

Response to the consultation on a new framework for Technical Actuarial Standards

I am responding to this consultation in a personal capacity. The views that I express are not necessarily the same as those of my employer, nor any organisation with which I am associated.

I qualified as a Fellow of the Institute of Actuaries (now the Institute and Faculty of Actuaries) in 1997.

I had hoped to provide a full response to all the consultation questions, but regret that this has not proved possible given my other commitments. In general I am supportive of the direction of the proposals and I leave it to others to comment on most of the detail. However, I have one significant concern which leads me to wish to provide a response to questions 4.1 and 4.2.

Q4.1: Do you agree that the extension of the scope of application of TAS 100 to all actuarial work would be of benefit to users of actuarial work? If you disagree, please explain why.

A4.1: In part, this depends on how “actuarial work” is defined. However, regardless of choice the definition, there will be some circumstances where a user of actuarial work will desire speed of response to be prioritised over compliance (or documented compliance) with TAS 100. An example would be the senior management of a financial regulator needing to form an initial view quickly in a crisis situation. Similarly an organisation may wish to limit the actuarial resource allocated to perform certain types of assessments that guide the prioritisation of further actuarial work.

I would therefore suggest two amendments to the scope of TAS 100:

- (a) Any user that commissions a piece of actuarial work can voluntarily waive the requirement for that work to be compliant with TAS 100.
- (b) An organisation can set a policy defining the situations in which actuaries employed by that organisation must comply with TAS 100 for work performed that is internal to that organisation and/or it may specify the situations in which compliance with TAS 100 is not required for such work.

Q4.2: Do you agree with the proposed definition of actuarial work? If not, please provide reasons and suggest an alternative approach (paragraph 4.11).

A4.2: I feel that the definition of actuarial work could be interpreted by some readers as broader than is probably intended.

It is difficult to frame a definition, but I believe that some of the ambiguity would be eliminated if the definition clarified that correspondence in the body of an e-mail is not generally subject to TAS 100. (It might be advisable to add that actuaries must not use this exemption to bypass the requirement to apply TAS 100 to other forms of written communication, including electronic attachments to e-mails, where it would be normal practice to convey information in another form.)

I believe that this would be helpful to enable actuaries to participate fully in e-mail discussions with non-actuaries within the same organisation, without any fear of breaching the requirement to comply with TAS 100.

Arguably this suggestion is not required if my suggestion in A4.1 is adopted instead, but not all organisations will necessarily consider this point when setting an internal policy for compliance with TAS 100.

Giles Woodruff
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