

MEMOIR

SIR EDWARD ALEXANDER JOHNSTON, C.B., K.B.E.

SIR EDWARD JOHNSTON, who died on 11 November 1991, aged 62, was the sixth person to hold the post of Government Actuary. As such he played a major role, both in the actuarial profession and in public life, over many years.

The Government Actuary is not only the head of the actuarial profession within the Civil Service, but head of a separate government department, responsible to the Chancellor of the Exchequer. GAD has, since its inception, provided actuarial advice on a wide range of matters to ministers, government departments and other clients. Edward Johnston took over from Sir Herbert Tetley as Government Actuary in 1973 and led the department for 16 years. His firm leadership, strong sense of professionalism and commitment raised the profile of both the department and the profession and contributed in important ways to the development of social security, occupational pension schemes and insurance in the United Kingdom.

Edward Johnston was born on 19 March 1929 and was educated at the Groton School in the United States of America, Marlborough College and then at New College, Oxford, where he received his BA degree in 1952. After graduation he joined the Equity & Law Life Assurance Society as an actuarial student, qualified as a Fellow of the Institute of Actuaries in 1957 and moved to the Government Actuary's Department a few months later in February 1958.

In his early years at GAD he worked as the actuarial adviser to a range of public sector pension schemes, spending some time also on the supervision of life insurance companies, demography and social security, both for the U.K. and for some other Commonwealth countries. In 1970 he was promoted to Principal Actuary, heading up the division responsible for pension schemes in the wider public sector and overseas.

This wide range of practical experience in a consulting capacity equipped him well for promotion to the post of Government Actuary in May 1973. The next few years were difficult ones for the insurance industry, with weak financial and property markets and several insurance company insolvencies. The requirement on life insurance companies to appoint a named individual as Appointed Actuary was introduced by the Insurance Companies Act 1973 and Johnston played a key part in implementing this through detailed discussions with the actuarial profession. This led within a couple of years to the first of the U.K. actuarial profession's guidance notes (GN1), defining in some detail the role of the Appointed Actuary to a life company and what was expected of him or her by the profession.

With the passage of time, the radical nature of these developments is clear. Professional guidance notes took on the role of clarifying, supplementing and reinforcing the provisions of national legislation. Actuaries, moreover, were given a special role with respect to life insurance companies, involving responsibilities not only to the company, but to the profession and to the insurance supervisor. The success of the Appointed Actuary system over the last 18 years, and the interest now of many other countries in adopting similar arrangements, bear testimony to the far-sighted and robust nature of the concept and the way in which it was implemented during Johnston's time as Government Actuary.

Sir Edward saw it as essential for GAD to underpin the role of the Appointed Actuary and he made it a priority to meet each new Appointed Actuary for a personal chat to discuss the nature of the role, the implications of GN1, the experience and resources available to the actuary and hence the ability of the actuary to fulfil all the functions and responsibilities of the post. In 1988 he presented an important paper on 'The Appointed Actuary' to a sessional meeting of the Institute (*J.I.A.* 116, 27). He was instrumental in framing the Determination of Liabilities Regulations and established the Joint Actuarial Working Party (which he chaired) to facilitate discussions between GAD and the actuarial profession on matters relating to the Appointed Actuary system.

In the field of social security Edward Johnston participated actively in the national debate which led to the Social Security Pensions Act 1975 and the introduction of the state earnings-related

additional pension. The Bill introducing this legislation was accompanied by an important report by him on the long-term financial effects.

Sir Edward was a member of the Committee of Inquiry into Provision for Retirement, established by the Secretary of State for Social Services in November 1983, and prepared a special report on future pensions costs for the inquiry, which was subsequently published. He also published in 1982 the first quinquennial review of the operation of the 1975 Act (HC 451) and made a report on the financial consequences of the 1986 Bill (Cmnd 9711).

He was elected to the Council of the Institute of Actuaries in 1973 and completed three terms on Council over the next 15 years, being appointed a Vice-President of the Institute from 1978 to 1981. He was Chairman of the Sessional Meetings Committee from October 1983 to June 1988, and in that capacity masterminded the diversification of the Institute's programme of meetings into a range of conventions, symposia and seminars, designed to encourage and facilitate the continuing professional development of actuaries.

Sir Edward Johnston was well known both in the U.K. and internationally as a leading member of the actuarial profession. In 1988 he presented a keynote speech at the special session for social security actuaries during the International Congress of Actuaries in Helsinki, Finland. In 1988 his many contributions to the profession in the U.K. were recognised through the award by the Institute of Actuaries of a Finlaison Medal. He was honoured for his contribution to public life through being made a Companion of the Order of the Bath in 1975 and he was knighted in 1989.

