

May 2016

Consultation: Revised Specific TASs

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1 INTRODUCTION

- 1.1 This consultation is the second of two consultations, the proposals of which are designed to improve the FRC's framework for Technical Actuarial Standards (TASs). We consider that the proposed changes will benefit both users, with the extension of scope of standards to all technical actuarial work, and practitioners, with simplifications to the TASs.
- 1.2 This consultation package includes a description of a new risk assessment process which we have used to focus the scope and requirements of the Specific TASs. This is a new approach for identifying work to be covered by standards and should ensure that the TASs remain fit for purpose and durable.

Background

- 1.3 The Financial Reporting Council (FRC) is the UK's independent regulator responsible for promoting high quality corporate governance and reporting to foster investment. It issues and maintains Technical Actuarial Standards for actuarial work in the UK.
- 1.4 The FRC's technical actuarial standards promote high quality actuarial work and support the Reliability Objective that "the users for whom a piece of actuarial information was created should be able to place a high degree of reliance on the information's relevance, transparency of assumptions, completeness and comprehensibility, including the communication of any uncertainty inherent in the information".
- 1.5 The Institute and Faculty of Actuaries (IFoA) requires its members to comply with the TASs for actuarial work within their scope. The IFoA sets ethical and conduct standards for its members.

Consultation on a new framework for Technical Actuarial Standards

- 1.6 In November 2014 we issued the first of the two consultations *A new framework for Technical Actuarial Standards*¹ which closed on 8 March 2015 and included proposals to:
 - replace the existing Generic TASs by a single Generic TAS (TAS 100: *Principles for technical actuarial work*) applicable to all technical actuarial work;
 - implement a risk assessment process, building on the feedback we received on the discussion paper *Joint Forum on Actuarial Regulation: A risk perspective*, to inform decisions to make work subject to the Specific TASs;
 - allow the IFoA to issue technical guidance to support FRC technical actuarial standards; and
 - carry out a review of the Specific TASs including a restructuring which would see principles in the Transformations TAS transferred to the revised Specific TASs.
- 1.7 We have published a [feedback statement](#) on the consultation and review drafts of the [Framework for FRC technical actuarial standards](#) and [TAS 100](#)

¹ <https://www.frc.org.uk/Our-Work/Codes-Standards/Actuarial-Policy/Recent-Consultations.aspx>

