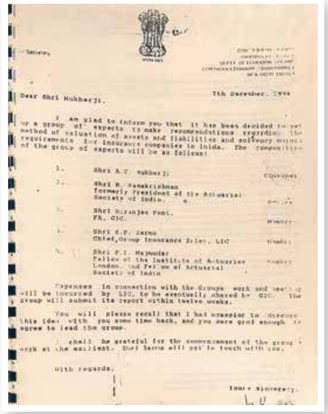


REPORT OF THE EXPERTS GROUP

Set up
to examine
Issues Relating to Solvency Margin Requirements
&
Methods of Valuation of Assets and Liabilities
of Insurance companies in India

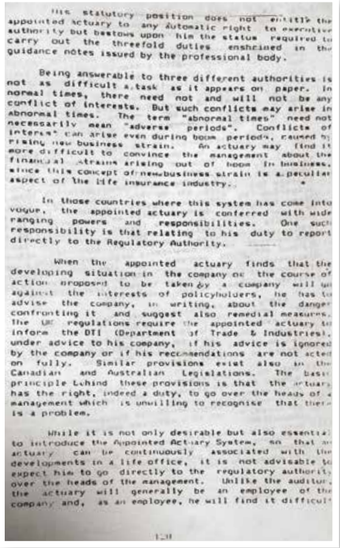
ACTUARIAL SOCIETY OF INDIA

Government of India
Ministry of Finance



Dear Shri Mukherji,

7th December, 1994



Role of Actuary in General Insurance

13.43 Role of actuary in the field of general insurance business is gradually being recognised and actuarial techniques are increasingly in use in the conduct of general insurance business.

Services of an actuary are being utilised mainly in respect of loss reserving and premium reserving. Often the actuary is required to report on the financial soundness of a general insurance company. This would call for reporting on other areas like premium and reinsurance adequacy and solvency margins.

Government Actuary

13.44 While on the subject of Appointed Actuary, it is necessary to make mention of a unique feature of the life insurance system, viz. the office of the Government Actuary.

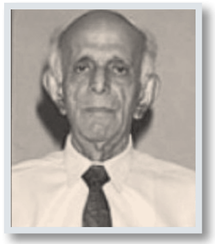
Mukherjee Committee recommendations

The Malhotra Committee[5]

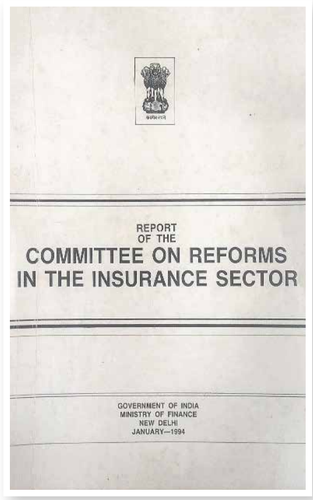
By the year 1991, the Government of India had begun planning economic reforms in the country, including those for the insurance sector. The process of reopening the insurance business to private sector participation was initiated when the central government formed a committee in 1993, spearheaded by former Finance Secretary and Governor of the Reserve Bank of India, R N Malhotra.

The Malhotra Committee, which also included two Actuaries, comprised the Chairman R N Malhotra, R Narayanan, R K Daruwalla (Past President, ASI), Prasanna Chandra, Dr S A Dave, R Ramakrishnan (President, ASI), Deepak Parekh and M P Modi.

The report emphasised the importance of Actuaries in the insurance industry and the need to ensure that adequate number of Actuaries are available for the sector.



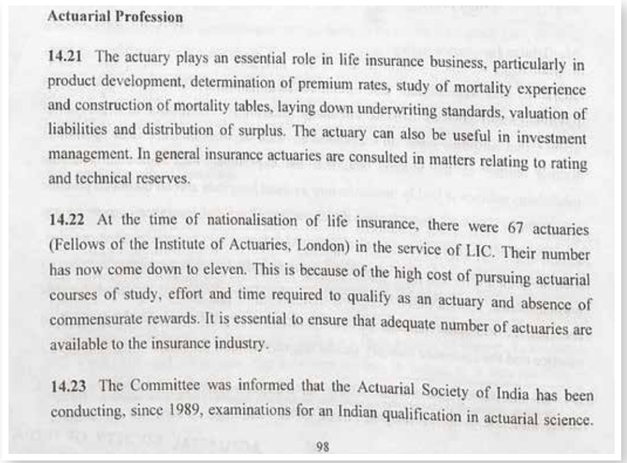
R Ramakrishnan


REPORT
OF THE
COMMITTEE ON REFORMS
IN THE INSURANCE SECTOR

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
NEW DELHI
JANUARY—1994


GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RESOLUTION


Actuarial Profession

14.21 The actuary plays an essential role in life insurance business, particularly in product development, determination of premium rates, study of mortality experience and construction of mortality tables, laying down underwriting standards, valuation of liabilities and distribution of surplus. The actuary can also be useful in investment management. In general insurance actuaries are consulted in matters relating to rating and technical reserves.

14.22 At the time of nationalisation of life insurance, there were 67 actuaries (Fellows of the Institute of Actuaries, London) in the service of LIC. Their number has now come down to eleven. This is because of the high cost of pursuing actuarial courses of study, effort and time required to qualify as an actuary and absence of commensurate rewards. It is essential to ensure that adequate number of actuaries are available to the insurance industry.

14.23 The Committee was informed that the Actuarial Society of India has been conducting, since 1989, examinations for an Indian qualification in actuarial science.

98

Part of report talking about Actuarial Profession and its concerns

[5] IAI Library



Credit: *The Legacy of a Leader: New India Assurance - 1919 Onwards*

R N Malhotra (middle), R Ramakrishnan (third from left), R K Daruwalla (fourth from right), Deepak Parekh (third from right) with other members of the Malhotra Committee

Of the many recommendations given by the Malhotra Committee, a few directly concerned the Actuarial profession:

- LIC to publish revised mortality table and review 'without profit' premium rates periodically, at least once in three years.
- Setting up of a multi-member statutory body, the Insurance Regulatory Authority (IRA), similar to SEBI. IRA should have a full-time chairperson, two full-time and some part-time members. One member should have a strong GI background and another life insurance background, preferably with Actuarial qualification.
- The insurance industry to extend necessary financial assistance to ASI.
- Amendment of Rule 3 of Insurance Rules, 1939 so as to define only 'Fellow of ASI' as an Actuary.



R N Malhotra, the Chairman of the Malhotra Committee

However, its most significant recommendations (although they did not concern the Actuarial profession) were:

- Allow the private sector to enter the insurance industry and no single company to be allowed to transact both life and general insurance.
- Permitting foreign companies to enter, given that they are required to float an Indian company for that purpose.

These recommendations paved the way for the creation of what is now the Insurance Regulatory and Development Authority of India (IRDAI). It also allowed private as well as foreign investors to enter India's insurance market. Although formation of IRDAI and privatisation did not have any immediate impact on the Actuarial profession, its impact in the insurance sector marked the beginning of a new era for the Actuarial profession. It enthused the profession to rise again.

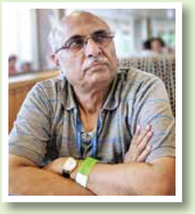


A key challenge early on was to attract talented candidates to join this profession. I used to visit colleges in Bangalore to recruit bright maths/stats graduates as actuarial trainees for our company. Another challenge was getting international recognition for the Indian exams. Apart from the challenges in securing mutual recognition arrangements, the members also had to secure accreditation of the overseas employers....Ten years later, I was pleasantly surprised one day to hear about the high standards of the Indian actuarial exams through some Australian actuaries.

– Raju Seetharaman, Former Executive Committee Member

April 19, 2000 - It was the day on which IRDA borne to regulate the insurance industry in India. Before that, life insurance business was transacted by LIC of India only. IRDA recognized that an insurer shall not function without an Appointed Actuary. It directed the insurers to keep the Appointed Actuaries as their employees, so that they could be part of the activities of the insurer.

– K Subrahmanyam, Council Member, IAI





It was mere serendipity that I entered the actuarial profession in the year 1991....I had the fortune to occupy the front seat and witness its growth through infancy, childhood, adolescence and now adulthood....However,....We need to continue building upon existing skills, equip our members with new skills....This decade will be an era where 'ABCD'—artificial intelligence, block chain, cloud and data, would become the alphabets of the future.... An exciting future beckons!

– Hema Malini , who worked with IRDAI

Early 2000, a palpable sense of exuberance and hope had set in within the Indian actuarial community as the insurance industry opened up. In the professional body, there was a change of guard with young (-ish?!) actuaries becoming more involved and taking on leadership roles. We were all excited to be a part of what we saw was a defining moment for the Indian actuarial profession. No one talked of challenges then; all we saw were opportunities and there was no dearth of them.

– S Madhusudhanan, former Executive Committee Member



1999-2005

A Kink in the Graph

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (IRDAI)

Based on the recommendations made by the Malhotra Committee, the Government of India, in December 1996, introduced the Insurance Regulatory Authority Bill (IRA Bill) which was later renamed as the Insurance Regulatory and Development Authority Bill, 1998. On enactment, the Insurance Regulatory and Development Authority Act, 1999 came into being in December, 1999. The Act effected the establishment and incorporation of an authority to be called 'Insurance Regulatory and Development Authority' (IRDA). The IRDA was constituted on April 19, 2000 and began functioning on the same day itself with N Rangachary as its first chairperson and a team of four whole-time members and two part-time members. Section 3 of the Act requires appointment of "at least one person…having knowledge or experience in…Actuarial Science", in the authority. Thus, the position of Member Actuary[1]. The emphasis on Actuarial profession was clearly specified.

The Act further strengthened the role of Actuaries in insurance companies by modifying the Insurance Act, 1938 in the following ways:

- The life insurance companies transacting in India were now required to have an investigation into its financial condition by an Actuary "every year", instead of every two years
- Every insurer was required to submit "abstract of the report of the Actuary"
- The IRDA could "employ an auditor or Actuary or both for the purpose of assisting him in any investigation"
- Life insurers were required to furnish statement of the required solvency margin "certified by the Actuary approved by the Authority"

The IRDA opened up the Indian Insurance Market for private sector participation in August 2000.

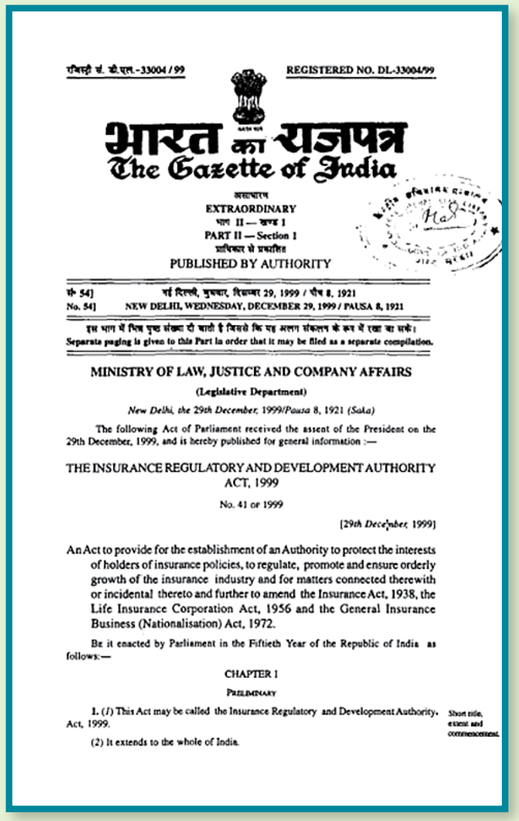


N Rangachary, first chairperson of the IRDA



J Hari Narayan, former chairperson of the IRDA

[1] https://shodhganga.inflibnet.ac.in/bitstream/10603/204874/8/08_chapter%204.pdf



रजिस्ट्री सं. डी.एल.-33004/99 REGISTERED NO. DL-33004/99

भारत का राजपत्र
The Gazette of India

असाधारण
EXTRAORDINARY
भाग II — खण्ड 1
PART II — Section 1
प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

सं. 54] नई दिल्ली, बुधवार, दिसम्बर 29, 1999 / पौष 8, 1921
No. 54] NEW DELHI, WEDNESDAY, DECEMBER 29, 1999 / PAUSA 8, 1921

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS

(Legislative Department)

New Delhi, the 29th December, 1999/Pausa 8, 1921 (Saka)

The following Act of Parliament received the assent of the President on the 29th December, 1999, and is hereby published for general information :—

THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY ACT, 1999

No. 41 OF 1999

[29*th December*, 1999]

An Act to provide for the establishment of an Authority to protect the interests of holders of insurance policies, to regulate, promote and ensure orderly growth of the insurance industry and for matters connected therewith or incidental thereto and further to amend the Insurance Act, 1938, the Life Insurance Corporation Act, 1956 and the General Insurance Business (Nationalisation) Act, 1972.

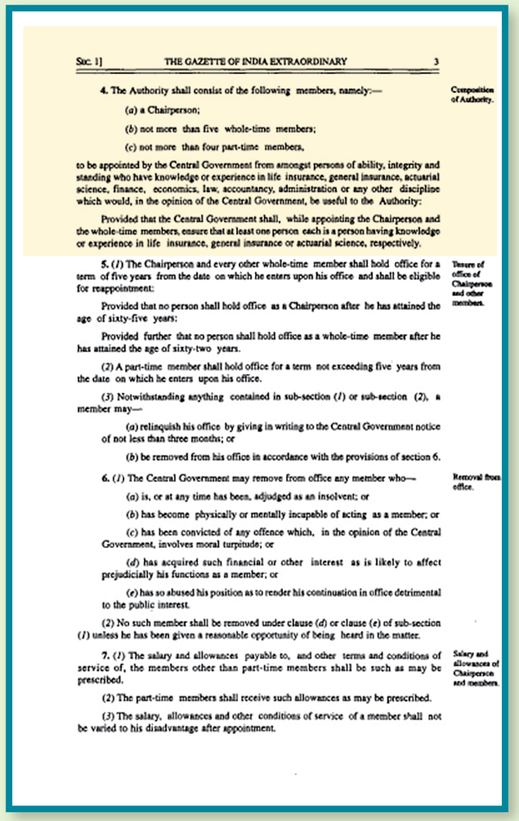
Be it enacted by Parliament in the Fiftieth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (*1*) This Act may be called the Insurance Regulatory and Development Authority Act, 1999. — Short title, extent and commencement.

(*2*) It extends to the whole of India.



Sec. 1] THE GAZETTE OF INDIA EXTRAORDINARY 3

4. The Authority shall consist of the following members, namely:— — Composition of Authority.

(*a*) a Chairperson;

(*b*) not more than five whole-time members;

(*c*) not more than four part-time members,

to be appointed by the Central Government from amongst persons of ability, integrity and standing who have knowledge or experience in life insurance, general insurance, actuarial science, finance, economics, law, accountancy, administration or any other discipline which would, in the opinion of the Central Government, be useful to the Authority:

Provided that the Central Government shall, while appointing the Chairperson and the whole-time members, ensure that at least one person each is a person having knowledge or experience in life insurance, general insurance or actuarial science, respectively.

5. (*1*) The Chairperson and every other whole-time member shall hold office for a term of five years from the date on which he enters upon his office and shall be eligible for reappointment: — Tenure of office of Chairperson and other members.

Provided that no person shall hold office as a Chairperson after he has attained the age of sixty-five years:

Provided further that no person shall hold office as a whole-time member after he has attained the age of sixty-two years.

(*2*) A part-time member shall hold office for a term not exceeding five years from the date on which he enters upon his office.

(*3*) Notwithstanding anything contained in sub-section (*1*) or sub-section (*2*), a member may—

(*a*) relinquish his office by giving in writing to the Central Government notice of not less than three months; or

(*b*) be removed from his office in accordance with the provisions of section 6.

6. (*1*) The Central Government may remove from office any member who— — Removal from office.

(*a*) is, or at any time has been, adjudged as an insolvent; or

(*b*) has become physically or mentally incapable of acting as a member; or

(*c*) has been convicted of any offence which, in the opinion of the Central Government, involves moral turpitude; or

(*d*) has acquired such financial or other interest as is likely to affect prejudicially his functions as a member; or

(*e*) has so abused his position as to render his continuation in office detrimental to the public interest.

(*2*) No such member shall be removed under clause (*d*) or clause (*e*) of sub-section (*1*) unless he has been given a reasonable opportunity of being heard in the matter.

7. (*1*) The salary and allowances payable to, and other terms and conditions of service of, the members other than part-time members shall be such as may be prescribed. — Salary and allowances of Chairperson and members.

(*2*) The part-time members shall receive such allowances as may be prescribed.

(*3*) The salary, allowances and other conditions of service of a member shall not be varied to his disadvantage after appointment.

IRDA Act, 1999

The Authority has the power to frame regulations under Section 114A of the Insurance Act, 1938. IRDA issued IRDA (Appointed Actuary) Regulations and IRDA (Assets, Liabilities and Solvency Margin of Insurers) Regulations in 2000.

The IRDA (Appointed Actuary) Regulations, 2000 required "an insurer registered to carry on insurance business in India shall….appoint an Actuary, who shall be known as the 'Appointed Actuary'". Being "a Fellow Member of the Actuarial Society of India" (which later on became Institute of Actuaries of India under Actuaries Act, 2006), and possessing "a Certificate of Practice issued by the Actuarial Society of India" were two of the most important eligibility criteria under these regulations. In addition, this person was required to be approved by the IRDA.

