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Benefit Solutions

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Ref: 0708Lt002 re Exposure Draft
Reporting Actuarial Information

Dear Sirs

Exposure Draft: Reporting Actuarial Information

Jardine Lloyd Thompson provides consulting, actuarial and administration services to trustees and employers in relation to 1,000 or so work-based pension arrangements with assets ranging from a few thousand pounds to over £1,000m, and to individuals with regard to individual pensions. We employ approximately 750 pensions staff in the UK. This letter sets out JLT's response to the consultation.

The consultation asks for responses to 3 questions which I address below. However, before doing so I would reiterate comments made in previous consultations that we support the direction of the BAS in its principles based approach and also its emphasis on proportionality.

1. Definition of Report

We are satisfied with the definition of report and its reference to permanent written form, whether in hard copy or electronic form and including tables, charts and other diagrammatic presentations as well as text.

2. The Approach to compound or repeat information.

Whilst we support the approach and the ability to refer to previous communications and reports, we feel there are circumstances where a repeat of that information is not only helpful but essential. Such an occurrence would be the full valuation report, currently prepared under GN9. This document is used by many parties other than merely the party for whom it was prepared (the trustees). Therefore say in looking at how the assumptions were arrived at it would in our view not be sufficient merely to refer to a previous document or documents without including some justification within the report itself. Otherwise the other parties, the employer, members etc would need to also refer to the other documents, which in some cases would be inappropriate. We would therefore encourage the writer of the document to consider all parties to whom it would be reasonable for the report to be available in determining the content of the report.

3. The text of the exposure draft as a means of implementing the policy decisions outlined in Part 1.

The only concern in the way the policy is addressed is in the ordering of the sections of the report. This does not appear to be a natural flow. For instance one would expect a normal ordering of data, assumptions, calculations, outcomes, risks rather than the ordering in the exposure draft. We would therefore encourage a look at the order this is presented without suggesting the actual wording needs addressed.

4. *The BAS's assessment on costs.*

This is a statement without apparent justification. To the extent that there must as a result of the introduction of the new standard be behavioural changes then consequently there must be cost implications. However to the extent that reports now address the policy decisions then that cost may well be reasonable.

We have no other comments.

I thank you for giving an opportunity to comment as well as, in advance, for the consideration of our comments. I would be more than happy to discuss any of the points in more detail (my contact details are set out above)

Yours sincerely

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