

Response from Derek Morris

Thanks for sending me the latest two documents from the BAS, which I read with interest. I did want to pass on just two thoughts to the Board, relating to paragraphs 19 - 21 of the Exposure Draft on Reporting Actuarial Information.

The first is that, of course, many uncertainties *will* be able to be estimated, at least to some degree; and where this is the case I believe it should be required that their impact on the likelihood that there will be a deficit at a point in the future should be described or quantified.

Second, if there is an uncertainty that is completely unknowable –the example given is future longevity – then there should be some requirement for relevant sensitivity analysis to be carried out – e.g. by how much would longevity have to rise above a central forecast to push a scheme into deficit of a certain magnitude, other things being equal.

If you could pass these thoughts on, I'd be grateful.

Thanks

Derek Morris