

EDITORIAL

Could ASTIN do better?

(Excerpts from Presidential Address, Tel Aviv, September 23, 1986)

Article 2 of the rules of our Association states that "ASTIN has as main objective the promotion of actuarial research, particularly in non-life insurance". From time to time the question "Is ASTIN doing well?" arises, either in the pages of this Bulletin or during our colloquia. This question is seldom answered. Indeed the greatest part of our time during Committee meetings and General Assemblies is devoted to the day-to-day life of our Association: finances, elections, Editors' reports, membership file, etc. . . . When the meeting is adjourned, no time is left to discuss more basic and far reaching problems. Yet, this is what we should all do, regularly. This is certainly what the Chairman of any association should do, when approaching his mid-term. I shall successively consider the evolution of ASTIN itself, its impact on teaching and its influence on actuarial research.

In my opinion one of the main achievements of ASTIN is simply its size, its continuous increase in membership. It seems obvious that the most necessary of all conditions to promote research, whatever that research may be, is that it should be accessible to the largest number of people. So it is a very positive fact that our membership is about to exceed 1,500. I am also pleased to report that the number of external subscriptions to the ASTIN BULLETIN, stagnant for so many years, is now definitely on the rise. We can thus proudly affirm that the ASTIN BULLETIN is the actuarial journal that has, by far, the largest circulation. Without a permanent secretariat, with a Committee that meets at most once a year, with an annual budget that consists of only a small fraction of the income of similar associations, the ASTIN section of the International Actuarial Association has managed to develop an internationally renowned scientific journal; this is considered by many as a permanent miracle, for which all past and present Editors of our Bulletin have to be warmly thanked.

This of course does not mean that we could not do much better. The number of external subscriptions, while increasing, remains at a low level; this indicates that our Bulletin is not sufficiently known outside actuarial circles. The membership is growing, but not evenly, only in selected countries, thanks to the efforts of some National Correspondents. In too many countries the number of members has not increased at all for many years; this means that the information transmission channels from ASTIN to young actuaries have not worked efficiently in some parts of the world.

This is an important point, which should be of concern to all of us: ASTIN needs to keep growing. We need to grow so that our Editors can keep telling prospective authors: "by publishing your paper in the ASTIN BULLETIN you will en-

sure the largest circulation to your ideas". We need to grow so that our membership and subscription fees will remain among the lowest. The membership dues have not been increased since July 1977! This can only go on if we continue to produce scale economies by becoming more numerous. Above all, we need to grow because there will never be enough of us to tackle the numerous research problems faced by non-life actuaries.

Considering now the teaching of non-life insurance, it is clear that we have witnessed a tremendous evolution in the last decade. Among our membership we have many young bright actuaries holding newly created Chairs in insurance. Many universities that had a degree in insurance have added a non-life position to their faculty; several countries that had been absent from the actuarial research scene for years are now flooding our actuarial journals with high quality papers.

Besides, most of those newly appointed professors have rightfully recognized the need to work in close collaboration with the industry and frequently decide to spend several months working for a company.

Another positive aspect is that those young stars not only teach excellent courses, they have also started writing textbooks. The time when we had only a handful of good books to recommend to our students is now gone, since every year several new textbooks appear.

In view of those favourable points, the question that arises for ASTIN is: what can we do to further enhance those developments? What can we do even to accelerate this trend, besides continuing to publish *ASTIN BULLETIN* and to offer a splendid forum for interaction, our colloquia? I think that maybe ASTIN has missed an opportunity to help the writing of textbooks. A look at the list of books written in the 80's will reveal that many of these have been published by small university presses or companies. While they certainly have to be congratulated for printing actuarial work, it is clear that they do not have the experience, the expertise of a large publisher; so the promotion of the book is largely left to the unexperienced writer, whose ideas are consequently not going to be read as much as they deserve. Maybe ASTIN should have helped; maybe ASTIN should help in the future. Quite a few of our members have been through this strenuous process of writing a book (often in a language we only practise occasionally) and presenting it to a large publisher. This experience has largely been left unused. Yet ASTIN, as a powerful association, could initiate contacts with a publisher and use all of its power to convince him of the use of actuarial books. ASTIN could possibly start and endorse a new series of textbooks, thereby providing mutual reinforcement to the selected works and presenting them in a unified way. To promote the books that have appeared recently under the name "ASTIN Series" could only have been beneficial to ASTIN and all authors. Some other associations are extremely efficient at sponsoring new books; often they manage to obtain the collaboration of the industry to solve financial problems. Shouldn't ASTIN think about it? At the very least the *ASTIN BULLETIN*, and possibly the *IAA Bulletin*, should develop their book review section and let the authors know that their books will be systematically and rapidly reviewed.

A few words about research, to conclude. Again, at first sight, we can be

extremely proud of some of our achievements: the mathematics of motor insurance, credibility theory, the theory of premium calculation principles, to name but a few, have been developed and still continue to be developed by our members. Yet, we could perform much better; I am not satisfied at all to notice that quite large areas of research are not being tackled at all by actuaries, and that they grow outside ASTIN. Deductible selection, design of optimal insurance policies, moral hazard, adverse selection, analysis of underwriting cycles, for instance, are areas currently developed by economists and financial analysts, in non-actuarial journals. Those subjects are of extreme practical importance: practitioners know that the selection of a deductible is very often the most crucial decision to be made when designing a new policy; they know that the profitability of health insurance is much more influenced by adverse selection than by the failure to introduce a significant variable in the rate-making process, for instance. Yet those vast areas of research are nowadays explored by others; I am sure the actuarial community could produce very interesting models in these domains.

In this respect, I was pleased to notice that several of the papers presented at the Tel Aviv Colloquium tackle problems that are outside the traditional scope of the works discussed during our meetings; hopefully, many of these papers will be published in the *ASTIN BULLETIN*, enlarging the range of the subjects dealt with in our association journal.

A few thoughts and suggestions have been presented in this editorial. We should all try to think about other suggestions, other ways to develop further the activities of ASTIN. One such new idea came up two years ago, namely the organization of our first competition for young researchers, which proved to be a tremendous success. Since there are nearly 1,500 of us, it would be very surprising if no new suggestion comes up in the near future.

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