The regulations also defined the powers and responsibilities of an Appointed Actuary. Some of the key responsibilities of the Appointed Actuary were:

- "rendering Actuarial advice to the management of the insurer, in the areas of product design and pricing, insurance contract wording, investments and reinsurance"
- "ensuring the solvency of the insurer at all times"
- "complying with the provisions of the section 64V of the Act in regard to certification of the assets and liabilities"
- "complying with the provisions of the section 64 VA of the Act in regard to maintenance of required solvency margin"

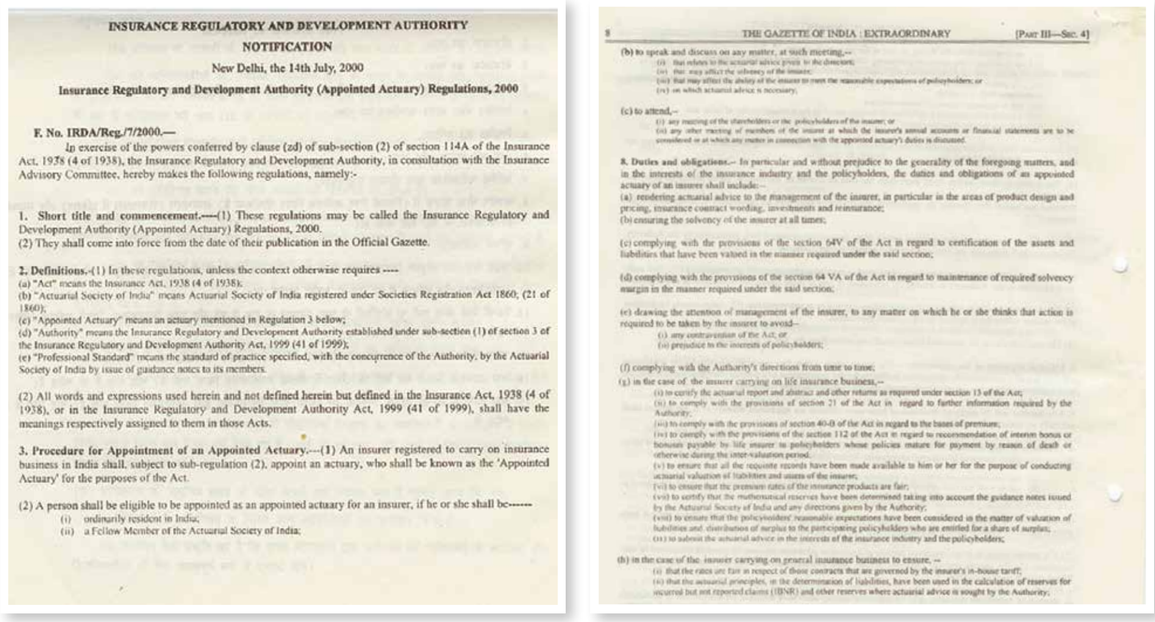
In addition, in life insurance companies, an Appointed Actuary was required to:

- "certify the Actuarial report and abstract and other returns"
- recommend "interim bonus or bonuses payable by life insurer to policyholders"
- ensure quality of policy data used for Actuarial valuations
- ensure that "the premium rates of the insurance products are fair"
- certify the mathematical reserves

and, Appointed Actuary of general insurance companies needed to ensure that:

- "the rates are fair…"
- "the Actuarial principles, in the determination of liabilities, have been used in the calculation of reserves for incurred but not reported claims (IBNR) and other reserves"

The responsibilities of an Appointed Actuary meant that the insurers not just needed one Actuary but a team of members, who were fully aware of Actuarial principles and methods, to support him/her in carrying out these responsibilities. This increased the demand for Actuaries in insurance companies in India significantly.



INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

NOTIFICATION

New Delhi, the 14th July, 2000

Insurance Regulatory and Development Authority (Appointed Actuary) Regulations, 2000

F. No. IRDA/Reg./7/2000.—

In exercise of the powers conferred by clause (zd) of sub-section (2) of section 114A of the Insurance Act, 1938 (4 of 1938), the Insurance Regulatory and Development Authority, in consultation with the Insurance Advisory Committee, hereby makes the following regulations, namely:-

1. Short title and commencement.—(1) These regulations may be called the Insurance Regulatory and Development Authority (Appointed Actuary) Regulations, 2000.

(2) They shall come into force from the date of their publication in the Official Gazette.

2. Definitions.-(1) In these regulations, unless the context otherwise requires ----

(a) "Act" means the Insurance Act, 1938 (4 of 1938);

(b) "Actuarial Society of India" means Actuarial Society of India registered under Societies Registration Act 1860; (21 of 1860);

(c) "Appointed Actuary" means an actuary mentioned in Regulation 3 below;

(d) "Authority" means the Insurance Regulatory and Development Authority established under sub-section (1) of section 3 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);

(e) "Professional Standard" means the standard of practice specified, with the concurrence of the Authority, by the Actuarial Society of India by issue of guidance notes to its members.

(2) All words and expressions used herein and not defined herein but defined in the Insurance Act, 1938 (4 of 1938), or in the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999), shall have the meanings respectively assigned to them in those Acts.

3. Procedure for Appointment of an Appointed Actuary.—(1) An insurer registered to carry on insurance business in India shall, subject to sub-regulation (2), appoint an actuary, who shall be known as the 'Appointed Actuary' for the purposes of the Act.

(2) A person shall be eligible to be appointed as an appointed actuary for an insurer, if he or she shall be------

(i) ordinarily resident in India;

(ii) a Fellow Member of the Actuarial Society of India;

(b) to speak and discuss on any matter, at such meeting,—

(i) that relates to the actuarial advice given to the directors;

(ii) that may affect the solvency of the insurer;

(iii) that may affect the ability of the insurer to meet the reasonable expectations of policyholders; or

(iv) on which actuarial advice is necessary;

(c) to attend,—

(i) any meeting of the shareholders or the policyholders of the insurer; or

(ii) any other meeting of members of the insurer at which the insurer's annual accounts or financial statements are to be considered or at which any matter in connection with the appointed actuary's duties is discussed.

8. Duties and obligations.— In particular and without prejudice to the generality of the foregoing matters, and in the interests of the insurance industry and the policyholders, the duties and obligations of an appointed actuary of an insurer shall include:—

(a) rendering actuarial advice to the management of the insurer, in particular in the areas of product design and pricing, insurance contract wording, investments and reinsurance;

(b) ensuring the solvency of the insurer at all times;

(c) complying with the provisions of the section 64V of the Act in regard to certification of the assets and liabilities that have been valued in the manner required under the said section;

(d) complying with the provisions of the section 64 VA of the Act in regard to maintenance of required solvency margin in the manner required under the said section;

(e) drawing the attention of management of the insurer, to any matter on which he or she thinks that action is required to be taken by the insurer to avoid—

(i) any contravention of the Act; or

(ii) prejudice to the interests of policyholders;

(f) complying with the Authority's directions from time to time;

(g) in the case of the insurer carrying on life insurance business,—

(i) to certify the actuarial report and abstract and other returns as required under section 13 of the Act;

(ii) to comply with the provisions of section 21 of the Act in regard to further information required by the Authority;

(iii) to comply with the provisions of section 40-B of the Act in regard to the bases of premium;

(iv) to comply with the provisions of the section 112 of the Act in regard to recommendation of interim bonus or bonuses payable by life insurer to policyholders whose policies mature for payment by reason of death or otherwise during the inter-valuation period;

(v) to ensure that all the requisite records have been made available to him or her for the purpose of conducting actuarial valuation of liabilities and assets of the insurer;

(vi) to ensure that the premium rates of the insurance products are fair;

(vii) to certify that the mathematical reserves have been determined taking into account the guidance notes issued by the Actuarial Society of India and any directions given by the Authority;

(viii) to ensure that the policyholders' reasonable expectations have been considered in the matter of valuation of liabilities and distribution of surplus to the participating policyholders who are entitled for a share of surplus;

(ix) to submit the actuarial advice in the interests of the insurance industry and the policyholders;

(h) in the case of the insurer carrying on general insurance business to ensure, —

(i) that the rates are fair in respect of those contracts that are governed by the insurer's in-house tariff;

(ii) that the actuarial principles, in the determination of liabilities, have been used in the calculation of reserves for incurred but not reported claims (IBNR) and other reserves where actuarial advice is sought by the Authority;

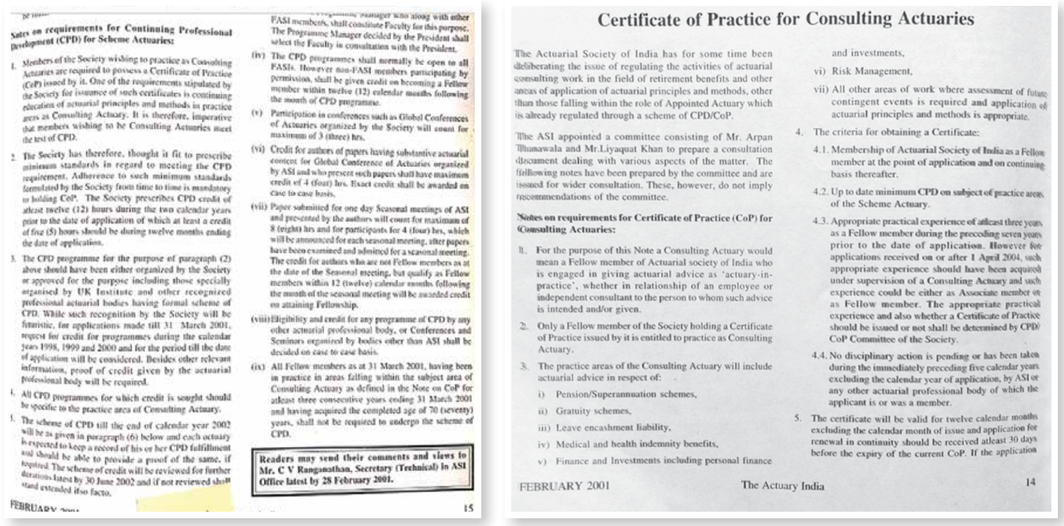
IRDA (Appointed Actuary) Regulations, 2000

A NEW DAWN

The creation of the insurance regulator, opening up of the insurance industry for private sector participants and the new regulations, especially the newly formed 'Appointed Actuary System' created a spike in the demand for Actuaries in India. It was time for the Actuarial profession in the country to take a leap and welcome the new dawn.

The Actuarial Society of India (ASI) moved in tandem with the IRDA to keep all Actuarial related statutory and professional developments in coherence.

In response to the IRDA (Appointed Actuary) Regulations 2000, in February 2001, the first draft of the Continuing Professional Development (CPD) requirements and process of Certificate of Practice (CoP) issuance was published in *The Actuary India* magazine. The ASI on November 1, 2001, issued the Actuarial Practice Standard (APS) 1: Appointed Actuary and Life Insurance Business.



Notes on requirements for Continuing Professional Development (CPD) for Scheme Actuaries:

1. Members of the Society wishing to practice as Consulting Actuaries are required to possess a Certificate of Practice (CoP) issued by it. One of the requirements stipulated by the Society for issuance of such certificates is continuing education of actuarial principles and methods in practice areas as Consulting Actuary. It is therefore, imperative that members wishing to be Consulting Actuaries meet the test of CPD.
2. The Society has therefore, thought it fit to prescribe minimum standards in regard to meeting the CPD requirement. Adherence to such minimum standards formulated by the Society from time to time is mandatory to holding CoP. The Society prescribes CPD credit of atleast twelve (12) hours during the two calendar years prior to the date of application of which at least a credit of five (5) hours should be during twelve months ending the date of application.
3. The CPD programme for the purpose of paragraph (2) above should have been either organized by the Society or approved for the purpose including those specially organised by UK Institute and other recognized professional actuarial bodies having formal scheme of CPD. While such recognition by the Society will be futuristic, for applications made till 31 March 2001, request for credit for programmes during the calendar years 1998, 1999 and 2000 and for the period till the date of application will be considered. Besides other relevant information, proof of credit given by the actuarial professional body will be required.
4. All CPD programmes for which credit is sought should be specific to the practice area of Consulting Actuary.
5. The scheme of CPD till the end of calendar year 2002 will be as given in paragraph (6) below and each actuary is expected to keep a record of his or her CPD fulfillment and should be able to provide a proof of the same, if required. The scheme of credit will be reviewed for further durations listed by 30 June 2002 and if not reviewed shall stand extended ipso facto.

(iv) The CPD programmes shall normally be open to all FASIs. However non-FASI members participating by permission, shall be given credit on becoming a Fellow member within twelve (12) calendar months following the month of CPD programme.

(v) Participation in conferences such as Global Conferences of Actuaries organized by the Society will count for maximum of 3 (three) hrs.

(vi) Credit for authors of papers having substantive actuarial content for Global Conference of Actuaries organized by ASI and who present such papers shall have maximum credit of 4 (four) hrs. Exact credit shall be awarded on case to case basis.

(vii) Paper submitted for one day Seasonal meetings of ASI and presented by the authors will count for maximum of 8 (eight) hrs and for participants for 4 (four) hrs, which will be announced for each seasonal meeting, after papers have been examined and admitted for a seasonal meeting. The credit for authors who are not Fellow members as at the date of the Seasonal meeting, but qualify as Fellow members within 12 (twelve) calendar months following the month of the seasonal meeting will be awarded credit on attaining Fellowship.

(viii) Eligibility and credit for any programme of CPD by any other actuarial professional body, or Conferences and Seminars organized by bodies other than ASI shall be decided on case to case basis.

(ix) All Fellow members as at 31 March 2001, having been in practice in areas falling within the subject area of Consulting Actuary as defined in the Note on CoP for atleast three consecutive years ending 31 March 2001 and having acquired the completed age of 70 (seventy) years, shall not be required to undergo the scheme of CPD.

Readers may send their comments and views to Mr. C V Ranganathan, Secretary (Technical) in ASI Office latest by 28 February 2001.

FEBRUARY 2001 15

Certificate of Practice for Consulting Actuaries

The Actuarial Society of India has for some time been deliberating the issue of regulating the activities of actuarial consulting work in the field of retirement benefits and other areas of application of actuarial principles and methods, other than those falling within the role of Appointed Actuary which is already regulated through a scheme of CPD/CoP.

The ASI appointed a committee consisting of Mr. Arpan Thanawala and Mr.Liyaquat Khan to prepare a consultation document dealing with various aspects of the matter. The following notes have been prepared by the committee and are issued for wider consultation. These, however, do not imply recommendations of the committee.

Notes on requirements for Certificate of Practice (CoP) for Consulting Actuaries:

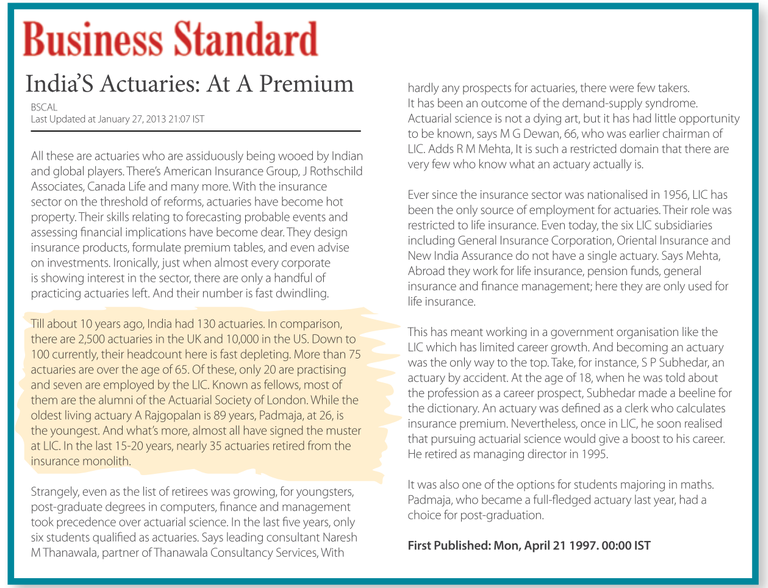
1. For the purpose of this Note a Consulting Actuary would mean a Fellow member of Actuarial society of India who is engaged in giving actuarial advice as 'actuary-in-practice', whether in relationship of an employee or independent consultant to the person to whom such advice is intended and/or given.
2. Only a Fellow member of the Society holding a Certificate of Practice issued by it is entitled to practice as Consulting Actuary.
3. The practice areas of the Consulting Actuary will include actuarial advice in respect of:
   i) Pension/Superannuation schemes,
   ii) Gratuity schemes,
   iii) Leave encashment liability,
   iv) Medical and health indemnity benefits,
   v) Finance and Investments including personal finance and investments,
   vi) Risk Management,
   vii) All other areas of work where assessment of future contingent events is required and application of actuarial principles and methods is appropriate.
4. The criteria for obtaining a Certificate:
   4.1. Membership of Actuarial Society of India as a Fellow member at the point of application and on continuing basis thereafter.
   4.2. Up to date minimum CPD on subject of practice areas of the Scheme Actuary.
   4.3. Appropriate practical experience of atleast three years as a Fellow member during the preceding seven years prior to the date of application. However for applications received on or after 1 April 2004, such appropriate experience should have been acquired under supervision of a Consulting Actuary and such experience could be either as Associate member or as Fellow member. The appropriate practical experience and also whether a Certificate of Practice should be issued or not shall be determined by CPD/CoP Committee of the Society.
   4.4. No disciplinary action is pending or has been taken during the immediately preceding five calendar years excluding the calendar year of application, by ASI or any other actuarial professional body of which the applicant is or was a member.
5. The certificate will be valid for twelve calendar months excluding the calendar month of issue and application for renewal in continuity should be received atleast 30 days before the expiry of the current CoP. If the application

FEBRUARY 2001 The Actuary India 14

CPD and CoP announcements in the February 2001 edition of The Actuary India magazine

However, the ASI needed to attend to another major issue. As per the *Business Standard* dated April 21, 1997[2], out of 100 Fellow Actuaries in India, almost 75 had retired. With many companies knocking the doors of IRDA for approval to enter the insurance market, the available number of actively working Actuaries was too small to meet the demand. It is difficult to fathom that the number of actively working qualified Fellows in India at that time were less than the number of Actuarial employees working today in a medium-sized life insurance company. In addition, it was also required that the Actuaries working in these new insurance companies were well-equipped with the latest global trends and standards in insurance markets, and knew how to adopt them in India. Such attributes were not available in the Actuaries who had been working only in India.

Private sector opened with foreign participants in collaboration with Indian partners. Insurance expertise was brought in by foreign participants, while Indian participants brought in their brand image. The ASI had to seek Actuarial resources, particularly from those countries where these foreign partners came from. In order to provide adequate Actuarial resources, ASI signed Mutual Recognition Agreements (MRAs) with Actuarial bodies of these countries so that Actuaries from those bodies can practise in India. This resulted in a strong foundation of insurance companies on core Actuarial principles. In addition, this period saw a flurry of young students taking up the profession. By 2005, ASI had 203 Fellows, 130 Associates and over 3500 student members against 146 Fellows, 87 Associates and just 442 student members in 1999.



