

## EDITORIAL

### TAKING STOCK

BY M. R. HARDY

This is my final editorial piece, as I now stand down as editor of the *Annals of Actuarial Science*.

This provides a good opportunity to reflect on the first two years of operation, and to review the mission of the *Annals*. From the start we declared that we wanted to achieve the following objectives:

- to publish research from both the practical and the more theoretical areas of actuarial research;
- to be an international journal; and
- to have the *Annals* take its place amongst the most highly valued and respected scientific journals in the discipline.

I will explore each of these objectives in more detail.

#### PRACTICAL AND THEORETICAL RESEARCH

In my first editorial for the *Annals of Actuarial Science* I argued that good actuarial practice needs good theory. The highly prized 'actuarial judgement' would have no value if it were not based on the solid foundation of years of study in the core actuarial theory. That being said, it is indisputable that some articles which are published in the *Annals* are more technically demanding, and probably less immediately implementable, than others. That does not mean that the work is not practical, or, at least, is not heading, ultimately, towards a practical outcome. It may mean that further work is required before the work can be translated into a new technique in practice. In the end, actuarial science is an applied discipline, and that means that actuarial research needs always to aim to address the specific and practical problems of the actuarial domain, of insurance, pensions, finance and enterprise risk management.

In this issue, for example, the Læg Reid paper, on inference for fraudulent claims in non-life insurance is a highly practical paper, offering a clear explanation of the types of practical statistical analysis which can separate the genuine from the dubious claims. The paper from the Genetics and Insurance Research Centre at Heriot-Watt University, Lu *et al.*, demonstrates the beautiful synergy of theory and practice, using models which are intuitive, though complex, to provide answers to practical questions.

It is also interesting to note that the papers in this volume are written by a mix of practitioners and academics. Lægreid and Bouchaib are practitioners, whose research comes from addressing the immediate problems of their day to day work. Each of these papers illustrates the hypothesis that actuarial practice benefits from actuarial scientific theory.

#### INTERNATIONAL RESEARCH

We have papers from four countries in this issue. An international presence is important because of the global nature of both actuarial practice and actuarial research. To attract the best research we must take an internationalist perspective, and, if we can attract the best research from around the world, then we can help in the promulgation of best actuarial practice, both in the United Kingdom, the home of this journal, and internationally, as we attract readership from around the world.

#### STANDING OF THE *ANNALS OF ACTUARIAL SCIENCE*

This objective is harder to assess at what is still an early stage. Academics judge journals by the renown of the authors and editors, and by the citations achieved by the published papers. Citations mean that the paper has inspired other work, and are generally taken to indicate a paper of quality. The problem for the *Annals* of counting citations is that the journal is still young, and it takes time for citations to emerge as new papers are written, are refereed, enter a publishing queue and, eventually, are published. Nevertheless, over the first two years of this journal we have attracted some excellent papers, some from authors of international renown. One of these is Professor Angus Macdonald, who has a paper in this issue, and who now takes over as Editor. Professor Macdonald brings experience from academia and from actuarial practice, and his research has always combined the academic and the practical. He is extremely well placed to continue the path of the *Annals of Actuarial Science* towards the goal of international prominence.