



LLOYD'S MARKET ASSOCIATION

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Dear Sir/Madam

I am writing this letter on behalf of the Lloyd's Market Association actuarial committee (CALM) in response to the consultation on the Board of Actuarial Standards' ("BAS") Insurance Technical Actuarial Standard or "Insurance TAS". Although we are in broad agreement on the aims of what you are trying to achieve we strongly believe that the proposed scope of the TAS is significantly beyond what is necessary to achieve these aims. Some specific points are as follows;

- We are concerned that certain areas of the Insurance TAS bring very small pieces of work into scope (e.g. pricing individual risks) as well as areas that we believe are really multi-disciplinary such as; business planning, management information, setting rating scales, developing and monitoring risk appetites, outwards reinsurance and reinsurances to close. Where actuaries may be involved in this work it is usually as part of a wider group working to develop solutions.
- Another key point revolves around the duties performed by an actuary within a commercial organisation. In such non-regulated areas, it is largely the organisation itself that sets the standards of documentation required from the actuarial staff as the end user of the work produced. If additional controls or documentation are required the organisation will certainly request such information. A concern is that the standards suggested impose the creation of work and documentation that is not required and hence will not be valued.
- The Generic TAS's are a good guide to the principles underlying actuarial work, but we don't believe that they should be mandated in all situations as implied by the current guidance. We would ask you to reconsider including under the TAS system the large amount of work carried out on a regular basis for firms which relates to only relatively minor elements of risk.

Individual actuaries and their employers should be free to determine the conditions or information requirements involved, with the TAS guidance being referred to if necessary as a guide on the potential level of work product required.

We would also suggest that further discussion takes place on how any requirements are to be implemented from a practical perspective to avoid any unforeseen issues arising.

Yours faithfully

Gary Budinger
Secretary to CALM
Lloyd's Market Association (LMA)