Business Standard

India'S Actuaries: At A Premium

BSCAL
Last Updated at January 27, 2013 21:07 IST

All these are actuaries who are assiduously being wooed by Indian and global players. There's American Insurance Group, J Rothschild Associates, Canada Life and many more. With the insurance sector on the threshold of reforms, actuaries have become hot property. Their skills relating to forecasting probable events and assessing financial implications have become dear. They design insurance products, formulate premium tables, and even advise on investments. Ironically, just when almost every corporate is showing interest in the sector, there are only a handful of practicing actuaries left. And their number is fast dwindling.

Till about 10 years ago, India had 130 actuaries. In comparison, there are 2,500 actuaries in the UK and 10,000 in the US. Down to 100 currently, their headcount here is fast depleting. More than 75 actuaries are over the age of 65. Of these, only 20 are practising and seven are employed by the LIC. Known as fellows, most of them are the alumni of the Actuarial Society of London. While the oldest living actuary A Rajgopalan is 89 years, Padmaja, at 26, is the youngest. And what's more, almost all have signed the muster at LIC. In the last 15-20 years, nearly 35 actuaries retired from the insurance monolith.

Strangely, even as the list of retirees was growing, for youngsters, post-graduate degrees in computers, finance and management took precedence over actuarial science. In the last five years, only six students qualified as actuaries. Says leading consultant Naresh M Thanawala, partner of Thanawala Consultancy Services, With hardly any prospects for actuaries, there were few takers. It has been an outcome of the demand-supply syndrome. Actuarial science is not a dying art, but it has had little opportunity to be known, says M G Dewan, 66, who was earlier chairman of LIC. Adds R M Mehta, It is such a restricted domain that there are very few who know what an actuary actually is.

Ever since the insurance sector was nationalised in 1956, LIC has been the only source of employment for actuaries. Their role was restricted to life insurance. Even today, the six LIC subsidiaries including General Insurance Corporation, Oriental Insurance and New India Assurance do not have a single actuary. Says Mehta, Abroad they work for life insurance, pension funds, general insurance and finance management; here they are only used for life insurance.

This has meant working in a government organisation like the LIC which has limited career growth. And becoming an actuary was the only way to the top. Take, for instance, S P Subhedar, an actuary by accident. At the age of 18, when he was told about the profession as a career prospect, Subhedar made a beeline for the dictionary. An actuary was defined as a clerk who calculates insurance premium. Nevertheless, once in LIC, he soon realised that pursuing actuarial science would give a boost to his career. He retired as managing director in 1995.

It was also one of the options for students majoring in maths. Padmaja, who became a full-fledged actuary last year, had a choice for post-graduation.

First Published: Mon, April 21 1997. 00:00 IST

The cutout of the *Business Standard* article on April 21, 1997, republished in their website on January 27, 2013

[2] https://www.business-standard.com/article/specials/india-s-actuaries-at-a-premium-197042101028_1.html



MoU with IoA on May 9, 2001



MRA signed between ASI and IoA on February 17, 2004



MRA signed between ASI and IAAust on February 17, 2004

Mutual Exemption Policy and Mutual Recognition Agreement

With an increase in requirement for Actuaries in India and across the globe, it was necessary for the ASI not just to bring in Actuaries to India but also align its education and professional standards to global levels. Efforts were being made to enter into mutual agreements for subject exemptions and fellowship levels.

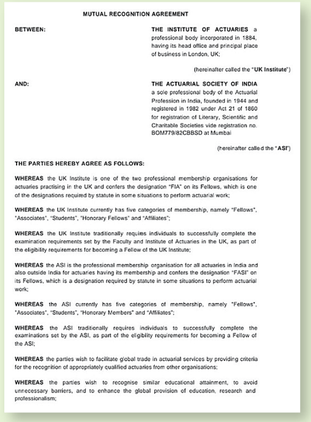
The first step towards the alignment started with signing a Mutual Recognition Agreement (MRA) and Memorandum of Understanding with Institute of Actuaries, London (IoA)[3] on May 9, 2001. Two years later, on November 4, 2003, Mutual Exemption Arrangements between ASI and Institute of Actuaries Australia (IAAust) was also signed. The agreement stated that students of ASI shall be given exemptions for the Part 1 of IAAust on passing 100 series from ASI.

A landmark event took place on February 17, 2004 in New Delhi, when ASI signed three Mutual Recognition Agreements – one each with the Institute of Actuaries Australia, The Institute of Actuaries, London and The Faculty of Actuaries in Scotland (FoA) at Fellowship level. This, in effect, meant that the professional bodies mutually recognise each other's fellowship at equal level.[4]

On May 28, 2005, an MoU was also signed between Bangladesh Insurance Association (BIA) and ASI.

In addition, ASI admitted Morris Chambers, Nigel Masters, P R Swarup, Dr G Gopal and N Rangachary as honorary members, an evening before the third GCA on February 14, 2001.

[3] *The Actuary India* magazine – April 2001
[4] *The Actuary India* magazine – February 2004



MUTUAL RECOGNITION AGREEMENT

BETWEEN: **THE INSTITUTE OF ACTUARIES** a professional body incorporated in 1884, having its head office and principal place of business in London, UK;

(hereinafter called the "**UK Institute**")

AND: **THE ACTUARIAL SOCIETY OF INDIA** a sole professional body of the Actuarial Profession in India, founded in 1944 and registered in 1982 under Act 21 of 1860 for registration of Literary, Scientific and Charitable Societies vide registration no. BOM779/82CBBSD at Mumbai

(hereinafter called the "**ASI**")

THE PARTIES HEREBY AGREE AS FOLLOWS:

WHEREAS the UK Institute is one of the two professional membership organisations for actuaries practising in the UK and confers the designation "FIA" on its Fellows, which is one of the designations required by statute in some situations to perform actuarial work;

WHEREAS the UK Institute currently has five categories of membership, namely "Fellows", "Associates", "Students", "Honorary Fellows" and "Affiliates";

WHEREAS the UK Institute traditionally requires individuals to successfully complete the examination requirements set by the Faculty and Institute of Actuaries in the UK, as part of the eligibility requirements for becoming a Fellow of the UK Institute;

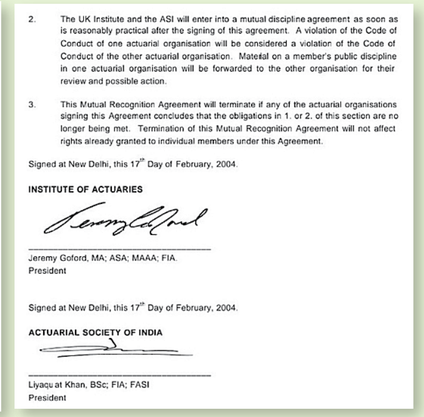
WHEREAS the ASI is the professional membership organisation for all actuaries in India and also outside India for actuaries having its membership and confers the designation "FASI" on its Fellows, which is a designation required by statute in some situations to perform actuarial work;

WHEREAS the ASI currently has five categories of membership, namely "Fellows", "Associates", "Students", "Honorary Members" and "Affiliates";

WHEREAS the ASI traditionally requires individuals to successfully complete the examinations set by the ASI, as part of the eligibility requirements for becoming a Fellow of the ASI;

WHEREAS the parties wish to facilitate global trade in actuarial services by providing criteria for the recognition of appropriately qualified actuaries from other organisations;

WHEREAS the parties wish to recognise similar educational attainment, to avoid unnecessary barriers, and to enhance the global provision of education, research and professionalism;



2. The UK Institute and the ASI will enter into a mutual discipline agreement as soon as is reasonably practical after the signing of this agreement. A violation of the Code of Conduct of one actuarial organisation will be considered a violation of the Code of Conduct of the other actuarial organisation. Material on a member's public discipline in one actuarial organisation will be forwarded to the other organisation for their review and possible action.

3. This Mutual Recognition Agreement will terminate if any of the actuarial organisations signing this Agreement concludes that the obligations in 1. or 2. of this section are no longer being met. Termination of this Mutual Recognition Agreement will not affect rights already granted to individual members under this Agreement.

Signed at New Delhi, this 17th Day of February, 2004.

INSTITUTE OF ACTUARIES

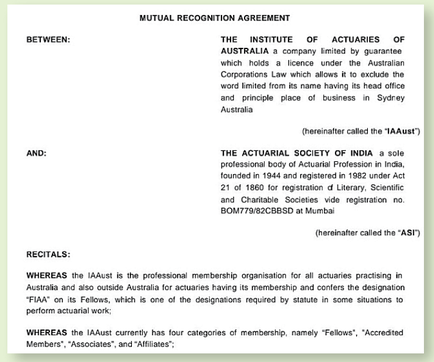
Jeremy Goford, MA; ASA; MAAA; FIA
President

Signed at New Delhi, this 17th Day of February, 2004.

ACTUARIAL SOCIETY OF INDIA

Liyaqu at Khan, BSc; FIA; FASI
President

MRA with IoA



MUTUAL RECOGNITION AGREEMENT

BETWEEN: **THE INSTITUTE OF ACTUARIES OF AUSTRALIA** a company limited by guarantee which holds a licence under the Australian Corporations Law which allows it to exclude the word limited from its name having its head office and principle place of business in Sydney Australia

(hereinafter called the "**IAAust**")

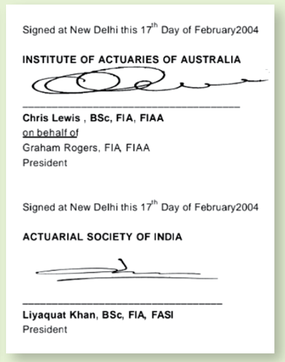
AND: **THE ACTUARIAL SOCIETY OF INDIA** a sole professional body of Actuarial Profession in India, founded in 1944 and registered in 1982 under Act 21 of 1860 for registration of Literary, Scientific and Charitable Societies vide registration no. BOM779/82CBBSD at Mumbai

(hereinafter called the "**ASI**")

RECITALS:

WHEREAS the IAAust is the professional membership organisation for all actuaries practising in Australia and also outside Australia for actuaries having its membership and confers the designation "FIAA" on its Fellows, which is one of the designations required by statute in some situations to perform actuarial work;

WHEREAS the IAAust currently has four categories of membership, namely "Fellows", "Accredited Members", "Associates", and "Affiliates";



Signed at New Delhi this 17th Day of February2004

INSTITUTE OF ACTUARIES OF AUSTRALIA

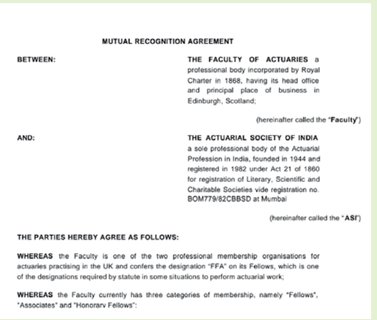
Chris Lewis , BSc, FIA, FIAA
on behalf of
Graham Rogers, FIA FIAA
President

Signed at New Delhi this 17th Day of February2004

ACTUARIAL SOCIETY OF INDIA

Liyaquat Khan, BSc, FIA, FASI
President

MRA with IAAust



MUTUAL RECOGNITION AGREEMENT

BETWEEN: **THE FACULTY OF ACTUARIES** a professional body incorporated by Royal Charter in 1868, having its head office and principal place of business in Edinburgh, Scotland;

(hereinafter called the "**Faculty**")

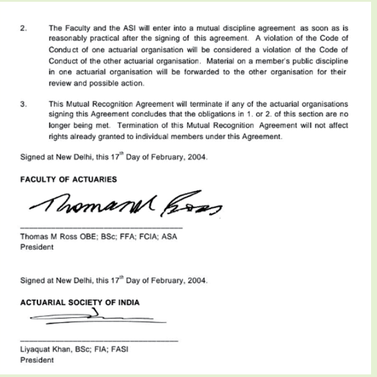
AND: **THE ACTUARIAL SOCIETY OF INDIA** a sole professional body of the Actuarial Profession in India, founded in 1944 and registered in 1982 under Act 21 of 1860 for registration of Literary, Scientific and Charitable Societies vide registration no. BOM779/82CBBSD at Mumbai

(hereinafter called the "**ASI**")

THE PARTIES HEREBY AGREE AS FOLLOWS:

WHEREAS the Faculty is one of the two professional membership organisations for actuaries practising in the UK and confers the designation "FFA" on its Fellows, which is one of the designations required by statute in some situations to perform actuarial work;

WHEREAS the Faculty currently has three categories of membership, namely "Fellows", "Associates" and "Honorary Fellows";



2. The Faculty and the ASI will enter into a mutual discipline agreement as soon as is reasonably practical after the signing of this agreement. A violation of the Code of Conduct of one actuarial organisation will be considered a violation of the Code of Conduct of the other actuarial organisation. Material on a member's public discipline in one actuarial organisation will be forwarded to the other organisation for their review and possible action.

3. This Mutual Recognition Agreement will terminate if any of the actuarial organisations signing this Agreement concludes that the obligations in 1. or 2. of this section are no longer being met. Termination of this Mutual Recognition Agreement will not affect rights already granted to individual members under this Agreement.

Signed at New Delhi, this 17th Day of February, 2004.

FACULTY OF ACTUARIES

Thomas M Ross OBE; BSc; FFA; FCIA; ASA
President

Signed at New Delhi, this 17th Day of February, 2004.

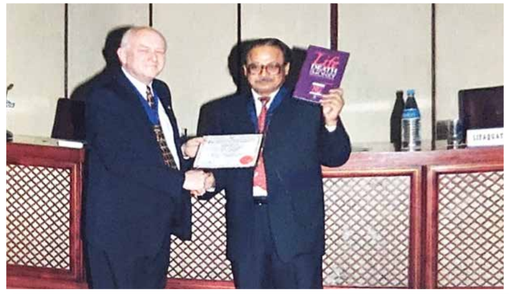
ACTUARIAL SOCIETY OF INDIA

Liyaquat Khan, BSc; FIA; FASI
President

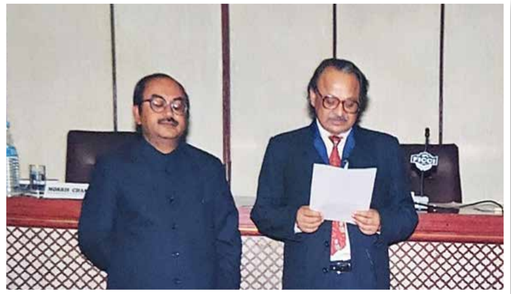
MRA with FoA



MoU between BIA and ASI on May 28, 2005



Honorary Fellowship being awarded to Morris Chambers



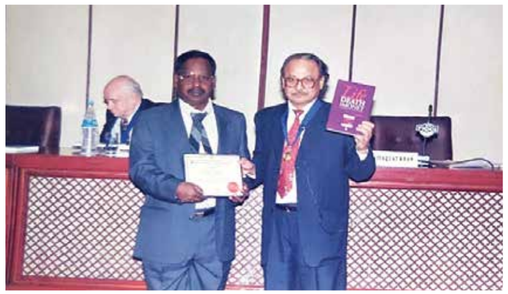
Honorary Fellowship being awarded to P R Swarup



Honorary Fellowship being awarded to Nigel Masters



Honorary Fellowship being awarded to N Rangachary



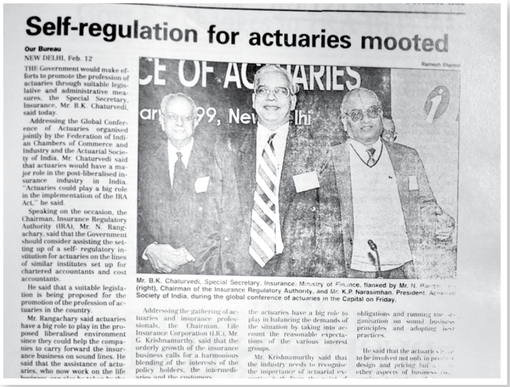
Honorary Fellowship being awarded to Dr G Gopal

BEGINNING OF THE GLOBAL CONFERENCE OF ACTUARIES (GCA)

Motivated by IRDA Executive Director (Actuarial) K Subrahmanyam's idea to hold global meets for exchange of Actuarial thoughts and to inculcate best practices into the Indian Actuarial profession, the IRDA, under the leadership of its Chairperson, N Rangachary, hosted the first Global Conference of Actuaries (GCA) in 1999 on the platform of the Federation of Indian Chambers of Commerce and Industry (FICCI). Derek Stott, then Head, Prudential UK in India, came forward to sponsor the event. This allowed Actuarial professionals from around the world to interact, share their knowledge and develop mutual learning ground. The GCA became a signature conference event of the profession, leading to significant outcomes such as the 'Appointed Actuary System'.



Attendees of the first Global Conference of Actuaries – K Subrahmanyam, K P Narasimhan, President of the ASI, N Rangachary, Chairman, IRDA, Stuart Wason, President-elect of the Canadian Institute of Actuaries (CIA), and Shriram Mulgund



Self-regulation for actuaries mooted

Our Bureau

NEW DELHI, Feb. 12

THE Government would make efforts to promote the profession of actuaries through suitable legislative and administrative measures, the Special Secretary, Insurance, Mr. B.K. Chaturvedi, said today.

Addressing the Global Conference of Actuaries organised jointly by the Federation of Indian Chambers of Commerce and Industry and the Actuarial Society of India, Mr. Chaturvedi said that actuaries would have a major role in the post-liberalised insurance industry in India. "Actuaries could play a big role in the implementation of the IRA Act," he said.

Speaking on the occasion, the Chairman, Insurance Regulatory Authority (IRA), Mr. N. Rangachary, said that the Government should consider assisting the setting up of a self- regulatory institution for actuaries on the lines of similar institutes set up for chartered accountants and cost accountants.

He said that a suitable legislation is being proposed for the promotion of the profession of actuaries in the country.

Mr. Rangachary said actuaries have a big role to play in the proposed liberalised environment since they could help the companies to carry forward the insurance business on sound lines. He said that the assistance of actuaries, who now work on the life

Mr. B.K. Chaturvedi, Special Secretary, Insurance, Ministry of Finance, flanked by Mr. N. Rangachary (right), Chairman of the Insurance Regulatory Authority, and Mr. K.P. Narasimhan, President, Actuarial Society of India, during the global conference of actuaries in the Capital on Friday.

Addressing the gathering of actuaries and insurance professionals, the Chairman, Life Insurance Corporation (LIC), Mr. G. Krishnamurthy, said that the orderly growth of the insurance business calls for a harmonious blending of the interests of the policy holders, the intermediaries and the customers.

the actuaries have a big role to play in balancing the demands of the situation by taking into account the reasonable expectations of the various interest groups.