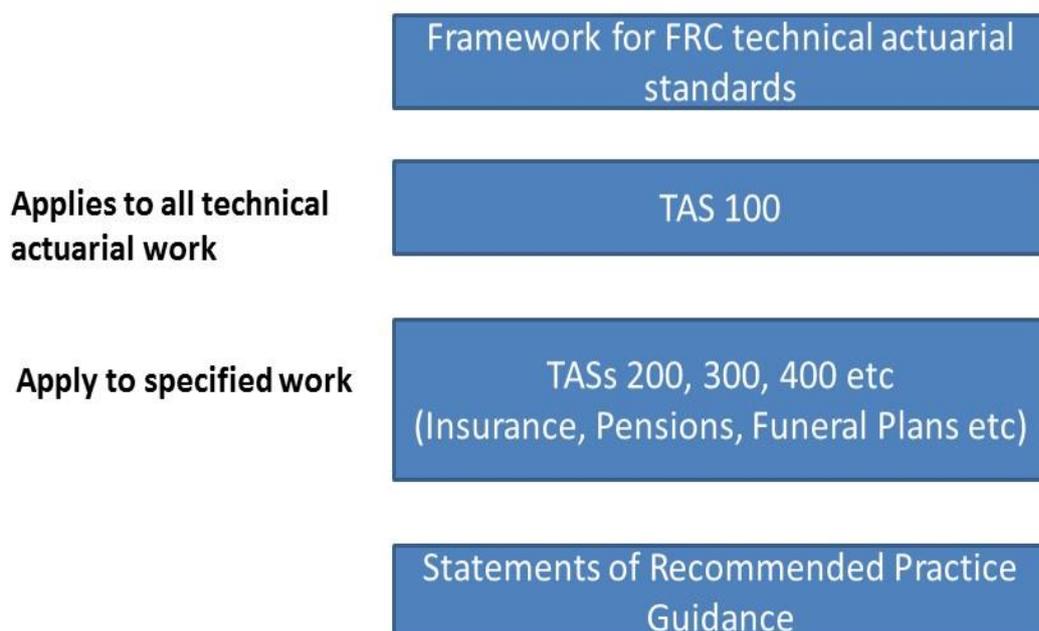
Purpose and audience

- 1.8 This purpose of this consultation is to seek views on:
- the risk assessment process we have developed to inform decisions on the scope of the Specific TASs; and
 - the output of that risk assessment process which has been used to develop proposals for revisions to both the scope and requirements of the Specific TASs.
- 1.9 We set out the risk assessment process in this paper and the annexes of this consultation contain the exposure drafts of the revised Specific TASs with the rationale for the proposed scope and provisions, an impact assessment and a list of questions. These annexes are:
- [Annex 1: TAS 200: Insurance](#)
 - [Annex 2: TAS 300: Pensions](#)
 - [Annex 3: TAS 400: Funeral Plan Trusts](#)
- 1.10 We have also published a [Glossary of defined terms used in FRC technical actuarial standards](#).
- 1.11 Our consultation has been written for those carrying out technical actuarial work and those who rely on technical actuarial work.
- 1.12 The FRC's Actuarial Council has provided advice to the FRC in the development of the proposals in this consultation. In addition various stakeholders have provided valuable input during its preparation. In particular, we received input through practitioner working groups and from the FRC's Actuarial Stakeholder Group. We are grateful to all those who provided input to us.

New framework

- 1.13 The proposed changes to the Specific TASs once implemented will complete the revisions to our framework for technical actuarial standards which is summarised as follows:

New Framework



TAS 100

- 1.14 TAS 100 will apply to all technical actuarial work and sets a minimum standard for that work. It sets out the high-level outcomes which users and the public can expect from technical actuarial work and is a standard against which both can assess the quality of all technical actuarial work in the UK.
- 1.15 The principles and provisions have been derived from the three current Generic TASs (on data, modelling and reporting) and the assumptions principles in the current Specific TASs.

Specific TASs

- 1.16 The proposed Specific TASs cover insurance, pensions and funeral plans. The purpose of the Specific TASs is to promote high quality actuarial work in three specific practice areas where there is a high degree of risk to the public interest.
- 1.17 The proposed scope of the revised Specific TASs is narrower than the current Specific TASs in order to ensure they focus on areas of technical actuarial work where there is a high degree of risk to the public interest. The proposed scope of the Specific TASs has been determined using a risk assessment process and incorporating the output from the Joint Forum on Actuarial Regulation's ongoing risk assessment work.
- 1.18 Some of the provisions of the revised Specific TASs have been derived from the current Specific TASs while others are new.

Benefits

- 1.19 The revised framework for technical actuarial standards is proportionate and risk-based. It benefits users by setting a minimum standard which can be expected for all technical actuarial work and by having more focused standards for technical actuarial work where we have identified that there is high degree of risk to the public interest. Under the new

framework, users can expect that all technical actuarial work, upon which they base their decisions, will meet minimum technical actuarial standards. As the revised TASs are short, clear and outcome-focused we consider that they will be more easily understood by users than the current TASs.

- 1.20 From a practitioner perspective, the benefits from these changes will be an improved, shorter and simpler set of standards. For any area of work, the changes reduce the number of technical actuarial standards which practitioners need to follow from at most five to, at most, two.

Contents

- 1.21 In section 2 we explain the risk assessment process we have followed to determine the work to be included in the scope of the revised Specific TASs. Section 3 provides an outline of the contents of the revised Specific TASs and section 4 summarises key changes to the scope from the current Specific TASs. Section 5 describes the impact assessment we have performed and section 6 covers the implementation of the revised standards.

Next steps

- 1.22 Subject to the outcome of this consultation, we propose to issue the new Specific TASs later in the year with them becoming effective on 1 July 2017.
- 1.23 When the new Specific TASs come into force the existing Specific TASs and the Generic TASs on Data, Modelling and Reporting Actuarial Information will be withdrawn. TAS 100, which will apply to all technical actuarial work, will come into force at the same time.

Responses

- 1.24 We would welcome views on the changes to the Specific TASs including the risk assessment process and, in particular, responses to the list of questions in section 4 "invitation to comment" of each annex. These sections include the questions raised in this covering document. Comments should reach the FRC by 5 August 2016.

2 SCOPE OF THE SPECIFIC TASs – RISK ASSESSMENT PROCESS

Introduction

2.1 In this section we set out our process for determining the proposed scope of the revised Specific TASs.

Risk-based approach

2.2 The Specific TASs are developed for areas of work where there is a need for additional requirements to mitigate the high degree of risk to the public interest, beyond the high level principles and provisions in TAS 100 and the requirements of the IFoA and the statutory regulators.

