

Ireland's First Actuaries

1848 Is Mar Sinⁱ

Shane Whelan, October 2001

There is never a good time to be made penniless, but some times are worse than others. To be made penniless during one of the world's great famines must rank as one of the worst times.ⁱⁱ Yet in 1848 two savings institutions failed due to the criminal behaviour of the actuary - in what became known as the Tralee Savings Bank Fraud and the Cuffe Street Fraud. The actuary to the former, Mr Lynch, made away with £36,000 before being prosecuted and sentenced to 14 years' transportation. The Cuffe Street Fraud is named after the Dublin street where the actuary, a Mr Dunne, defrauded the St. Peter's Parish Savings Bank of £20,000 before he absconded in 1831. This latter savings bank attempted to trade out of its difficulties but only magnified its deficit, which amounted to £56,000 when it finally closed its doors in 1848.ⁱⁱⁱ

Neither Mr Lynch nor Mr Dunne would be termed an actuary in the modern usage of the term: they were not fellows of a professional body. Indeed there was no professional body to join as the Institute of Actuaries of Great Britain & Ireland was only founded in 1848, the Faculty dates from 1856, and an independent Irish body existed only in the final decades of the twentieth century. The term 'actuary', though, was in widespread use before the Institute was founded. Indeed even after the Institute was in existence one of its early Presidents remarked: 'at present every little clerk of a Savings Bank called himself an actuary and the public has no means of discriminating between the qualifications of the two'.^{iv}

Perhaps the term 'actuary' would not have been adopted as a promising appellation for a new profession if Irish considerations prevailed.

Ireland's first actuary, on the criteria of being a fellow of a professional body and resident in Ireland, was Joseph Todhunter. He appears as a fellow in the Institute listings in the year following its foundation.

However, outside of this notable distinction, little else is known of Mr Todhunter. His career was with the National of Ireland Life & Fire Insurance Company where he was Actuary and Secretary up to 1870. We can surmise (given the 3 College Green address of his last membership listing in 1873) that Mr Todhunter remained connected with the National, perhaps on pension until his loss to the profession in 1873/4.

Something more is known of the second actuary in Ireland.

William John Hancock was the first Irish actuary to go through the examination system and Ireland's first consulting actuary. He was born in 1836, the youngest in a family of six. At the age of 19 he began his actuarial studies with the Patriotic Assurance Company of Ireland. His career progressed rapidly: he was made Assistant Secretary some 5 years later, and a couple of years after that, Secretary. His family's history might account for his choice of the Patriotic - a company of green hue - as one of his grandfathers was Samuel Neilson, an 18th century Irish nationalist imprisoned for his views. Mr Hancock qualified as an actuary in 1864. He resigned from the Patriotic in 1878 but was retained as their consulting actuary, also adding friendly societies and other Irish

provident associations to build up a large consulting practice. He lived at 23 Synnot Place with his wife, Annette Dickson Bowdler, and five surviving children and kept an office at 24 Anglesea Street. He styled himself an 'actuary, accountant, and auditor' although his only qualification was FIA.^v

Mr Hancock was made a Council Member of the Institute by the age of 31, where he served the profession until 1873. He made a small contribution to the Journal of the Institute of Actuaries when he engaged in a discussion on the use of the Arithmometer, an early mechanical calculating machine.^{vi} He entered the debate on the opposite side to that formidable computer of the Faculty, Edward Sang.^{vii} Dr Sang took a very Aristotlian view when he contended that:

"Thus, on the whole, arithmeticians have not much to expect from the aid of calculating machines. A few tables, otherwise very easily made, comprise the whole extent of our expected benefits; and we must fall back upon the wholesome truth that we cannot delegate our intellectual functions, and say to a machine, to a formula, to a rule, or to a dogma, I am too lazy to think, do please think for me."

JIA XVI (1872), p. 265.

Mr Hancock had practical experience of the Arithmometer and took a different - and we can say with the advantage of 130 years hindsight - a more correct view when he contended:

"No doubt there are many calculations in which the machine would not give assistance: but that does not make it less useful where it can be applied. A sewing machine is not condemned because it will not sew on buttons. On the whole, I think the balance of the argument is in favour of the arithmometer; and I have no doubt that with more extensive use improvements will be made in construction and workmanship."

William John Hancock also played a role in the intellectual life of Dublin, where he was a Council Member of the Statistical and Social Inquiry Society of Ireland (SSISI). He delivered a paper making suggestions on how to make friendly societies more secure and three papers on the regulation of US life assurance to SSISI. He also authored at least six pamphlets, most of which are held in the library of the Faculty of Actuaries. However, his contribution to SSISI was dwarfed by that of his brother, William Neilson Hancock, who was Whately Professor of Political Economy at Trinity (the chair now held by Dermot McAleese): W. Neilson Hancock read almost one hundred papers to SSISI.

A mystery surrounds the last days of Mr Hancock. His surviving great grand-daughter Mary Mullins says that "family lore has it that due to some financial incident or difficulty, he declared he was off to America to follow his literary interests and what followed is not known other than his wife and surviving children sailed for Australia to start a new life around 1885/86." Based on the annual listing of fellows of the Institute, we find that he remained in Dublin until September 1884, his last address being Stock Exchange Building, Anglesea Street, Dublin. The next entry, for September 1885 has him based at Poste Restante, Melbourne, Australia, and from 1886 he is not listed as an FIA.

i It gives me pleasure to acknowledge the assistance of Christine Morgan, Faculty Librarian, and David Raymont, Staple Inn Librarian, in researching this article.

ii The Great Irish Famine of the late 1840s killed about 1 million or one-eighth of the population. In terms of the absolute number of deaths this puts it in the league of a handful of famines in modern times - Ethiopia in mid-1980s, Biafra 1968-70, the Great Leap Forward Famine in China 1959-62, Great Bengali Famine 1943-44, the Ukraine Famine 1932-33, the Soviet Famine 1918-22, the Great Finnish Famine 1866-68. In relative terms - that is, the number of deaths as a proportion of the total population - it ranks in the top three with the Soviet Famine of 1918-22 and a previous Irish famine in 1740-1 [See, Ó Grada, C. (1999) *Black '47 and Beyond*, Princeton University Press, p. 5 and Ó Grada, C. (1989) *The Great Irish Famine*, Gill & MacMillan, Dublin, p. 1].

iii See Scratchley (1860) *Scratchley on Associations for Provident Investment*, Longmans', Division I, Part II, pp. 61-65. To get a feel for the size of these swindles, the daily wage of an unskilled Dublin labourer was about 16d for a long day and about 60d for a Dublin craftsman such as a carpenter or plumber. A loss of £36,000 would thus equate to the annual wage bill of 1,800 unskilled labourers at that time. [D'Arcy, F.A. (1990) *Wages of Skilled Workers in the Dublin Building Industry, 1667-1918*, Saothar 15, pp. 21-36; D'Arcy, F.A. (1989) *Wages of Labourers in the Dublin Building Industry, 1667-1918*, Saothar 14, pp. 17-31]

iv Simmonds, R. C. (1948) *The Institute of Actuaries, 1848-1948*. University Press, Cambridge, p.32.

v Sources: Walford, C. (1878) *Insurance Cyclopaedia*, Vol. V, Charles & Edwin Layton, London, p. 633; Thom's Directory 1882; membership listings of the Institute, especially 1867, 1884, 1885, 1886, 1887; private correspondence with his surviving great grand-daughter, Mary Mullins.

vi JIA Vol. XVI (1872) pp. 265-269.

vii See, for instance, Whelan, S. (2000), *Edward Sang: Actuary of the Millennium?* The Actuary (UK), April 2000.