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The Director  
Board for Actuarial Standards  
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29 July 2010

Dear Louise,

Re: Exposure Draft of Insurance TAS

Prudential welcomes the opportunity to comment on the exposure draft on the Insurance TAS. Our specific comments are described below.

1. As a multinational insurer, we are concerned about the applicability of the TAS in relation to submissions from overseas business units produced by actuaries who are not subject to UK standards. We believe that complying with international or overseas standards should, in appropriate circumstances, be deemed to be sufficient to constitute equivalent compliance with UK standards. Such an approach would, we believe, be proportionate. Examples of international/overseas standards that could be recognised as equivalent would be the IAA's International Standard of Practice No. 2 on Providing Professional Services Concerning Reporting under IFRS and the US Actuarial Standards Board's Actuarial Standard of Practice No. 23 on Data Quality.
2. There are circumstances where actuaries and non-actuaries work together and combine data they have produced into a single report. It would be appropriate and proportionate for the actuary to be able to rely on information produced by non-actuaries if this has been produced in accordance with appropriate standards, e.g. relevant accounting standards. An example of the content of such a report would be the production of a balance sheet where the technical liabilities are calculated by an actuary whereas the assets and other liabilities are calculated by an accountant.
3. It would be helpful if guidance could be provided, either by BAS or the Actuarial Profession, on the way compliance with the TAS should be validated by actuaries and their employers. This would help companies to determine what procedures and documentation to put into place to be able to verify compliance.
4. To ensure that companies have sufficient time to prepare for compliance with the Insurance TAS, including ensuring adequate procedures are in place to verify compliance, it would be preferable if the effective date was after all end-2010

reporting work has been completed. Since the final end-2010 IGD submission is due by 30 April 2011, an effective date of 1 April 2011 effectively means that all end-2010 statutory reporting work needs to be compliant with the TAS. We would strongly recommend that the effective date is therefore delayed to no earlier than 1 May 2011.

Please feel free to contact either Richard Olswang or me if you would like to discuss these matters further.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Nicandrou', with a long horizontal flourish extending to the right.

Nic Nicandrou  
Chief Financial Officer