Mr. Krishnamurthy said that the industry needs to recognise the importance of actuarial ex-

obligations and running the organisation on sound business principles and adopting best practices.

He said that the actuaries ... to be involved not only in ... design and pricing but ... other aspects of business ...



THE PIONEER

THE PIONEER

THE PIONEER, Link House 2nd Floor, 3 Bahadurshah Zafar Marg, New Delhi 110002

Govt for changes in IRA Bill on actuaries

The Insurance Regulatory Bill will be reviewed to consider a greater role for insurance professionals (actuaries) who assess the financial effect of future events, special secretary (insurance) B K Chaturvedi said here on Friday. He was addressing a global conference on actuaries organised by Ficci and the Actuarial Society of India.



NEW DELHI SATURDAY FEBRUARY 13 1999

Bill for setting up actuaries body likely

PT Correspondent

New Delhi, February 12

THE GOVERNMENT proposes to enact a Bill to set up an institution of actuaries on the lines of the Act on chartered accountants and company secretaries. As indicated in the Budget speech by Mr B.K. Chaturvedi, Special Secretary, Insurance, Ministry of Finance.

Inaugurating two-day "Global Conference of Actuaries" organised by the Federation of Indian Chamber of Commerce and Industry (FICCI) here today, Mr Chaturvedi said that the Insurance Regulatory Authority Bill would be reviewed to consider a greater role for insurance professionals (actuaries), who assess the financial effect of future events in this regard.

Mr Chaturvedi said that IRA Bill was likely to be taken up for discussion by Parliament in the Budget session.

The standing committee, which is at present assessing the draft Bill, is likely to submit its report during this month-end or early next month.

After the Bill is through, the main concern of the Government would be to constitute a body on the setting up a chartered body for actuaries.

In fact, the recommendation for the setting up of the body along the lines of the institute of chartered accountants had been sent by the

Chaturvedi.

As the insurance sector was on the threshold of opening up to the private sector, the role of actuaries was all the more important, Mr Chaturvedi said.

Actuaries have to ensure that the companies that would come to the insurance market worked under the conditions in India and do not end up losing public confidence as was the case in the pre-1956 period when the insurance industry was nationalised, Mr Chaturvedi said.

Speaking on the occasion, Mr N Rangachary, chairman, IRA, said that the actuaries should "take an integral professional approach and not merely a technical approach".

The actuaries have to devote more time for evolving the right policy structure for the general insurance companies since there are considerable uncertainties in this regard.

Mr Derek Stott, chief India representative of Prudential Corporation, Plc, said that strongly favoured a ban on investing insurance funds in overseas markets.

Funds collected in India must be invested in Indian market only, he said.

On the draft insurance Bill, Mr Stott said that the government would have to divest their stake from 60 per cent to 26 per cent within six years of operation. By offering them to the Indian public, Mr Stott said that it was not fair to rest and this period should have



The Financial Express

ECONOMY

Govt optimistic of IRA Bill passage in Budget session

Govt mulls institute on actuaries

Press coverage of the 1st GCA in various newspapers

ASI LIBRARY

The ASI Library was inaugurated by Dr Bruce T Porteous, FFA, FIAI who was then working with Standard Life, UK and had come over to India for the joint venture with HDFC group, on November 15, 2000, in the presence of Liyaquat Khan (President), Education Board Members and the staff. The library was funded with Rs 3 lakh donated by Standard Life UK.

In those early days, the profession was struggling and relied heavily on the senior members of the profession to keep it alive... incentives for young Indians to enter the profession were not high. We tried to help in those early days by writing articles for The Actuary India, providing funds to help develop an actuarial library and it is great to see how far the thriving Indian profession has come.

– Dr Bruce T Porteous

Similarly, Danny Ramjit, first Appointed Actuary of Max New York Life (now Max Life) also contributed significantly to the cause of the ASI by presenting a cheque of Rs 5 lakh.



Dr Bruce T Porteous inaugurating the ASI Library on November 15, 2000

ASI'S WEBSITE

A few months later, with the help of GE Capital and under the leadership of Sunil Sharma, the Society's website – www.actuariesindia.org was launched in January 2001.



Snapshot of ASI website as on January 3, 2001

BEGINNING OF THE ACTUARIAL OFFSHORE CENTRES

The exponential growth in demand for Actuaries in India was not only a consequence of the IRDA Act, 1999, but also due to the fact that lots of global companies started opening their offshore centres in India. The first Actuarial offshore centre in India was started by GE Capital in Gurgaon under its wholly owned unit GE Integrated Business Solutions Pvt Ltd under the leadership of Raman Roy, who is the father of KPOs in India. It started with the visit of GE Financial Assurance, Inc. Chief Actuary, Cliff Lange to India in 1998. Cliff Lange met the members of ASI (located in Delhi) and shared his vison to set up an offshore Actuarial centre in Gurgaon, India.

Sunil Sharma, current President of IAI and Sanchit Maini were the founding members of the 'Actuarial Centre of Excellence' for GE Financial Assurance in India. These two Indian Actuarial professionals were sent to GE Financial Assurance headquarters in Richmond, Virginia, USA to understand product development and pricing process. Subsequently, they transitioned the product development support process to India and multiplied the team size by hiring students from public sector life insurer, Indian Statistical Institute and Delhi School of Economics.

One major contribution of this team to the Actuarial profession was to develop a website for the ASI in the year 2001 at no cost to the profession. Subsequently, the team grew to support Liability Valuation of Life Business, Life Insurance Profit Testing, Experience Analysis and Rating in GI. Since then, Actuarial offshore centres across the country have become the largest employer of Actuarial professionals in India.



Team photo at GE Capital



Sanchit Maini



Sunil Sharma

THE KPN COMMITTEE, 2005[5]

On March 7, 2005, IRDA constituted the KPN Committee on provisions of The Insurance Act, 1938 – to examine the provisions relating to investments, shareholders and policyholders' funds, sufficiency of assets, insurance surveyors, tariff advisory committee and recommend changes that are warranted in the statutory framework. They were also assigned the task to indicate any sections of the Act that needed to be amended, in light of the developments taking place in the insurance sector.

This committee was headed by K P Narsimhan (former President, ASI). The 11-member committee included three more Actuaries – Liyaquat Khan, S P Subhedar and N M Govardhan.

The key recommendations of this committee were mainly amendments to The Insurance Act, 1938, such as:

- Amendments to provisions relating to Investments such as "Every insurer shall invest…controlled investible funds in the manner…twenty-five per cent of the said sum in Government securities, a further …twenty-five per cent… in Government securities or other approved securities and the balance in any of the approved investments…"
- "Requirement as to Capital - No insurer carrying on the business of life insurance, general insurance or re-insurance in India…shall be registered unless he has *(i)* a paid-up equity capital of rupees one hundred crores, in case of…life insurance or general insurance; or *(ii)* a paid-up equity capital of rupees two hundred crores, in case of…reinsurer"
- "Make it mandatory for every insurer to engage the services of an Appointed Actuary: Every insurer should appoint an actuary, who shall be known as Appointed Actuary, in accordance with regulations made by the Authority and the scope of his duties and responsibilities shall be as may be considered expedient by the Authority"
- Abolish the system of licensing of the surveyors
- Law to prescribe a "…minimum qualification necessary for eligibility to work as a surveyor…"
- The Government, the IRDA and insurance industry should promote establishment of an institute of surveyors on self-sustaining basis
- Establishment of Life Insurance Council, General Insurance Council and the Technical Advisory Committee
- "…rate making should be ultimately left with the insurers"
- Recommendations regarding the appointment of insurance agents
- Amendments to definition of 'General Insurance Business' and 'Life Insurance Business'
- Suggestion for introduction of adjudicatory mechanism
- Changes in grievance redressal mechanism
- "Every policy of life insurance shall contain the formula as approved by the Authority for calculation of guaranteed surrender value of the policy"

These recommendations became the basis for the amendment to The Insurance Act, 1938 in 2015.

[5] IRDAI website and IAI Library



REPORT OF THE KPN COMMITTEE ON PROVISIONS OF THE INSURANCE ACT, 1938

******JULY, 2005******

MEMBERS OF THE COMMITTEE

Chairman
K.P. Narasimhan

Members
S.V. Mony
N.M. Govardhan
K.N. Bhandari
P.C. Ghosh
Liyaquat Khan
S.P. Subhedar
D.D. Rasgotra
K.C. Mishra
T.S. Vishwanath
D. Varadarajan

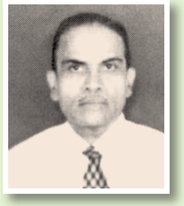
Convener
K. Subrahmanyam

K.P.NARASIMHAN

Camp:Hyderabad,
26th July 2005

To
Shri C.S.Rao,
Chairman,

THE S P SUBHEDAR COMMITTEE[6]

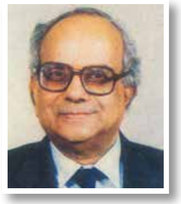


S P Subhedar

Internationally, the International Association of Insurance Supervisors (IAIS) and International Actuarial Association (IAA) had done considerable work for laying down guiding principles for prudential supervision of insurance entities. It was, thus, desirable to embed the principles initiated by these two bodies to ensure a comprehensive review of insurance laws.

The S P Subhedar Committee on Comprehensive Review of Insurance Laws was formed on October 5, 2002 with S P Subhedar (Chairman), Liyaquat Khan (President), R C Rao, Nick Taket, David Muiry and A R Prabhu completing the review.

Major issues such as roles and responsibilities along with support to Appointed Actuary, relationship between auditors and Actuaries, Actuarial certification, etc. were discussed.



K P Narasimhan



N M Govardhan

"What I do know is that the rebirth of the Actuarial profession in India is due to the constant tireless efforts of S P Subhedar who recognised very early in the insurance sector liberalisation process that actuarial science and recruitment of students were both vital to the health of the industry in the long term. N Rangachary of IRDA was a strong supporter of such rebirth and there was much assistance from Prudential Corporation Asia in Hong Kong through the efforts of Garth Jones."

– Memoir by Derek Stott, Representative, Prudential Assurance Group , UK

[6] IAI Library

D BASU COMMITTEE REPORT ON ELECTION PROCESS REVIEW[7]

On January 1, 2003, ASI constituted a committee for the purpose of reviewing election procedures and processes and to make suitable recommendations so as to ensure transparency, objectivity and higher level of member confidence.

The committee constituted of D Basu as Chairperson and N K Shinkar and D R Iyer as members. The committee submitted its report on February 11, 2003, which was considered by the Executive Committee of ASI in its meeting held on March 4, 2003.

Some of the key recommendations by the D Basu Committee were:

- Executive Committee should nominate Secretary General of ASI as the Returning Officer
- Each outer cover of the ballot paper to be signed by the Returning Officer
- A brief resume of the candidate (in not more than 120 words) should be sent along with the ballot paper
- As and when ballot papers are received, they should be inserted in a metallic ballot box, so that no official in ASI would know who has exercised their voting rights and on the appointed day in presence of RO and two scrutineers, the signatures will be verified and the ballots will be shuffled and the votes will be announced.
- Any member who has at least 5 years of experience as Fellow of Actuarial Society of India is qualified to contest in the election to the Executive Committee.
- The election process will start immediately after March 31 of every year, in addition a tentative schedule was also provided.
- The Hon. Secretary will announce the list of successful candidates arranged alphabetically at the time of AGM
- The task of electing the new president should be entrusted to the incoming committee members and the outgoing president ceases from his/her position once the AGM is over
- The new Executive Committee is to be presided over by the seniormost Fellow member of the Executive Committee. The committee shall decide the election of the President and the other office bearers.

All the recommendations except the '5-year experience' clause were accepted by the Society.



N K Shinkar



D R Iyer

[7] IAI Library

THE NEW EXAMINATION SYSTEM[8]

The ASI adopted the Actuarial examination system of IoA in the year 2000. This helped in aligning Actuarial studies in India with those in the UK. Later in 2005, the IoA introduced a new structure for the Actuarial examinations. The 2005 model of examinations implied more focus on core principles of Actuarial work and the ability to apply it in a variety of situations. The then existing 100, 200, 300 and 400 series were restructured as CT, CA, ST and SA series, and was in use till 2018.

Examination Pattern before 2000

- Associateship Examinations
  - i) SUBJECT 1 – PROBABILTY AND STATISTICS – 2 PAPERS
  - ii) SUBJECT 2 – MATHEMATICS OF FINANCE – 1 PAPER
  - iii) SUBJECT 3 – LIFE CONTINGENCIES – 2 PAPERS
  - iv) SUBJECT 4 – ECONOMICS & ACCOUNTS – 1 PAPER
  - v) SUBJECT 5 – APPLIED STATISTICS – 1 PAPER
  - vi) SUBJECT 6 – MORTALITY – 1 PAPER
- Fellowship Examinations – All the above 6 subjects along with the following subjects:
  - i) SUBJECT 7 – INSTITUTIONAL INVESTMENT – 2 PAPERS
  - ii) SUBJECT 8 – LIFE ASSURANCE – 2 PAPERS
  - iii) SUBJECT 9 – RETIREMENT BENEFITS – 2 PAPERS
  - iv) SUBJECT 10 – GENERAL INSURANCE – 2 PAPERS

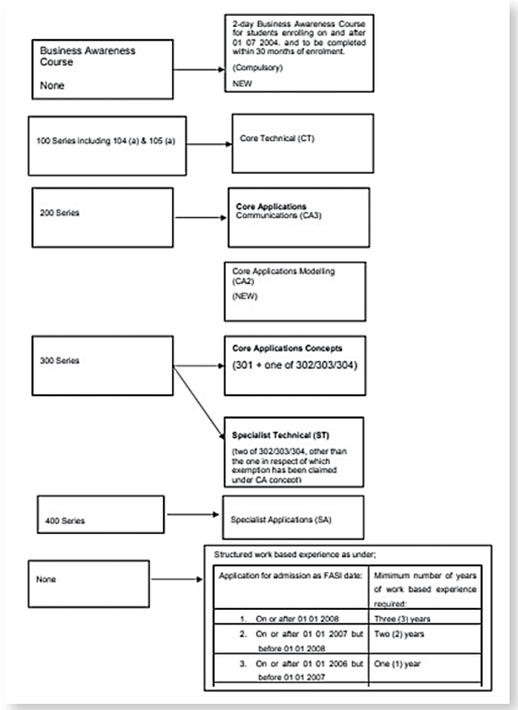
Examination pattern of ASI before 2000

- Series 100
  - i) SUBJECT 101 – STATISTICAL MODELLING
  - ii) SUBJECT 102 – FINANCIAL MATHEMATICS
  - iii) SUBJECT 103 – STOCHASTIC MODELLING
  - iv) SUBJECT 104 – SURVIVAL MODELS
  - v) SUBJECT 104a – INTRODUCTION TO PROPERTY AND CASUALTY INSURANCE
  - vi) SUBJECT 105 – ACTUARIAL MATHEMATICS -1
  - vii) SUBJECT 105a – NON LIFE RESERVING ACCOUNTS AND REINSURANCE
  - viii) SUBJECT 106 – ACTUARIAL MATHEMATICS – 2
  - ix) SUBJECT 107 – ECONOMICS
  - x) SUBJECT 108 – FINANCE AND FINANCIAL REPORTING
  - xi) SUBJECT 109 – FINANCIAL ECONOMICS
- Series 200
  - i) SUBJECT 201 – COMMUNICATIONS
- Series 300
  - i) SUBJECT 301 – INVESTMENT AND ASSET MANAGEMENT
  - ii) SUBJECT 302 – LIFE ASSURANCE
  - iii) SUBJECT 303 – GENERAL ASSURANCE
  - iv) SUBJECT 304 – PENSIONS AND OTHER BENEFITS
  - v) SUBJECT 305 – INDIAN SPECIFIC LEGISLATION
- Series 400 (2 Papers) : FELLOWSHIP
  - i) SUBJECT 401 – INVESTMENT AND ASSET MANAGEMENT
  - ii) SUBJECT 402 – LIFE INSURANCE
  - iii) SUBJECT 403 – GENERAL INSURANCE
  - iv) SUBJECT 404 – PENSIONS AND OTHER BENEFITS

Note:

- All 100 and 300 Series subjects are of one paper.
- Only one of the 400 series subject has to be taken.

Examination pattern of ASI from November 2000 onwards



Changes to the examination pattern by IoA in 2005. These were also adopted by ASI at the same time

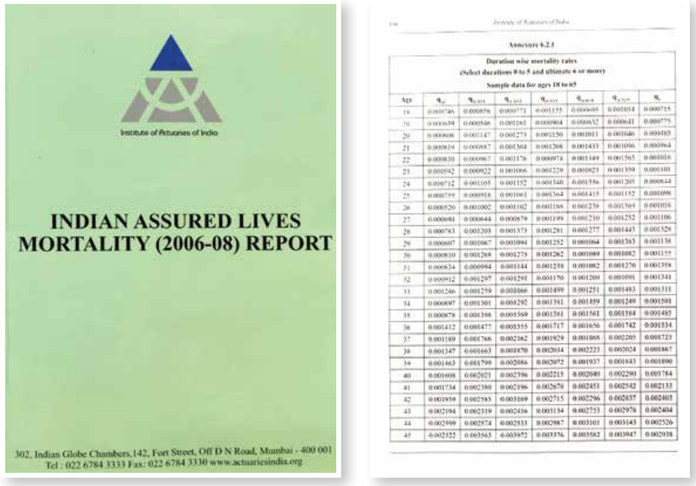
[8] *The Actuary India* magazine, March 2005; IAI Library

THE MMIB[9]

On May 19, 2005, the Mortality and Morbidity Investigation Bureau (MMIB), a company under Section 25 of The Companies Act was created under the agreement signed between the ASI and the Life Insurance Council.

MMIB was established with a basic objective of studying the recent trends in and acquiring more data and information on mortality, morbidity and other risk-related contingencies in life insurance.

The first report of the MMIB called the 'Mortality of Assured Lives in India (2006-08)' was published under K P Sarma as CEO in 2010.



Indian Assured Lives Mortality (2006-08) Report

INDIAN GLOBE CHAMBERS – THE NEW OFFICE

On September 3, 2005, ASI inaugurated its new office premises at Indian Globe Chambers, Fort Street, CST.



