
A new framework for Technical Actuarial Standards

Background

Between 2009 and 2011, the Financial Reporting Council (FRC) released three generic, and four specific papers known as Technical Actuarial Standards (TASs). The aim of these was to support the FRC's reliability objective that:

"the users for whom a piece of actuarial information was created should be able to place a high degree of reliance on the information's relevance, transparency of assumptions, completeness and comprehensibility, including the communication of any uncertainty inherent in the information".

They were, in essence, a set of guides that would apply during the production of actuarial work across a number of general and specific practice areas.

Consultation Paper

When the original TASs were released the FRC included a plan to review the implementation and effect of them after four years. These reviews took and place across 2012 and 2013, following which (in November 2014) the FRC released a consultation paper which contained detail on a proposal to replace the existing three generic TASs (for Data, Modelling and Reporting) with a single TAS (to be known as TAS100) comprising of high-level principles that would be applicable to all actuarial work. The consultation paper released can be found on the FRC website:

<https://frc.org.uk/Our-Work/Publications/Actuarial-Policy-Team/Consultation-A-new-framework-for-Technical-Actuari-File.pdf>

The consultation paper invited feedback that would be taken into consideration prior to a planned release of TAS100 in 2015.

SL Investment Management

SL Investment Management (SL) has an experienced in-house Actuarial function and produces a significant amount of actuarial work. All work that is deemed actuarial is currently covered by (and complies with) the existing TASs as well as other relevant directives such as the Actuaries Code.

Periodic asset valuations and projection modelling produced by SL, along with fund reporting, new business presentations and mortality analysis means that any papers concerning the production of actuarial work are of great interest to SL.

With that in mind, SL were delighted to provide feedback to the FRC regarding the consultation paper and the proposed changes, ranging from strict answers to the questions asked in the paper, to suggested rewording of sections that SL believed to be lacking in clarity. The specific feedback given by SL can be found in the following location:

<https://www.frc.org.uk/Our-Work/Publications/Actuarial-Policy-Team/Consultation-A-new-framework-for-Technical-Actuari/Responses-to-consultation/S-L-Investment-Management.aspx>

Update

In July 2015, the FRC released an update to the Consultation paper summarising the feedback from the 48 respondents. The overall response was generally supportive, although concerns have been raised over TAS100's ability to sufficiently cover **all** actuarial work and the definition of such work. It was also suggested that the release of TAS100 is delayed to coincide with the review and revision of the specific TASs, in order to allow a consistent approach to be applied more easily. The update paper can be found here:

<https://frc.org.uk/Our-Work/Publications/Actuarial-Policy-Team/Consultation-Update-A-new-framework-for-Technical.pdf>

SL's Actuarial Analyst Frederick Bell said:

"Here at SL we take great pride in our in-house actuarial function and set ourselves very high standards to which all work of an actuarial nature should comply. Therefore, we thoroughly welcome any new guidelines or directives created with the intention of raising the bar across the many practice areas that now comprise actuarial work of some description."