Sir Edward was a frequent speaker at conferences, particularly on matters relating to occupational pensions, social security, contracting-out and insurance supervision. He was a founder member of the Pensions Management Institute (PMI) in 1976, which was created to encourage the development of professional training for pensions administrators and others involved in the pensions business. He was the President of the PMI from 1985 to 1987. His first paper to the Institute, in 1981, concerned the assessment of the value of pension rights (*J.I.A.* 109, 1).

In his last months as Government Actuary, Sir Edward played a key role in the negotiation of new management and structural arrangements for the GAD, which were vital in securing a more promising future for the department. He held the department together, and gave it a continuing sense of purpose, maintained public and government confidence in actuarial advice through a period when some were looking to find grounds on which to level criticism, and prepared the way for later developments.

After his retirement from GAD in 1989, Sir Edward became a Director of Noble Lowndes Actuarial Services Ltd. He was a trustee and active supporter of the Occupational Pensions Advisory Service. From 1978 to 1991 he was chairman of the Civil Service Insurance Society and Chairman of the Management Committee of the Civil Service Annuities and Assurance Society, a small friendly society. He was also a trustee of the pension fund of the Arts Council of Great Britain.

He was respected and highly regarded by all who knew him and his passing, so soon after his retirement, is a great loss. He will long be remembered, both as an individual and for his service to the profession.

C. D. D.

EXTRACTS FROM THE TRIBUTE TO SIR EDWARD JOHNSTON
GIVEN BY MR C. S. S. LYON AT THE MEMORIAL SERVICE
IN ST LAWRENCE JEWRY-NEXT-GUILDHALL, 29 JANUARY 1992

It is a great privilege to have been invited to pay tribute to Edward Johnston at this lovely service of thanksgiving . . .

Edward had strong connections with Oxfordshire. He was born at Adderbury, the third of 6 children of a future Professor of Sanskrit at Oxford. His early schooling was in Oxford, and later, like his 2 brothers, he went up to New College. Finally he settled happily into semi-retirement in the Oxfordshire Cotswolds . . .

Had war not broken out he would have tried for a scholarship to Eton, but at 11 he was sent to

America with his mother and four of his siblings under a special scheme for academic families . . . When only 13 he was devastated by the news of his father's sudden death in Oxford, and soon after that the family returned to England . . .

Mathematics and music so often go hand in hand, but learning the trumpet at school seems strangely out of keeping with Edward's quiet disposition . . . Later on, Glyndebourne was one of the rare places where his business and private lives came together, for it is axiomatic that if you go to Glyndebourne you will bump into at least one other actuary . . .

Edward married Vicky and settled down to family life in Richmond. Their 4 children cleverly alternated the sexes, just as Edward and his brothers and sisters had done. When Sara, the eldest, was about 7, Edward took up sailing and became an active member of Littleton Sailing Club, near Shepperton . . .

As Government Actuary, Edward was highly respected by his peers for his ability and integrity. He was instrumental in strengthening through legislation the role of actuaries in watching over the solvency of life offices and pension funds. When leading his department's consultations on such matters he was invariably courteous and receptive to other points of view, whilst quite properly refusing to compromise his own principles . . .

Edward had 10 years of happy marriage with his second wife, Christine. She restored his faith in himself and reinforced his wry sense of humour with her own natural gaiety . . .

Although after he retired Edward kept a foothold in London with some actuarial and advisory work, and was proud to be awarded an Honorary Doctorate of Science by City University, his heart was now in the country and he and Christine settled into the local community. Edward took his turn at reading the lesson in the parish church of Milton-under Wychwood, and leading the intercessions with his customary economy of words . . .

Late in his career, Edward had suffered a serious illness. All too soon after his retirement the problem recurred, with added complications. With Christine's help he fought it with great courage . . . But appearances were deceptive and the end was nearer than anyone thought. It was a shock to us all to learn that he had passed away in hospital in Oxford on 11 November, for he was only 62 . . .

How, then, will he be remembered? When presenting him with the Finlaison Medal, the President, Roger Corley, encapsulated his professional achievement as that for a very private man he had caused much public good for the future of actuaries. Students have written to Christine to say how helpful he was as a tutor in pointing the way. And, with the simplicity and perceptiveness of a five-year-old, his granddaughter Emily wrote alongside a picture she made of him that "he was kind, honest and good. He used to read me stories". One day she will discover that a storyteller of a bygone age, Robert Louis Stevenson, expanded her theme thus:

"To be honest, to be kind—to earn a little and to spend a little less, to make upon the whole a family happier for his presence, to renounce when that shall be necessary and not be embittered, to keep a few friends, but these without capitulation—above all, on the same . . . condition, to keep friends with himself—here is a task for all that a man has of fortitude and delicacy." [*Across the Plains*. XII. 'A Christmas Sermon'].

Let us thank God for the way Edward Johnston undertook that task and fulfilled it.