Inauguration of new premises of ASI by Atul Shukla, Chairperson LIC on September 3, 2005

[9] EC Minutes and *The Actuary India* magazine, June 2005

STAGE SET UP FOR THE ACTUARIES ACT, 2006[10]

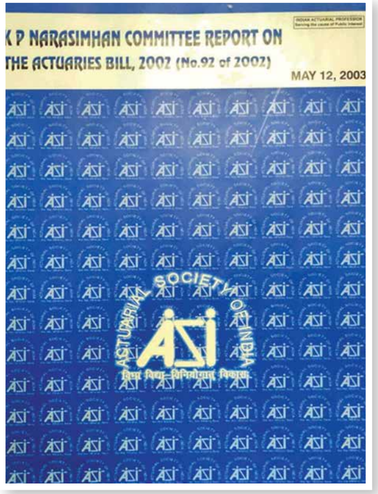
On initiation by N Rangachary, the then chairman of IRA (now IRDAI), ASI took up the drafting of the bill. In August 1997, a draft bill of the Institute of Chartered Actuaries of India Act, 1997 was prepared by ASI and a modified version of the same was received from IRA. Further, in October 1997, it was informed to the members of the executive committee that the latest version of the draft of Institute of Actuaries of India Bill, 1997 was being prepared by the legal adviser. The same was sent to IRA in November 1997. The draft was then submitted by ASI to the Government of India.

A couple of years later, a draft bill for ASI's comments was sent by the Ministry of Finance on June 28, 2000. However, it was substantially different from what was proposed by the ASI in 1997. The Society appreciated the gaps and a two-member committee consisting of K S Gopalkrishnan and Meena Sidhwani was appointed to study the draft sent by the Ministry of Finance and make recommendations. A revised bill with recommendations from the committee, was sent to the Ministry of Finance on September 1, 2000.

Meanwhile, for smooth transition, on February 26, 2002, the Ministry of Finance suggested to the ASI to pass a resolution enabling transfer of assets and liabilities of ASI to the new entity expected to be in place by the Act. The ordinary general meeting of ASI, held on March 30, 2002 passed this resolution.

In April 2002, the Ministry of Finance sent a draft of the bill to ASI. It was noticed that the recommendations made by the ASI in September 2000, were not taken into account. It was time for the ASI to take a stand and insist on a more robust and comprehensive bill, which was in consonance with international practices.

Subsequently, The Actuaries Bill, 2002 was introduced in the Lok Sabha on December 20, 2002 and was referred to the Standing Committee on Finance for examination by the Speaker of the Lok Sabha. To obtain a comprehensive study of issues involved so that a view can be taken, the ASI constituted a committee with K P Narasimhan as Chairperson and J S Salunkhe, S P Subhedar and P A Balasubramanian as members. The committee submitted its report titled 'K P Narasimhan Committee report' on May 12, 2003. Meanwhile, the Standing Committee on Finance also sent a letter to the ASI seeking the view of its members on various aspects such as how the bill could strengthen the objectives of the ASI and also increase the scope of Actuaries.



[10] Based on then President of ASI, Liyaquat Khan's letter dated May 13, 2003 to all members of the Society and his letters to the Ministry of Finance dated November 18 and 23, 2002, respectively.

ACTUARIES DAY CELEBRATIONS



Actuaries Day 2018 - Bangalore



Actuaries Day 2018 - Chennai


Actuaries Day 2018 - Mumbai


Actuaries Day 2018 - Gurugram


Actuaries Day 2019 – Gurugram


Actuaries Day 2019 – Hyderabad


Actuaries Day 2019 - Bangalore


Actuaries Day 2019 - Mumbai


Actuaries Day 2019 – Kolkata

2006-2019

The Journey Redefined

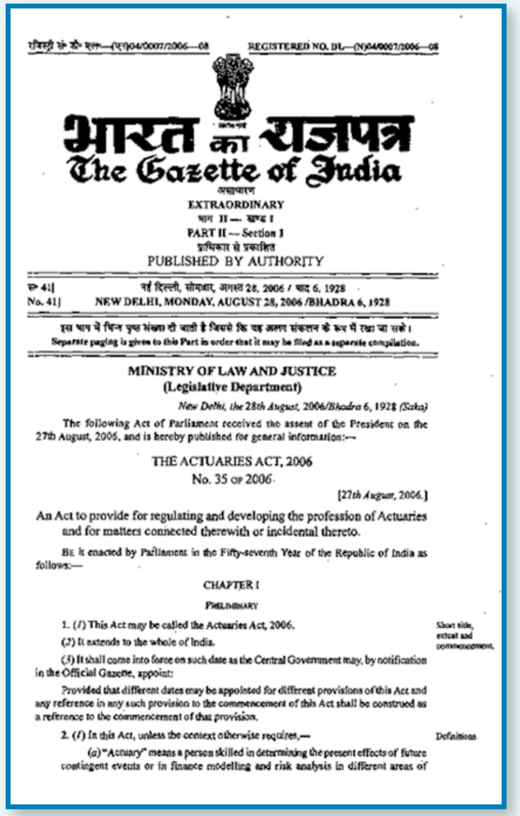
THE NEW IMAGE

The Actuaries Act, 2006 received the assent of the President of India on August 27, 2006. The Actuarial Society of India (ASI) got a new image as the Institute of Actuaries of India (IAI) and became a statutory body established under the Act for regulation of the Actuarial profession in India.

The provisions of the said Act came into force from November 10, 2006, in terms of the notification of November 8, 2006, issued by the Government of India through the Ministry of Finance, Department of Economic Affairs. As a consequence of this, the erstwhile ASI ceased to exist and all its assets and liabilities were transferred to, and vested in, the IAI constituted under Section 3 of the Actuaries Act, 2006.

The main objectives of the Institute according to Section 5 of the Act are:

- "*to promote, uphold and develop the standards of professional education, training, knowledge, practice and conduct amongst Actuaries;*
- *to promote the status of the Actuarial profession;*
- *to regulate the practice by the members of the profession of Actuary;*
- *to promote, in the public interest, knowledge and research in all matters relevant to Actuarial Science and its application; and*
- *to do all such other things as may be incidental or conducive to the above objects or any of them.*"



रजिस्ट्री सं० डी० एल०—(एन)04/0007/2006—08 REGISTERED NO. DL—(N)04/0007/2006—08

भारत का राजपत्र
The Gazette of India

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PART II — Section 1
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PUBLISHED BY AUTHORITY

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW AND JUSTICE
(Legislative Department)

New Delhi, the 28th August, 2006/Bhadra 6, 1928 (Saka)

The following Act of Parliament received the assent of the President on the 27th August, 2006, and is hereby published for general information:—

THE ACTUARIES ACT, 2006
No. 35 OF 2006

[*27th August, 2006.*]

An Act to provide for regulating and developing the profession of Actuaries and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Fifty-seventh Year of the Republic of India as follows:—

CHAPTER I
PRELIMINARY

1. (*1*) This Act may be called the Actuaries Act, 2006. Short title, extent and commencement.

(*2*) It extends to the whole of India.

(*3*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint:

Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the commencement of that provision.

2. (*1*) In this Act, unless the context otherwise requires,— Definitions

(*a*) "Actuary" means a person skilled in determining the present effects of future contingent events or in finance modelling and risk analysis in different areas of

Gazette of India – The Actuaries Act, 2006

Vision, Mission and Value Statement

Since IAI as an institute is responsible for defining a clear strategy for the Actuarial profession's growth and welfare, it took up a 'strategy initiative' to define the Institute's vision, mission and values. A Strategy Initiative Task Force (SITF) was created, and two experts in the field – Prof Indira J Parikh (Ex-Dean, IIM Ahmedabad) and Prof J Ramachandran (Chair Prof Business Policy, IIM Bangalore) – were contracted. During 2011-12, in-depth deliberations were held, with consultants, council members, chair/secretaries of Advisory Groups, SITF members and senior IAI members specially invited to the discussions, as participants.

Based on the recommendations of these experts, on August 24, 2012, IAI adopted its 'Vision, Mission and Value' statement.



The Council

Section 12 of the Actuaries Act, 2006 mandated the creation of a 'Council' of the Institute for the management of its affairs and discharging functions assigned to it by or under the Act.

The Council would include a minimum of nine and a maximum of 12 Fellow members (members not guilty of any professional misconduct and to be elected by Fellow and Associate members of the Institute); a government nominated officer, not below the rank of Joint Secretary, to represent the Ministry of Finance; one person from IRDAI nominated by the Central Government and not more than two persons having knowledge in the field of life insurance, general insurance, finance, economics, law, accountancy or any other discipline, which in the opinion of the Central Government, would be useful to the Council.

The first Council meeting, after the formation of the IAI, was held on June 5, 2007.



First Council meeting

(L-R): S P Subhedhar, J S Salunkhe, K P Narasimhan



(L-R): T Bhargava, K K Wadhwa, K Sriram



(L-R): A G D Wagle (Secretary General), Heerak Basu (Hon. Secretary), K S Gopalakrishnan (Vice President)



(L-R): G N Agarwal (President) and G L N Sarma



(L-R): K Sriram, N H Thanawala, P A Balasubramanian

Committees

Various committees have been constituted as per requirements of Section 21 of the Actuaries Act, 2006, which addresses Professionalism, Audit, Finance and Administration, Education, Wider Fields, External Affairs and Research and Membership Approval.

A Disciplinary Committee has also been constituted as per Section 26 of the Act, to deliver on the Act and the Actuaries (Procedure for Enquiry of Professional and Other Misconduct) Rules, 2008.

A Quality Review Board has also been constituted under Section 43 of the Act.

Advisory Groups

The IAI has set up a number of Advisory Groups with experienced Actuaries to help, guide and advise on Examinations, Education, Professionalism, Ethics and Conduct, Life Insurance, General Insurance, Health Care Insurance, Pension, Other Employee Benefits and Social Security, Sustainable Development and Micro Insurance, Risk Management, Data Science and Analytics, International Financial Reporting Standard (IFRS) 17 [(Indian Accounting Standard (IND AS) 117], Banking, Finance and Investments, Communication and Global Conference of Actuaries (GCA).

STRENGTHENING PROFESSIONAL STANDARDS

In its endeavour to maintain high professional standards, the IAI has laid down many practice standards to be followed by its members. Professional programmes and continuous learning are also essential requirements to keep members up to date with new developments.

Indian Fellowship Seminar (IFS)

Students who complete their Actuarial examinations and are qualified for admission as Fellow of Institute of Actuaries of India (FIAI) are required to attend IFS for assessment by members of Advisory Group on Professionalism, Ethics and Conduct (PEC). Senior Fellows are assigned the role of 'guides' to these young Actuaries to prepare and make presentations in the seminar.

The objective is to ensure that newly qualified members, before admission as a Fellow member, have adequate knowledge of Professionalism, Ethics and Practice Standards.



1st Indian Fellowship Seminar, December 1, 2003, Mumbai



2nd Indian Fellowship Seminar, December 16, 2004



6th Indian Fellowship Seminar, December 14, 2006



29th Indian Fellowship Seminar, June 2, 2008



31st Indian Fellowship Seminar, July 4, 2019



32nd Indian Fellowship Seminar, December 5, 2019

PCS, APS and GNs

As professionals responsible for the implementation of regulations as well as ensuring policyholders' interest, Actuaries have to abide by Professional Conduct Standards (PCS). PCS states the standards that any member of the Institute must abide by, both in spirit and letter, in discharging his/her duties. These standards are in addition to the basic specifications of professional misconduct, other misconduct as specified in the Schedule (in reference to Section 31, both Part I and Part II) in The Actuaries Act, 2006. It was initially introduced by ASI in 1987, and since then, has been revised in 2003 and 2009.

While performing Actuarial functions under various laws, regulations, and accounting standards, the erstwhile ASI had put in place Guidance Notes (GNs), which later on, in addition to the existing GNs, became Actuarial Practice Standards (APS). IAI issues and updates APS from time to time.

Continuing Professional Development (CPD)

Since the economic environment, insurance industry and other industries where Actuaries work are ever changing and growing, the Institute has always insisted upon the need for the Actuarial community to keep themselves informed and equipped for developments. To ensure the same, Actuarial Practice Standards (APS) 9 has been issued, defining minimum requirements for undertaking appropriate activities that address professional development needs and enhance members' learning in relevant Actuarial functions.

All Fellows need to adhere to CPD requirements as stated in APS 9. This is updated from time to time as per evolving needs.

The first CPD requirements were laid down in February 2001 by the ASI.

Certificate of Practice (CoP)

Every member practising as an Actuary should hold a valid Certificate of Practice (CoP) as per Section 9 of the Act. It is important that anyone who offers to perform or performs services involving the application of Actuarial techniques related to any of the Actuarial Practice Standards or who provides any type of opinion or certificate under any of the APS, should hold a CoP.

The members holding CoP should be aware of all the provisions under the Actuaries Act, 2006, rules and regulations issued under the Act, Actuarial Practice Standards, Guidance Notes and other guidance (e.g. Professional Conduct Standards) issued by the Council. CoP holders are required to spend more hours on continuing professional development and they need to have a minimum level of experience.

The first CoP requirement was listed in February 2001 by the ASI, along with the CPD requirements.

Other Conferences, Seminars and Webinars

IAI has diligently supported the professional growth of its members by increasing awareness of issues plaguing various Actuarial functions and ensuring the capacity building of its members to meet those challenges.

Various advisory groups conduct 'Current Issues' and 'Capacity Building' seminars/workshops in the field of Life, General and Health Care Insurance, Retirement Benefits and IFRS 17. Advisory groups also conduct seminars on Data Science and Analytics, Enterprise Risk Management (ERM), Banking Finance and Investment, Professionalism Ethics and Conduct, and Global Conference of Actuaries (GCA). IAI regularly calls upon expert speakers from all over the world for this purpose.

With growing digitisation and spread of Actuaries all over the country, in 2019, IAI started free webinars for members on various issues like Data Science, Analytics in Banking and Opportunities for Actuaries in the Insurance Industry – beyond Actuarial function, etc.

ACTUARIAL PROFESSION'S ETHICS

Professional Conduct Standards (PCS)
v3, effective: December 1, 2009

APS 1: Appointed Actuary and Life Insurance Business
effective: November 1, 2001; amended on July 1, 2011

APS 2: Additional Guidance for Appointed Actuaries and Other Actuaries Involved in Life Insurance
effective: April 1, 2003; amended on July 1, 2011

APS 3: Financial Condition Report
effective: April 1, 2003; amended on July 1, 2011

APS 4: Peer Review of Appointed Actuary's Work in Life Insurance
effective: August 28, 2004; amended in July 2011

APS 5: Appointed Actuary and Principles of Life Insurance Policy Illustrations
effective: January 1, 2004; amended on July 1, 2011

APS7: Appointed Actuary (AA) and Principles for Determining Margins for Adverse Deviation (MAD) in Life Insurance Liabilities
effective: March 31, 2008; amended on July 1, 2011

APS 9: Continuing Professional Development (CPD) and the Actuary
effective: April 1, 2005; amended in CPD year 2018-19

APS10: Determination of the Embedded Value (EV) of Life Insurance Companies Incorporated in India and Regulated by IRDA for the Purpose of Initial Public Offering (IPO)
effective: December 8, 2012; amended on March 28, 2015

APS 15: Pension Fund Terminology
effective: January 1, 2012

APS 20: Actuarial Practice for Social Security Programmes
effective: April 1, 2005; amended on January 1, 2012

APS 27: Employee Benefits
effective: January 1, 2018

APS 33: Peer review of AA's work in General and Health Insurance/Reinsurance
effective: December 1, 2017

GN 22: Reserving for Guarantees in Life Assurance Business
effective: March 31, 2014

GN6: Management of Participating Life Insurance Business with Reference to Distribution of Surplus Classification of Guidance Notes
effective: March 31, 2014

GN 29: Guidance Note on Valuation of Interest Rate Guarantees on Exempt Provident Funds under AS15 (Revised)
effective: April 1, 2011

GN28: Other Employee Benefits
effective: April 1, 2011

Guidance Note (GN) 31: On Financial Condition Assessment Report for General Insurance Companies
effective: March 2, 2013

INITIATIVES FOR ACTUARIAL STUDENTS

Actuarial Common Entrance Test (ACET)

Earlier, the Institute's criterion for admission as a student member was based on age, qualification and marks. But there was a lot of influx of students who did not progress much with the examinations.

To ensure enrolment of dedicated students, the Actuarial Common Entrance Test (ACET) was started in 2012 at the initiative of the then ASI president, Liyaquat Khan. It is conducted twice a year. To promote ACET, Liyaquat Khan visited various universities of India, particularly in the remote parts of the country like Tezpur, Guwahati, Srinagar, Thiruvananthapuram, etc.



Young Actuaries Connect

Young Actuaries Connect was introduced in 2011 to encourage and counsel Actuarial students on career growth and various aspects of becoming FIAI. The first connect was held in Mumbai on December 3, 2011. Till date, eight such meetings have been held across various cities like Gurugram, Bengaluru and Mumbai.

We faced many challenges, in particular quite a few in working out the implementation of the Actuaries Act 2006. Setting up the Mortality and Morbidity Investigation Committee with the Life Insurance Council was a big challenge and this was possible only because of the perseverance, negotiation skills and vision of the then leadership. Overcoming the teething troubles and setting the Disciplinary Committee in motion was another major task that was accomplished well



K S Gopalakrishnan

Several actuarial professionals involved themselves voluntarily in the activities of IAI which included examination, training, CPD and professionalism seminars/ workshop/conference and initiation of APS/GNs.



P A Balasubramanian, FIAI



2nd IAI Connect, August 25, 2012/Gurugram



3rd IAI Connect, August 20, 2014/Mumbai



4th IAI Connect, August 22, 2015/Mumbai



7th Young Actuaries Connect, December 5, 2018/Bengaluru



5th Young Actuaries Connect, October 28, 2017/Gurugram



8th Young Actuaries Connect, May 17, 2019/Gurugram



6th Young Actuaries Connect, October 14, 2017/Navi Mumbai

Classroom and Online Training for Student Members

With the objective of helping student members better understand subjects and help them in their journey of becoming Fellow, the IAI has, from 2015 started online coaching (live sessions) for core principles (core technical) subjects at subsidised prices – besides conducting classroom workshops on modelling tools like Excel and R.







Actuarial Job Portal

Early on, the IAI used to list 'Actuarial Job Opportunities' on its website. On the 2nd Actuaries Day on August 21, 2019, IAI launched the Actuarial Job Portal (AJP) which received overwhelming response from members.

