

**Lloyd's response to BAS consultation paper:  
Actuarial information used for accounts and other financial documents**

**Answers to specific questions:**

*Q1: Should there be a separate TAS for actuarial information used for accounts and other financial documents? Respondents are asked to consider the benefits to the users of actuarial information (including the preparers of accounts and auditors) and to practitioners complying with BAS standards.*

- We do not feel that there should be a separate TAS for actuarial information used for accounts and other financial documents. The work of preparing such information should instead be within the scope of the pensions, insurance and other TASs.
- More detailed guidance, specific to each discipline, is likely to be of greater benefit to the users of such information than a separate accounts TAS. Indeed, much of the content of a proposed accounts TAS is already covered within the specific TASs.
- Information derived through different actuarial disciplines may be used in various ways for the production of financial documents, with users of the information (including the preparers of accounts and auditors) having significantly different considerations.
- Though the resulting formats may be similar, financial documents using actuarial information are often constructed in a different way depending upon the area of actuarial work used to produce the information. These documents will use very different types of inputs, data and assumptions and guidance should reflect this.
- Within a single separate accounts TAS, there may be a large proportion of information that would be irrelevant to one actuarial discipline or the other. There may also be significant overlap of the uses proposed to be within scope of an accounts TAS and other similar uses falling within the specific TASs. Creating a separate accounts TAS may result in unnecessary duplication of detail.
- For each actuarial discipline, having a single specific TAS which considers how such actuarial information is used for accounts, would be simpler than requiring use of a combination of specific and generic TASs (the choice of which would depend upon what the actuarial information is used for). This would limit the number of different TASs with which a practitioner would need to be familiar, which we agree is an important consideration (paragraph 1.20).

*Qs2-7*

- We feel that there should not be a separate accounts TAS and that all uses should fall within the scope of the specific and other generic TASs.

*Q8: Are there any data issues specific to accounts and other financial documents which respondents believe should be covered by principles in the accounts TAS?*

- We feel that principles related to data should fall within TAS D, with no need to include any further here.

*Q9: Do respondents have any comments on the proposals concerning assumptions that are presented in section 6, and in particular on the principles proposed in paragraphs 6.6, 6.9, 6.10, 6.13 and 6.17?*

- Given that similar assumption-selection principles will be included within the specific TASs (paragraph 6.5), it is unclear why the principles referred to would also be included within a separate accounts TAS.
- We do not believe there is a need for these principles to be stated again within a separate TAS.

*Q10: Are there any other principles on the selection of assumptions which respondents believe should be in the accounts TAS?*

- We feel that principles relating to the selection of assumptions should fall within other TASs with no need to include any further here.

*Q11: Do respondents have any comments on the proposed principle regarding materiality levels for accounting purposes in paragraph 7.4?*

- The proposed principle regarding materiality levels is reasonable, but we consider that such principles should fall within other TASs rather than a separate accounts TAS.

*Q12: Are there any specific issues relating to modelling and calculation work for actuarial information provided for accounts and other financial documents which respondents believe should be covered by principles in the accounts TAS?*

- We feel that principles relating to modelling and calculation should fall within TAS M, with no need to include any further here.

*Q13: Do respondents have any comments on the proposed principles on reporting in paragraphs 8.4 and 8.6?*

*Q14: Are there any other principles on reporting which respondents believe should be in the accounts TAS?*

- We feel that principles relating to reporting would be better dealt with in the reporting and, where appropriate, specific TASs.

**General comments:**

- Paragraph 4.21: Information for Lloyd's syndicates to produce annual accounts is already covered by the Lloyd's Valuation of Liability Rules and TAS I. In addition, some of what is included within the accounts is not necessarily actuarial information. For example, the Statement of Actuarial Opinion and backing calculations simply ensures that the reserves held are at least as great as the Actuary's best estimate.
- Paragraph 4.38: Actuarial work in connection with RITC is proposed to be subject to TAS I, rather than the accounts TAS. It is not clear why other work subject to TAS I (such as that discussed in paragraph 4.21) is not also out of scope for the accounts TAS.