CELEBRATING THE PROFESSION

The Indian Actuarial profession declared August 21, the birth anniversary of L S Vaidyanathan (the first Fellow Actuary of India and the first President of the ASI) as Actuaries Day. The first Actuaries Day was celebrated in five locations in India – Mumbai, Bengaluru, Chennai, Delhi and Hyderabad in 2018 with an essay competition on 'The History of Actuarial profession in India'. Badges to mark the day were made available to members at their workplaces.

The second Actuaries Day was celebrated in 2019 across the earlier five cities, and also in Kolkata. It has now become an annual celebration.



ANOTHER FEATHER IN THE CAP: MRA SIGNED WITH CAS

In November 2015, the IAI entered into a mutual recognition agreement with the Casualty Actuarial Society (CAS), United States of America. The agreement was signed by CAS President Robert S Miccolis and IAI President Rajesh Dalmia on November 5, 2015, in Bangkok (Thailand) at the 19th Asia Actuarial Conference.

REINSURERS[1]

The Insurance Laws (Amendment) Bill, 2015 promoted reinsurance business in India by allowing foreign reinsurers to open branches in India. While General Insurance Corporation of India (GIC Re) is the sole domestic reinsurer, in late 2016, the IRDAI issued licenses to six foreign reinsurers to conduct business from India.

Allianz

AXA XL Insurance Reinsurance

Gen Re

MARKEL

Munich RE

RGA Reinsurance Group of America, Incorporated

SCOR The Art & Science of Risk

Swiss Re

[1] https://www.irdai.gov.in/ADMINCMS/cms/NormalData_Layout.aspx?page=PageNo3045&mid=3.3.9

GROWTH OF ACTUARIAL AVENUES

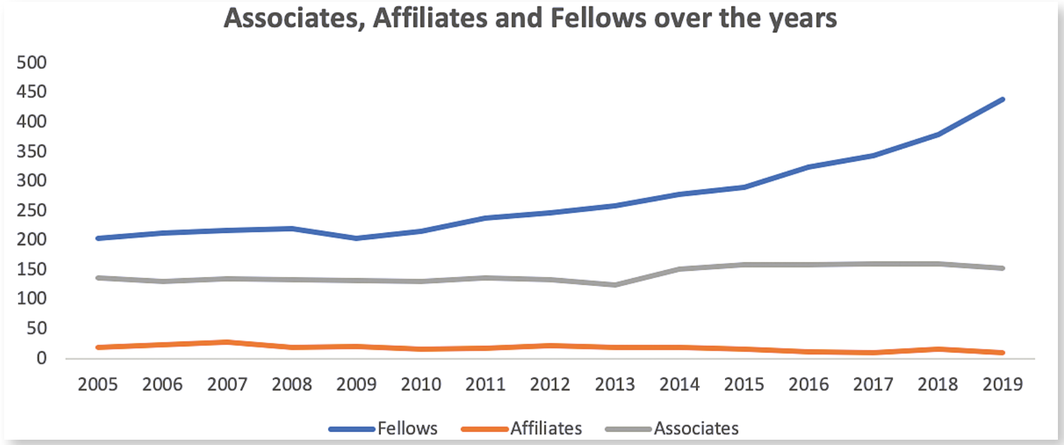
INSURANCE, REINSURANCE AND ADVISORY

Since the opening of the insurance sector to private players in 2000, the insurance industry in India has grown manifold. From six life and general insurers in 2000, there are now 58 life, general and health insurers and seven reinsurers – they being one of the major employers of Actuarial resources.

From 2000, IRDAI mandated a full-time Appointed Actuary for life insurance companies while non-life insurance companies had the choice of appointing Appointed Actuary on a consulting basis. With amendments in the Appointed Actuary Regulations in 2013, the position was made in-house as well as full-time for all non-life insurers. There were further revisions to the Appointed Actuary Regulations in 2017 and 2019.

Similarly, the practice of 'Peer Review' for life insurers, present since 2004, was made an Actuarial Practice Standard (APS 33) for non-life insurers from FY 2018-19.

Besides working for insurance companies, Actuaries have contributed through advisory roles in the IRDAI and Government. Actuaries have been part of various committees (or working groups) such as Committee for Review of Draft IRDAI (Minimum Information for Inspection or Investigation) Regulations 2018, Working Group for Recommendations for Loss Prevention and Minimisation in General Insurance Industry in December 2019, and have advised on setting 'Motor Third Party' insurance premium rates.



The number of 'Fellows' grew from 227 in 2006 to 454 in 2019

Global Actuarial Talent Hub

With many companies setting up their back-end offices in India, the country has become a global hub of Actuarial resources. India has also emerged as an Actuarial talent supplier to other countries such as the UK, the US, Hong Kong, Singapore, Thailand, Philippines and Vietnam – as many Indian Actuaries have taken up crucial roles in these countries.

Beyond Boundaries

Since 2000, there have been examples of Actuaries in India going beyond the core role of Appointed Actuary. In 2002, Nick Taket was appointed as General Manager-Finance and Appointed Actuary for HDFC Standard Life Insurance Company, Peter Akers, was Appointed Actuary and Chief Financial Officer of Birla Sun Life Insurance. In 2014, K S Gopalakrishnan was appointed MD and CEO of AEGON Religare Life Insurance. In 2017, G L N Sharma became the CEO of Hannover Re. There are many others in the same league such as Satyan Jambunathan, EVP, Senior Vice President and now CFO at ICICI Prudential Life Insurance Company and Anurag Rastogi, Member of Executive Management, Chief Actuary and Chief Underwriting Officer, HDFC ERGO General Insurance Company.

New Pastures

In addition to traditional roles, Actuaries have now become important contributors in Risk Management, Data Analytics, Finance and Accounting, Business Development, Investments, Expense Management, Asset and Liability Management, Innovation and Research, Mergers and Acquisition and in the Pension and Annuity Market. New developments such as implementation of IFRS 17, Risk Based Capital, Insure Tech, Fin Tech, Advanced Data Analytics and Predictive Modelling have increased the demand of Actuaries.

History is about human beings and the events which made a difference to the evolution of human society and, in our context, to the evolution of the Actuarial profession.

History shapes itself over a period, which is beginning less and endless.

The history of the Actuarial profession will continue to shape itself and, at some point, it is hoped that it will be written again. The 75-year history ends now.

Till date, only three Indians have been inducted into the prestigious Insurance Hall of Fame of the International Insurance Society. It is a matter of great pride that two of them are Actuaries – B K Shah and Prof G S Diwan, who were inducted in 1984 and 2008 respectively.

LEADERS
Who Made It

L S VAIDYANATHAN[1] (1893-1962)

Lalgudi Swaminath Vaidyanathan, the first Indian Fellow of the Institute of Actuaries, London, was also the first President of the Actuarial Society of India (ASI). Vaidyanathan also served as the President of the Indian Life Assurance Offices' Association (I.L.A.O.A.).

After finishing his early e xaminations in India in 1924, the Bombay University scholar proceeded to England to study Actuarial Science, qualifying as Fellow in 1926. On his return to India, he joined the Oriental Government Security Life Assurance Company Ltd (Oriental).

During a tour of Europe and America after attending the International Congress of Actuaries in Rome, he had become familiar with various technologies of the times – which he would later introduce in Oriental.

While at the Oriental, L S Vaidyanathan also took up the part-time assignment of teaching Actuarial Science at Mumbai's Sydenham College of Commerce and Economics. In fact, the growth of the Actuarial profession in the early years was largely due to his missionary zeal.

In 1931, the Government entrusted him with the task of investigating into the mortality of Indian population based on the census data. His Actuarial report, which was annexed to the Census of India, 1931, distinguished itself by the sheer extent of knowledge, ingenuity and enthusiasm that it reflected.

His later investigations into the mortality of Indian assured lives, based on his experience at Oriental, contributed significantly to Indian life insurance. His paper on this investigation, submitted to the Institute of Actuaries,



London, was published in JIA Vol. 70 and was awarded the Sir George Hardy Memorial Fund prize.

His contribution in framing a comprehensive legislation – the Insurance Act, 1938 – was appreciated by the then Law Minister, Sir N N Sircar. Later, Vaidyanathan also played a very significant role in shaping the Insurance Amendment Act, 1950.

In 1943, he was appointed the Superintendent of Insurance (later renamed Controller of Insurance). In 1946, he returned to the Oriental as Chief Executive. During this period, he led the movement for rationalisation of the taxation system applicable to life insurers and superannuation funds. Following the nationalisation of the life insurance business, he retired from the Oriental in September 1956. While Custodians were appointed for other companies, Vaidyanathan's post was left untouched in recognition of his services.

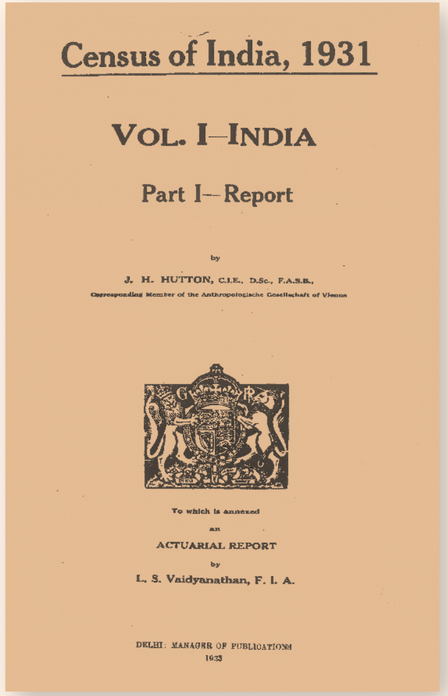
In LIC, he was appointed as Managing Director – a post that he continued to occupy for the remaining years of active service, which lasted until 1958. He breathed his last on February 25, 1962, his contribution standing tall in the Actuarial world.

In the words of K R Srinivasan, then Chief Actuary of the Oriental and Custodian of New India:

> *"When the history of Indian insurance for the last two decades comes to be written, Mr Vaidyanathan's name will be in letters of gold, for inspired by the singular purpose of propagating adoption of fair and correct practices in life insurance administration in India, he strove to eradicate evil wherever he found it, fought injustice wherever it was perpetrated, and upheld sound traditions fearlessly and selflessly."*

In 2018, the Institute of Actuaries of India decided to celebrate his birthday, August 21, every year as the Actuaries' Day in his honour.

> *The most remarkable achievement of the profession during its early days was the study of mortality experience Oriental 25-35 by L S Vaidyanathan FIA, the first big exercise before nationalisation. This is also seen as the earliest and a very great actuarial effort of the time. Not only was the duration of study a decennium, but the study itself extended to multiple sub-groups based on sex, race, regions and religious communities. From current standards while the data may have been inadequate for a stratified study, it served the purpose of the investigation in a manner then envisaged and the study received international acclaim.*
>
> – A V Radhakrishnan, AIAI



[1] Excerpts from Late M G Diwan's tribute to L S Vaidyanathan

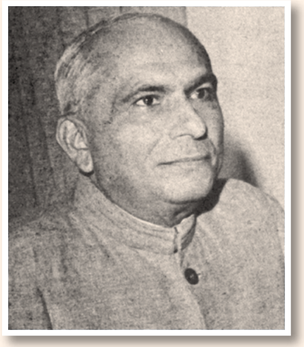
B K SHAH[2] (1906-1995)

The first Indian–born Actuary to be inducted into the Hall of Fame of the International Insurance Society was Babubhai Kasturchand Shah, in 1984.

B K Shah was educated at Sydenham College, Bombay. After passing the Fellowship of the Institute of Actuaries, London, he joined the Hindusthan Cooperative Insurance Society Limited as an Actuary and then moved to New India Assurance in 1936.

He headed New India Assurance's Actuarial department, until he became the General Manager in 1946. In 1954, he was appointed Managing Director, remaining in that position until 1971.

With exemplary vision, enterprise, and an unorthodox and dynamic approach, B K Shah took New India Assurance to the forefront of the Indian insurance industry. He is credited with transforming the company and taking it to the top tier twice – first after he took over as General Manager in 1946, and second, in 1956, post-nationalisation of the life insurance sector, when the majority of New India's business came under the umbrella of the LIC.



At New India Assurance, Shah developed a new model of administration by streamlining procedures, shortening lines of communication and decentralising operations. He devised an efficient system to provide autonomy to inspectors (claims and policy issuance) by giving them cars/bikes to commute and on-spot policy issuance while at the same time putting enough checks to ensure absence of any wrongdoing. He introduced the technology of the times in operations.

His other pioneering initiatives were setting up of an investment department and emphasising on expense management, which ultimately was also regulated and resulted in acceptance by life insurers for statutory control of expenses of management.

Further, he introduced the Machinery Breakdown Insurance in India, in cooperation with Munich Re in 1951. He also got the underwriting of Indian marine hull business transferred from the United Kingdom to India. He started credit insurance on an all-India basis, thus expanding the Indian insurance market to full capability in serving the needs of the Indian public and business sectors.

New India, under his stewardship, penetrated into every segment of Indian society. It established offices for direct writing in about 45 countries and operated in close cooperation with local insurers. New India also started trading internationally in reinsurance.

He developed the concept of Anatomy of Risk, built up consciousness among managers to identify sensitive points of risks and invented methods to minimise losses. He developed strategies and techniques of selecting, training and motivating hundreds of youths every year. All along the course of his leadership in New India Assurance, he continued to employ Actuaries at senior levels and in key positions – even after the life insurance part of the business merged with LIC in 1956.

Some of the Actuaries who served New India even after LIC of India came into being were R K Daruwalla, who became the second Chairman of the GIC of India and President of ASI and N H Thanawala, who also later became ASI President. The National Insurance Academy, Pune has a special room named after him.

Once the process of nationalisation of general insurance started, Shah was appointed Custodian of New India in May 1971. This was a departure from normal practice of appointing Custodians from other companies – an acknowledgement of not only the size of New India but the professional credibility of B K Shah.

Nationalisation of general insurance in 1971 came as a personal shock for the second time for B K Shah; the first shock was when the life insurance business was nationalised, taking away a significant part of New India's portfolio.

He took the company through the process of being handed over to a Board constituted by its new owner, General Insurance Corporation of India (GIC) and laid down office on the last working day before New India was nationalised on January 1, 1973.

B K Shah was perhaps the first Indian *Business Actuary* in the true sense. According to R Thyagarajan, Founder, Chairman, Shriram Group, "*New India Assurance became the leader because of B K Shah's vision.*" His achievements are a perfect example of how much more Actuaries can achieve.

[2] https://www.insurancehalloffame.org/laureateprofile.php?laureate=30
https://www.newindia.co.in/portal/NIA100/noe.html

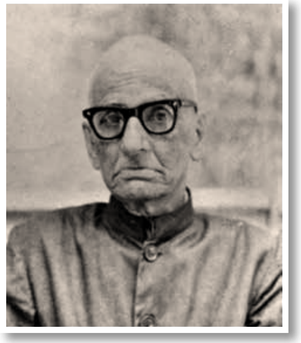
PROF G S DIWAN[3] (1901-1987)

Professor Govind Shriniwas Diwan or Bapu, as he was fondly called, was the second Indian-born Actuary to be inducted in the Hall of Fame of the International Insurance Society in 2008.

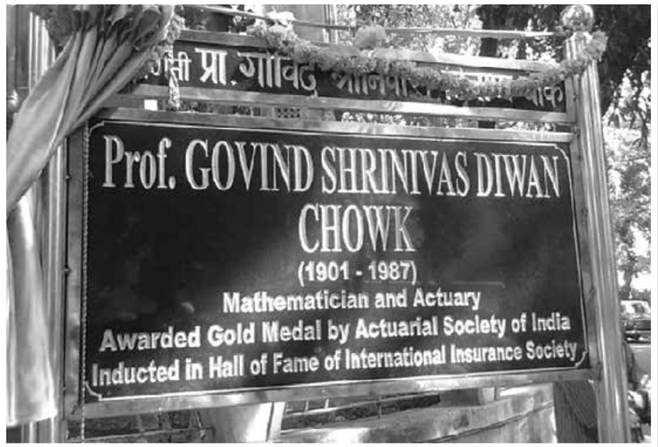
Prof Diwan became Associate in 1933 and Fellow of the Institute of Actuaries, London in 1942. His career spans over six decades, during which he achieved excellence in teaching, government service and consulting. He was an active member of the Actuarial Society of India (ASI) and honoured on many occasions for his contribution to the development of the profession. He received the Society's gold medal in 1980 for his contribution – most notably in academics and promotion of Actuarial education in India.

Considered the best teacher of his subject, the kind-hearted Prof Diwan taught students for free. The Diwan-Agashe book on *Differential Equation*, written by him and one of his students, is considered one of most challenging books on Mathematics. His book on Gratuity Valuation was also prescribed as reading material for ASI Fellowship examinations.

Apart from his academic career of more than 30 years, Prof Diwan also worked for the Government of Bombay as a non-life insurance consultant. He was also consultant on Life Office Valuations, Valuations of Life Interests, Gratuity Valuations, etc.



In 1951, he became the Insurance Officer for the insurance fund set up by the Government of Bombay to handle increasing requirement for insurance coverage for its properties, trade, goods and transport. Later, the Government also invited him to head the Insurance Department of Gujarat State.

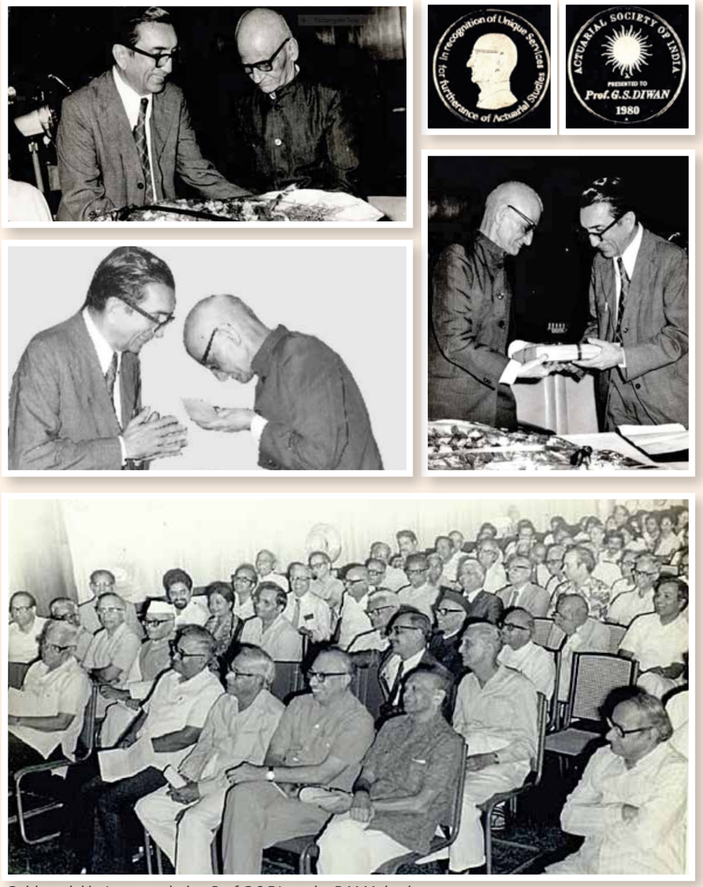


[3] https://www.insurancehalloffame.org/laureateprofile.php?laureate=139
www.dsacted.com

In 1962, he was appointed non-Executive Director of the Board of the newly formed Deposit Insurance Corporation. During his directorship, he conducted a detailed investigation into the past experience (1951-52) of bank failures and losses caused to depositors as a result. This became the basis for setting premiums and terms in future.

Noble of heart, he always felt that nationalisation of life insurance (which he supported) was unfair to many with-profit policyholders. Not only did he make the public aware about it, he also went on to file a lawsuit on their behalf.

Prof G S Diwan always advocated that the ASI should conduct its own examinations – which the Society eventually did in 1989, soon after his death. On February 26, 2010, a corner of Mumbai's 5 Road of Hindu Colony and Sir Bhalchandra Road in Dadar East, was named Prof Govind Shrinvas Diwan Chowk.



Gold medal being awarded to Prof G S Diwan by R M Mehta[4]

[4] K A Pandit's commemorative book for the 75th year; www.dsacted.com

R M MEHTA (1915-2004)

Another significant contributor to the Actuarial profession and insurance industry was R M Mehta. He was appointed as the Secretary of the Joint Committee of Custodians (JCC) in 1956. He was part of Life Insurance Corporation of India (LIC)'s three-man delegation under the Technical Cooperation Mission (TCM) scheme which went to the USA to study the latest trends in life insurance.

During its eighth biennial Actuarial valuation in 1971, when LIC was faced with the tough task of balancing the need to strengthen financial management and declare higher bonus rates, R M Mehta was appointed member of a government committee to recommend solutions.

In 1972, he was appointed the Managing Director of LIC[5]. Three years later, after retiring as Managing Director, he created the National Insurance Academy, along with the R K Mahajan, the then Controller of Insurance, Government of India, in 1975. He served as President of the Insurance Institute of India (III) from 1971-73 and in 1976 was also appointed as the Deputy Chairman of the Board of Education of III.[6]

He was a member of the Era Sezhiyan Committee that was appointed by the Government in 1978 to review the structure and working of the LIC. It was this Committee that suggested splitting LIC into five independent corporations for improving efficiency – although this recommendation was not executed.



He was also elected President of the ASI in 1979[7]. During his tenure, ASI became a member of the International Actuarial Association and R M Mehta was elected as the representative of India. The Board of Insurance Institute of India decided to award medals (separately for life and non-life) in the Fellowship examinations – effective from October 1987. R M Mehta received the Medal for Life in recognition of his outstanding contribution and service to the cause of insurance education and training in India. In 1993, he was a major contributor to the formulation of ASI's response to the Malhotra Committee. In 2000, he also donated a sum of Rs 1 lakh to the ASI in memory of late Professor G S Diwan.

Liyaquat Khan, in his President's column[8] of the September 2005 issue of *The Actuary India* magazine, described R M Mehta as "the one who diligently kept the profession going during very difficult days".

[5] *Tryst with Trust - The LIC Story*

[6] https://www.insuranceinstituteofindia.com/downloads/Forms/III/Important-Notice/History/MILESTONES.pdf

[7] *Bulletin*, December 1980

[8] *The Actuary India* magazine, September 2005

from the president



Dear friends

Lump in the throat.

Voice chocked. Thoughts in reverse flight through the memory lane.

Eyes full of tears, not flowing down but holding on as though to facilitate the flight of thoughts through the memory lane.

As I sat down to pen this coloumn on a subject entirely different, call came from S P Subhedar that two days earlier he breathed his last.

Its months now that the desire to visit him had been nagging and persisting: Friends had informed me that he was hard of hearing for quite some time and when visited, was prone to being emotional and could cry. Equally strong desire not to see him pained held me back. Some time in 1997, after coming back to India, I had visited him. Signs of ageing and incapacity to hear effectively were evident. We discussed matters actuarale and affairs of ASI, a subject of mission of his life.

Then the air was full of expectation with the day of opening of insurance industry to private sector clearly seen in the visible horizon. He too like many of us was, hopeful of resurrection and growth of Indian actuarial profession. A bit of a paradox for someone who held on to nationalized life insurance era in LIC and dedicated his entire career to it!

Year 1993 saw him fully involved in ASI's endeavor to formulate a response to the Malhotra Committee on reforms in insurance sector. I had the fortune to lead that endeavor and interact with him along with R K Daruwalla and others. Much that went in ASI's memorandum to the Malhotra Committee had his imprint.

Year 1975, time before and immediately after his retirement from LIC as Managing Director, he dedicated himself along with (late) R K Mahajan, the then Controller of Insurance, to creation of National Insurance Academy. It was a fruition of a desire of his that any professional, actuarial including, research and development was highly constrained within the framework of LIC and thus an independent institution for the purpose was necessary.

Year 1978 – 80 saw him as an active member of the Government appointed Era Sezhian Committee to review structure and working of LIC. The Committee recommended splitting LIC in to five independent Corporations and also made number of recommendation for strengthening actuarial management of these proposed entities.

Almost concurrent to the functioning of the Era Sezhian Committee, he was a member of the committee of Actuaries (1978 – 79) with S N Vaidya as Chairperson to review the premium structure of LIC plans.

Year 1971, as a member of the N V Nayudu committee his contribution was evident when the committee recommended abolition of Zonal Offices and strengthening Divisional offices with creation of position Divisional Actuary for better financial management.

The eighth actuarial valuation of LIC as at 31- 03-1971 (biennial then) saw some kind of a explosive situation thrown up when the Chief Actuary recommended through a report which we would now call Financial Condition Report wanting LIC to strengthen its actuarial/ financial management and control loss making sales. Surely the resultant bonus rate was under pressure. Pressure rather a bit too much for the first non-beaurocrat recently appointed Chairman who wanted higher bonus with all rosy picture to be declared. The Government appointed committee to find a way out, has him as its member with the Chief Actuary too as a member and this paved the way for the Chairman to agree to implement number of recommended measures.

His commitment to his country, India and the organization he served, LIC, was unparalleled.

Jan. 1971, on the eve of my departure to work in London Branch of LIC, I went to take his blessings. With serene, calm and radiant face said he, go work hard, pass the Institute exams become a fellow (FIA) and come back to serve your motherland.

May 1973, I become FIA and on return back to LIC in India, I go to meet him, says he, "I am happy you came back to serve your mother land." The three years in between were tumultuous for actuaries working in LIC. The Chairman under obvious pressure had abolished actuarial incentive scheme, promotions in terms of the scheme were blocked for future (I was affected for one promotion at least) monetary benefits were recovered retrospectively (I too had to pay back), actuaries formed an association and went to court of Law against L I C. He, even though a Managing Director funded the cause by donating a sum large from those days' standards. All of us did.

Year 2000, he donated a sum of Rs.100, 000/- to ASI in the memory of (late) professor G S Diwan, whose 100th birth anniversary fell that year.

Amazing!

R M Mehta, FIA; FASI, born 26- 07-1915 left for heavenly abode on 4th February, 2004.

Mehta Sir, with lump in the throat and tears in the eyes I look up to the sky and pray GOD to have you closer to him as one who fulfilled his assigned role well in this world.

Mehta Sir, when I do this I know I am not alone.

Obituary of R M Mehta by Liyaquat Khan, President ASI, published in the February 2004 issue of *The Actuary India*

Much earlier in the early Seventies, R M Mehta as the MD of LIC was instrumental in implementing incentives for Actuarial studies (by way of additional perquisites and promotion) and the developments in this regard is part of history which senior members of the profession are well aware of.

– P A Balasubramanian, FIAI, while recalling the contribution of R M Mehta

Remembering Roots and invoking blessings

Deep rooted in our Indian culture is our sense of gratitude to our forefathers that we display and invoke their blessings. It was thus in the fitness of things that the Executive Committee in its meeting held on 13th August 2005 dedicated the four rooms in the new office to L. S Vaidyanathan, very first President of ASI when it was created in 1944, G S Diwan the very icon of Indian actuarial education, R M Mehta, the one who diligently kept the profession going during very difficult days and B K Shah, the insurance corporate giant of whom every Indian actuary should be proud of. While doing so we the current generation of actuaries dedicate our humble efforts to progress the cause of Indian actuarial profession to these giants and invoke their blessing to all that we do.

I end this column with a deep sense of satisfaction that I have in having had the opportunity to contribute my small bit as President of the Society.

17 09 2005, is the day when I lay down office as President immediately after the 23rd AGM.

Good bye and Khuda Hafiz

Liyaquat Khan

President's Column in September 2005. IAI (then ASI) dedicated four rooms in its new office in the Indian Globe Chambers in the name of four Actuaries – L S Vaidyanathan, G S Diwan, B K Shah and R M Mehta.

N V NAYUDU (1912-1997)



In 1935, after acquiring a B L degree, N Varadarajulu Nayudu went to England to work with Atlas Assurance Co., London. He qualified as an Associate in 1937 and as a Fellow of the Institute of Actuaries, London in 1939.

Thereafter, for five years, he held the post of Assistant Superintendent of Insurance, Government of India, after which he joined United India in 1945. In 1938, as the new Insurance Amendment Bill remained pending before the Legislative Assembly due to uncertainities in the political situation, a Sub-Committee was constituted by the Insurance Advisory Committee in 1944[9] to consider all insurance problems relating to post-War India. With N V Nayudu as a member of this post-War Sub-Committee, it urged concerted measures to acquaint the public with the benefits of insurance. Another suggestion was the amalgamation of small Provident Societies and companies with high expense ratio with some stronger units.

N V Nayudu was also part of the Committee formed to review the report submitted by the Cowasjee Jehangir Committee. The report submitted by this Committee eventually became the Insurance Amendment Act, 1950. He also served as President of the South India Insurance Offices' Association and the Indian Life Assurance Offices' Association (I.L.A.O.A).

In 1948, he went abroad to study the working of the Metropolitan of New York and in the same year also took part in the centenary celebrations of the Institute of Actuaries, London.

N V Nayudu was made Managing Director of LIC, with effect from August 1967, and would make significant contribution in shaping what LIC is today. He also served as President of the ASI.

[9] https://archive.org/details/in.ernet.dli.2015.224568/page/n225

A RAJAGOPALAN (1911-2006)[10]



One of the architects of the nationalisation of the life insurance industry included one of LIC's first Managing Directors, A Rajagopalan. He entered the Actuarial profession after graduation, and with the objective of acquiring practical experience, joined the Oriental. His stint in the Oriental was short-lived as he left the company to join the Government of India, as Assistant Actuary. When the Department of Insurance was created, he became the Assistant Superintendent of Insurance and in 1951 was promoted to Controller of Insurance. A Rajagopalan was an officer of the Indian Administrative Services (IAS); so, after his term as Controller of Insurance, he became Additional Secretary in the Union Finance Ministry.

It was A Rajagopalan who prepared the ground for the nationalisation of life insurance. His thorough and detailed knowledge of the industry was invaluable in guiding Custodians during the interim period of nationalisation. As the first Managing Director of LIC, he handled the Personnel and Actuarial portfolios. In 1961, he proceeded to Ceylon (now Sri Lanka) on deputation under the Colombo Plan, to advice the Government of Ceylon who had by then nationalised their life insurance industry. Following the nationalisation of General Insurance Companies in 1972, he was appointed the first Chairman of the General Insurance Coporation of India (GIC). He also served as the President of the ASI.

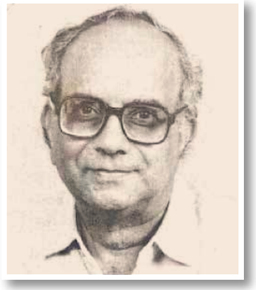
R K DARUWALLA (1921-2013)[11]



Rusi Kaikhushroo Daruwalla graduated in Commerce from Sydenham College, Mumbai in 1943. After graduation, he joined the New India Assurance Company Limited in a clerical capacity, and through sheer hard work rose to become the Manager of New India Assurance Company Limited in 1961. R K Daruwalla became a Fellow of the Institute of Actuaries, London in 1958. In 1973, when the general insurance business was nationalised, he was assigned the role of Managing Director, General Insurance Corporation (GIC). He became the Chairman of GIC in 1979 and retired in 1981. He set GIC on an endeavour to achieve Rs 2000 crore premium income by 1990. On retirement from GIC, he joined Thanawala Consultancy Services as a partner, continuing his association with the firm until 2001. R K Daruwalla served on the Executive Committee of the Actuarial Society of India for many years in the 1980s and also was its President during 1982-1984.

[10] Coffee-table book on GIC; *The Actuary India* magazine, April 2003
[11] Excerpts from an obituary on R K Daruwalla in *The Actuary India* magazine, June 2013; Coffee-table book on GIC; IFOA Directory

K P NARASIMHAN (BORN IN 1932)



K P Narasimhan qualified as the Fellow of the Institute of Actuaries, London in 1962[12]. He started his career with the erstwhile Oriental Government Security Insurance Co. Ltd in 1955. In October 1990, he became Managing Director of LIC[13] and, two years later, in 1992, was appointed as its Chairman[14].

He served as the President of ASI from 1998 to 2000, prior to which, from July 1997, he was the Vice President. It was under his presidentship that the Global Conference of Actuaries was initiated in 1999. After his term as the president of ASI was over, from August 2001, K P Narasimhan served as Chief Editor of *The Actuary India* magazine until February 2009. During his editorship, the magazine began to be published every month instead of in every two months. He also chaired two crucial committees – the Committee on Actuaries Bill, 2002 and the Committee on Provisions of the Insurance Act, 1938. The latter was the basis for the amendment of the Insurance Act, 1938 in 2015.

N RANGACHARY[15] (BORN IN 1938[16])



Known for his simple sartorial taste – a spotless white shirt and white pants – and the trademark *tilak* across his forehead, former Insurance Regulatory and Development Authority Chairman, Nambi Rangachary[17] could possibly be the most down to earth regulator in the financial system. It was N Rangachary, who in 1997 prompted the Actuarial Society of India to come up with a professional structure and get formally institutionalised under an Act of Parliament, now known as The Actuaries Act, 2006. The Global Conference of Actuaries (GCA) was also initiated under his encouragement.

He is a Fellow Member of the Institute of Chartered Accountants of India, Institute of Cost and Works Accountants of India and Institute of Company Secretaries of India. He holds a National Diploma in Commerce from the All India Institute of Technical Education, New Delhi. Since 2001, he is also an Honorary Fellow Member of the Institute of Actuaries of India. The Actuarial Society of India, now IAI, admitted him as an Honorary Fellow Member in recogniton of his contribution to the cause of the Actuarial profession.

He has about 45 years of experience in insurance and financial services. He joined the Indian Revenue Service in 1960 and was appointed as Chairman of the Central Board of Direct Taxes in 1995. He retired from this position in July 1996 and then appointed as the Chairman of the Insurance Regulatory and Development Authority (IRDA) in August 1996, the then called Insurance Regulatory Authority (IRA). After IRDAI Act 1999, he was appointed the first Chairman of IRDA.[18] The credit for privatisation of the Indian insurance industry goes to him, even though he never claims so.

[12] *Tryst with Trust – The LIC Story*
[13, 14] LIC Library
[15] http://orientgreenpower.com/rangachary.asp
[16] https://www.rediff.com/money/2003/jun/10ranga.htm
[17] https://www.bseindia.com/bseplus/annualreport/504084/5040840319.pdf
[18] https://www.oecd.org/finance/financial-markets/25820019.pdf

DR ELIZABETH (LIS) MARY GOODWIN[19]

Lis Goodwin was the Head of Mathematics, Statistics and Computing at the Sir John Cass College in London. She worked in Her Majesty's Inspectorate of Education, overseeing higher education and further education establishments. She was a Fellow of the Royal Statistical Society and also served on the Council of the Institute of Mathematics and its Applications, UK.

Although Lis is not an Actuary, she joined the Institute of Actuaries, London in 1992 as Chief Education Executive. Her role was educating and training Actuaries (in UK) – both at the initial qualification stage and then post qualification, during Continuing Professional Development (CPD).

It was in this capacity that she did much for the Indian Actuarial profession. Her first visit to India and the then Actuarial Society of India (ASI) was in October 1995 when she interacted with various students and Fellow Members of ASI. Over the next 10 years she visited India multiple times. There were a lot of developments in the Actuarial profession in the UK during this period, especially the revision of examination pattern (twice), which she oversaw.

Duirng her visit to India in 2000, Lis Goodwin explained the "IoA's philosophy behind course content, and revisions thereto in the context of a uniform global syllabus" to ASI members. In 2002, she presented a paper on 'Strategy for Actuarial Education in India'. She closely looked at ASI's education and examination system and provided guidance. She also took various examiner workshops to guide ASI examiners and make them aware about the changes in the UK. She was instrumental in facilitating IoA's study material for use by ASI students.

The Mutual Recognition at Fellowship level with IoA and FoA, mutual exemptions of subjects up to S 300 (now SP) level and helping ASI achieve mutual recognition at Fellowship level with IAAust are few of the significant milestones she deserves credit for.

In May 2000, she was given the IoA President's award.



My first visit to India and the then Actuarial Society of India (ASI) was in October 1995.... The insurance market in India was changing and so also were the career journeys that Actuaries were following. The highlight of my association with the ASI was the signing of the mutual recognition agreement with the UK Institute and Faculty in 2004, while Mr Liyaquat Khan was President. I personally witnessed the growth of the ASI during this period. I enjoyed meeting the students and the qualified Actuaries.... I send the now Institute of Actuaries of India my congratulations on the first 75 years and my best wishes for your next 75 years.

– Lis Goodwin



Visit by Lis Goodwin

[19] https://www.business-standard.com/article/finance/n-rangachary-holding-the-key-to-cdsl-s- growth-110082500024_1.html



Fellowship being awarded to Meena Sidhwani



Fellowship being awarded to R Padmaja

PROFESSIONAL ACTUARIAL EDUCATION

Changing Gears to Grow

THE STORY OF ACTUARIAL EDUCATION

A professional institute is recognised mainly by its integral activities – the primary among which are education and accreditation of its members.

The professional involvement of Actuaries in India began with the Life Insurance Act, 1912, when Actuaries who qualified from the Institute of Actuaries, London (IoA) and the Faculty of Actuaries, Scotland (FoA) started Actuarial work for life insurance companies in India within the framework of The Indian Life Insurance Companies Act, 1912.

The earliest record available from 1929 show three Fellow members and eight Associate members of IoA or FoA, working for insurance companies. There is no record of evidence of conduct of examinations by the IoA or FoA in India. But, it is quite likely that examinations were conducted by these two bodies for their members working in India, as it has been a regular practice for several decades now.

Although the Actuarial Society of India (ASI) was created in 1944, Actuarial examinations for ASI members and their accreditation as Actuaries remained under IoA and FoA.

Since it was necessary to promote Actuarial Science as a subject, in 1977, the University of Bombay (now Mumbai University), decided to introduce it as an optional subject across the Undergraduate Science, Commerce and Arts streams. Efforts were also made to convince other universities to conduct courses at the Graduate and Postgraduate levels – with course content equivalent to the then 'A Group' of examinations of the IoA.

In the earlier days, the IoA used to conduct preliminary examinations for entrance to the Actuarial profession. In 1975, this responsibility was handed over to the ASI and, in this sense, it was its first experience in holding an Actuarial examination. Gaining experience from this, the ASI conducted examinations for Associate membership for the first time in the year 1989, followed by examinations for Fellowship in the year 1991.

The first two members to become Fellows of ASI after examinations were Meena Sidhwani and R Padmaja, in the year 1996.

The opening of the insurance sector to private sector participation in the year 2000 forced the ASI to relook its system of examination and accreditation to ensure global standards and adequate supply of Actuaries in India.

Dr Elizabeth (Lis) Goodwin, the then Chief Executive Officer (Education) at



Meena Sidhwani and R Padmaja with IoA and ASI presidents

IoA visited ASI in October 2000 to look at its infrastructure and functioning. She also conducted the prestigious Examiners Seminar twice – once in January 2003 and again in September 2004. Since then, the ASI has been conducting many such seminars for its panel of examiners.

The ASI signed a Mutual Recognition Agreement (MRA) on February 17, 2004 with three global professional Actuarial



1st Examiner's Seminar of ASI, January, 2003

bodies – Institute of Actuaries (London), Faculty of Actuaries (Scotland) and Institute of Actuaries of Australia. This itself facilitated the availability of Fellow Members of these bodies to work in India, which in turn helped the growth of the ASI in terms of assistance as examiners, paper-setters, etc.

Simultaneously, an agreement was signed with the IoA, under which examinations of each body were mutually recognised up to a certain level of subjects and IoA provided funding for paper-setters/examiners from the UK and study material from ActEd, the study material supplier in London.

The ASI, which became Institute of Actuaries of India (IAI), under the Actuaries Act, 2006 introduced an entrance examination system in 2011 called Actuarial Common Entrance Test (ACET). The purpose was to ensure the quality and commitment of students entering the Indian Actuarial profession. ACET is conducted twice a year.

On November 5, 2015, an MRA was signed between IAI and Casualty Actuarial Society, USA.



Dr Lis Goodwin speaking at the 2nd Examiners Seminar, September 2004



MRA signed between CAS and IAI, November 2015

The UK Institute sent the study materials in zip floppy which could not even be read on an ASI computer. The material consisted of more than 25000 pages. Outside agencies had quoted Rs 10 per page for giving one copy. Study materials could not be distributed at affordable cost. The matter was discussed in the EC meeting as well. I made my own calculation – cost of paper, ink cartridge, wastage etc. and, came to a conclusion that it could be managed at Rs 4.5 per page...

– A P Peethambaran, Former Secretary General of ASI

With a view to encourage students, the ASI instituted the Academic Excellence Awards in 1989 – almost at the same time as it began to hold Actuarial examinations. This gained momentum and a large number of Academic Excellence Awards in various subjects were created after 2002 – when the examination system, in terms of curriculum and study material, were aligned with that of IoA. These awards continue to encourage students to excel.



The Shree K A Pandit Consulting Actuary Memorial Trophy


The RGA Academic Excellence Award


The Tata AIA Life Insurance Academic Excellence Award


Fellowship awards in AGFA 2019

Following are the Academic Excellence Awards given by the IAI as on January 31, 2020. These awards are presented during the Actuarial Gala Functions and Awards (AGFA) ceremony at the annual Global Conference of Actuaries in February.

- Meena Sidhwani Memorial Academic Excellence Award for students who achieve Fellowship within 4.5 years
- Principal Financial Group Award for students who achieve Associateship in three years
- Awards for scoring the highest marks

Sr. No	Name of the Awards	Subject	Name of Subject
1	Smt Vidhya Wati and Smt Santosh Kumari Memorial Scholarship Prize	CM1	Actuarial Mathematics
2	Shri Atma Ram, Shri Chhaju Ram and Smt Parvati Devi Memorial Scholarship Prize	CB1	Business Finance
3	Shri H V Krishnamurthy Prize	CS1	Actuarial Statistics
4	Shri R Krishnaswamy Prize	CS2	Risk Modelling and Survival Analysis
5	Shri R M Joshi Prize	CB2	Business Economics
6	Shri G S Diwan Centenary Commemoration Prize	CM2	Financial Engineering and Loss Reserving
7	The Future Actuary Prize	CP1	Actuarial Practice
8	Shri R Krishnaswamy Memorial Prize	CP2	Modelling Practice
9	J R Joshi Prize	CP3	Communications Practice
10	Shri G S Diwan 100th Birth Anniversory Memorial Education Prize	SP1	Health and Care
11	Late Shri Janardan Pundalik Nerurkar Prize	SP2	Life Insurance
12	Shri K A Pandit Memorial Prize	SP4	Pensions and Other Benefits
13	Shri Kamal Kumar Noranglal Podar Prize	SP5	Investment and Finance
14	Late Shri D Basu Prize	SP6	Financial Derivatives
15	Shri G S Diwan 100th Birth Anniversary Memorial Education Prize	SA1	Health and Care
16	Shri G S Diwan Memorial Prize	SA2	Life Insurance
17	Late Shri K P Sarma Memorial Prize for the Meritorious in General Insurance	SA3	General Insurance
18	Canada Life Scholarship Endowment Prize	SA4	Pensions and Other Benefits
19	Shri G S Diwan Memorial Scholarship Prize	SA6	Investment

In addition, Academic Excellence Award for higher subjects (CP, SP and SA) have been instituted by various companies.

- ACET Award, instituted by the Parikh Parivar Prize Fund and the (Late) A S Gupta Prize Fund, has been instituted for students scoring the highest marks in April/October ACET examination.



1st GCA: February 12-13, 1999 | 2nd GCA: February 24-25, 2000 | 3rd GCA: February 15-16, 2001 | 4th GCA: February 14-15, 2002
5th GCA: February 19-20, 2003 | 6th GCA: February 18-19, 2004



7th GCA: February 15-16, 2005 | 8th GCA: March 10-11, 2006 | 9th GCA: February 12-13, 2007

GCA

Together Towards Tomorrow

1999: A year of immense excitement and anticipation for the insurance sector! The Insurance Act, 1938 was to be amended to incorporate the opening of the insurance business to private participation.

The Insurance Regulatory and Development Authority of India (IRDAI) Act, 1999 (then known as IRDA Act, 1999) was put in place to create the Insurance Regulatory and Development Authority to regulate the sector – in anticipation of competitive insurance entities playing a role in India's vast economic space.

Section 25 of the IRDAI Act facilitated the creation of an Insurance Advisory Committee to ensure that various regulations are put in place. The Committee comprised two Actuaries of the day – S P Subhedar, Ex-Managing Director of Life Insurance Corporation of India and Liyaquat Khan, the then Vice President of the Actuarial Society of India.

A person who turned out to be a visionary by any standard was given charge of the destiny of India in the new insurance sector – N Rangachary, who joined as first Chairperson of IRDAI. Rangachary decided to learn more than he knew about Actuaries and their role in regulating the insurance business and the only way to do so was to organise a conference on Actuarial matters. Such a conference had to be global in nature, facilitating Actuaries from across the world to assemble in one place, present papers/presentations and debate all matters that relate to development and regulation of the insurance industry.

The IRDAI, thus, encouraged and ensured the beginning of Global Conference of Actuaries (GCA), the first one in February 1999 on the platform of Federation of Indian Chambers of Commerce & Industry (FICCI) and in association with the Actuarial Society of India (ASI). However, the holding hands were those of Rangachary



Inaugural Panel – Graham Clay, B K Chaturvedi, K P Narasimhan, G Krishnamurthy, Amit Mitra, N Rangachary, D Chakraborty



N Rangachary addressing the attendees

and his small team of Actuarial staff within the newly established IRDAI, led by K Subrahmanyam, Executive Director-Actuarial.

The young team under K Subrahmanyam – Hema Malini, P K Thapliyal, Ajay Chaturvedi and others – did all the work in the name of the ASI.

Thus, begins the story of the Global Conference of Actuaries and after 22 years, we are celebrating the 21st GCA and 75 years of the Actuarial profession in India, the Actuarial Society of India having been established in 1944.

The GCA has become a brand associated with the Indian Actuarial profession and has pushed streaming of forces that led to the emergence of regulations and the business lines that have evolved in all sectors of insurance: Life, General, Health and others, including Finance and Investment. Major forces that have played a role in this are global reinsurance groups such as Swiss Re, Munich Re, Gen Re, Scor Re, Hanover Re and others; and have contributed by not only sponsoring the events, but also by providing global level speakers.

Some of the subject areas that substantially contributed via deliberations in the GCA and travelled to the IRDAI are: the System of Appointed Actuary, the Strengthening of Incurred But Not Reported (IBNR) concept, Asset Liability Management, Product Design and Solvency. The fruition of new ideas, as it happened over pegs on the side of cultural programmes, had the flavour of international best practices while embedding it with the realities of the Indian market.

The shift in the subjects of deliberations at the GCAs over 21 years tell stories of the direction in which the insurance business has shaped itself in India.

The first GCA deliberations centred around the 'Role of Actuary' and 'Solvency Margin Requirements'. The 21st GCA discussions are scheduled on 'Climate Change Risks and Role of Actuaries', 'Predicting Insurance Outcomes' and 'Changing Demands on the Profession'. Discussions on topics such as International Financial Reporting Standards (IFRS), Data Science Application, etc. were discussed early on in the GCAs – much before they became prominent concerns in the market. The paradigm shift in discussions reflects the journey of the Actuarial profession in the last 22 years.

History is about people and events and the GCA has both. It is blessed to be associated with prominent personalities.

Of course , we have our own global conferences annually, for the last 20 years, with participation by overseas actuaries and actuarial bodies. It is not too much to wish for the first International Congress of Actuaries to be hosted in India by the IAI.

– V Rajagopalan, FIAI



N Rangachary and P Chidambaram at the 5th GCA



Y V Reddy (centre) at the 8th GCA























10th GCA: February 7-8, 2008 | 11th GCA: February 12-13, 2009 | 12th GCA: February 18-19, 2010 | 13th GCA: February 20-22, 2011 | 14th GCA: February 19-21, 2012 | 15th GCA: February 17-19, 2013 | 16th GCA: February 17-18, 2014 | 17th GCA: February 2-3, 2015 | 18th GCA: February 1-2, 2016 | 19th GCA: January 30-31, 2018 | 20th GCA: March 4-6, 2019

AGFA




AGFA Awards


AGFA 2011


AGFA 2013



AGFA 2014



AGFA 2016


AGFA 2017



AGFA 2015


AGFA 2019

FUTURE OUTLOOK OF THE PROFESSION

BY SUNIL SHARMA, PRESIDENT, IAI

There is a very popular saying that an Actuary is not an Actuary if he/she is only an Actuary. As the Indian Actuarial profession completes 75 years of its journey, it must continue to expand its horizon, while strengthening its core. The Insitute of Actuaries of India (IAI) has set up certain big and brave goals to be achieved over the next few years:

- Well-recognised profession amongst public, government and other professional bodies
- Target 30,000 student members by 2022
- Target 750 qualified Actuaries by 2022
- India-specific study material
- Leadership in

  Data Science and Analytics

  Risk Analytics – Insurance, Banking and Finance

  Enterprise Risk Management beyond Insurance

The education, training and experience that Actuaries acquire help them to make financial sense of the future, using Actuarial modelling techniques. Actuaries are trained to model long-term uncertainties. Globally, Actuaries play a critical role in the Solvency II framework, to determine risk-based capital required to withstand risks facing insurance companies.

Insurance penetration in India, at 3.69 per cent, is at a much lower level compared to the global average. There is significant potential for expansion of the Indian insurance market. Due to historic reasons, we have lesser number of Actuaries working in general insurance in India, and there is significant potential to grow the number of Actuaries and students here.

Besides expansion of the insurance market, the situation is also an opportunity for the Actuarial profession to engage in wider areas like Banking, Data Science and Risk Management.

Banking and NBFC organisations face risks similar to insurance companies. Similarly, Basel III is an international regulatory accord set up by the Bank of International Standard (BIS) that introduced a set of reforms designed to improve regulation, supervision and risk management, within the banking sector globally. Actuaries can play a critical role in the assessment of Minimum Capital Requirement and Solvency Ratio as required under Basel III using Actuarial modelling techniques.

Besides traditional areas of insurance and pensions, Actuaries have been playing significant roles and can contribute to Indian financial services in:

- Market Risk Assessment
- Credit Risk Modelling and Development of Score Card
- Balance Sheet Management and Provisioning
- Capital Management
- Group Risk Management
- Reporting
- Product R&D and Pricing
- Customer Analytics and Value Management

By virtue of their training and examinations, Actuaries have core competency around Data and Data Analytics. During their core technical examination process, they acquire expertise in Probabilities, Statistics, Applied Statistics, Distribution Models, Econometrics and Stochastic Modelling techniques to solve complex problems. At its core, Actuarial analysts are the best suited Data Science and Analytics professionals to deal with the large available data in the financial services industry – be it insurance, banking, NBFC or micro-finance institutions.

United Kingdom has a Government Actuary's Department (GAD) to support effective decision-making and robust reporting within government as the first choice provider of Actuarial and specialist analysis, advice and assurance. GAD type of opportunities may be explored in India to support the government in decision-making relating to life insurance, health, agriculture and social security schemes.

In summary, there are plenty of opportunities for Actuaries in the future. We just need to grow the number of Actuaries in India to explore such opportunities.

I have been extremely fortunate to have been consulting in the Indian life insurance sector since 1997... it has been great to see the Actuarial profession grow and to develop and provide professional support and guidance to support the growth of the sector. The profession now forms a pivotal role in helping to shape Actuarial standards, at times working closely with the IRDAI.... Underpinning everything is the need to continually reinforce the need to adopt the highest standards of professional excellence, which will then lead to a greater recognition of the Actuarial profession within India and from outside of India.



Richard Holloway, Managing Director South East Asia and India, Life, Milliman

The Institute has evolved considerably over the last 75 years for the benefit of the citizenry. I look forward to the future growth of the Institute and a continued expansion of its influence.



Heerak Basu, Consulting Actuary, Milliman India

APPRECIATION FOR COMMITMENT

Staff members who have been with IAI for more than 5 years as on January 31, 2020



Dinesh Chandra Khansili, Executive Director



Ulhas Pokharkar



Gauri Kothari



Gururaj Nayak



Ravindra Mastekar



Bharat Solanki



Binita Rautela



Neelima Kadam



Bhakti Bait



Sandeep Mahajan



Vinod Kumar



Prajakta Bhosle (Vijaya)



Milan Ghosalkar



Larry Barretto



Ghanasham Tirpankar

Shortage of manpower, finance and computer facility were stumbling blocks. Internet had just come up but had not reached ASI. After joining ASI, I got Mr. Sathyanarayanan, Mrs. Anitha and later in 2000 Mr. Gururaj.....We used to have very frequent sitting to review progress.... Vijaya and Neelima were very cooperative and helped, in matters outside computerization.

– A P Peethambaran, Former Secretary General of ASI

IAI OFFICES



Pre-May1996

LIC of India, Central Office, Yogakshema



May 1996-September 2005

Actuarial Society of India, 3rd Floor, Khadi Gramudyog Bhavan, 286, Dr D N Road, Fort, Mumbai 400001



September 2005- July 2017

302, Indian Globe Chambers, 142, Fort Street, Off Dr D N Road, Mumbai 400001



July 2017 onwards

Unit No. F 206, 2nd Floor, Tower II, Seawoods Grand Central, Sector 40, Nerul Road, Navi Mumbai 400706



ACTUARIAL MARRIAGE

A lawyer, an accountant, and an actuary are arguing over whether it is better to have a married spouse or an unmarried lover. The lawyer says a lover because it is legally easier to disentangle yourself from a lover. The accountant says a spouse because you can get tax deduction with a spouse. The actuary says it is better to have both because you can lie to each of them, telling each that you are with the other, and then go to the office to do some work.

BEING A GOOD ACTUARY IS 3% TALENT

97% NOT BEING DISTRACTED BY THE INTERNET

WHAT DID GOD SAY WHEN HE CREATED ACTUARIES?

HE SCRATCHED HIS HEAD AND SAID, "GO FIGURE!"

THEY TOOK IT LITERALLY

ACTUARIAL 2+2

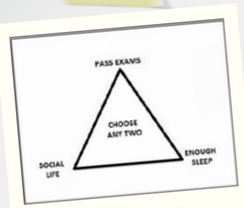
HOW MUCH IS TWO PLUS TWO?

A MARKETING VP WILL SAY "22"

AN ACCOUNTANT WILL SAY "4.00"

A MATHEMATICIAN WILL SAY, "I CAN DEMONSTRATE IT EQUALS 4 WITH THE FOLLOWING PROOF...."

AN ACTUARY WILL ASK "WHAT DO YOU WANT IT TO EQUAL?"



Actuarial Exams