2.3 For this purpose, the public interest is defined widely and includes, but is not limited to: insurance policyholders, insurance company directors, pension scheme members, pension scheme sponsors and trustees, investors, and taxpayers.

2.4 We have followed a three stage risk assessment process to determine the scope of the Specific TASs which:

1. identifies areas of technical actuarial work where there is a potential risk to the public interest in relation to that work;
2. analyses the risks associated with those areas of work and the effectiveness of existing controls; and
3. determines our risk appetite and what additional requirements could mitigate the net risks more effectively.

Risk identification – identifying areas of technical actuarial work where there is a potential risk to the public interest

2.5 We have used the following sources to identify areas of technical actuarial work where there is a potential risk to the public interest in relation to that work:

- the output of the Joint Forum on Actuarial Regulation (JFAR) Risk Perspective consultation exercise and the JFAR's ongoing risk identification work;
- feedback from the FRC's Actuarial Council;
- feedback from the IFoA and its practice Boards;
- general intelligence gathering on new and developing areas of actuarial work from various sources including:
 - feedback from the FRC's Actuarial Stakeholder Group;
 - information gathered from other regulators;
 - horizon scanning discussions at the FRC, the Actuarial Council and the JFAR;
 - information gathered from other stakeholders including practitioners and users of actuarial work; and

- the scope of current Specific TASs.

2.6 We categorised the work identified according to the practice areas for which there is a Specific TAS, namely Pensions, Insurance and Funeral Plans.

Risk analysis – analysing the risks

2.7 For technical actuarial work identified in the first stage of the process, we have considered the degree of the potential risk to the public interest in relation to that work.

2.8 In particular, we undertook a risk rating exercise considering and balancing the likelihood of the public interest risk materialising and the impact if the work contributes to poor outcomes.

2.9 When assessing the likelihood of a risk materialising we considered:

- how frequently the work is performed;
- how the complexity of the work increases the risk of errors or misunderstanding;
- the amount of judgement required;
- the quality of data; and
- the existence and effectiveness of existing mitigations including legislation and other regulation.

2.10 When assessing the impact if the technical actuarial work contributes to poor outcomes we considered:

- who is affected by the work (eg pension scheme members, policyholders and taxpayers);
- how they might be affected (eg reduced benefits or reduced security of benefits); and
- the scale of the potential impact (on individuals and in aggregate).

Risk analysis – setting our risk appetite

2.11 We set our risk appetite (the threshold for determining what levels of impact and likelihood constituted a high degree of risk to the public interest) as covering those areas of technical actuarial work with a high or medium-high potential impact and high or medium-high likelihood. As a result the Specific TASs will apply to work where there is a material likelihood that there could be a significant impact on the public interest eg affecting the benefits of a significant number of pension scheme members. We regard these areas of technical actuarial work as presenting a high degree of risk to the public interest.

2.12 The risk assessment process is largely qualitative and was subject to significant debate with the FRC's Actuarial Council. We have refined our judgements throughout the process.

2.13 The output of the risk assessment process for pensions and insurance work is set out in Appendix A and each annex sets out the rationale for our rating assessments. We would welcome feedback on the assessments.

Risk mitigation – determining what additional requirements could mitigate the risks more effectively

2.14 For work which was outside the bounds of our risk appetite we have assessed whether the application of requirements in a Specific TAS might mitigate the current high net risk (risk taking account of existing mitigations including TAS 100) to the public interest of that work. In making this assessment we have considered:

- factors such as the need for more detailed requirements taking account of other principles and rules set by sectoral regulators, requests from other regulators for a standard in a particular area and concerns about the adequacy of existing standards/regulation and guidance;
- the likelihood that actuaries will be involved in the work, now and in the future, and whether users rely on it being performed by actuaries or in accordance with actuarial standards that are more specific than TAS 100; and
- whether requirements in addition to those in TAS 100 can be included in a Specific TASs to address the risk.

2.15 These proposed provisions in the revised Specific TASs were developed to ensure that together with TAS 100 the Specific TASs form a coherent, proportionate and risk-based set of requirements that assist in the achievement of the Reliability Objective.

Risk monitoring

2.16 In this consultation we are seeking views on the output of the risk assessment process undertaken at this time and the proposed scope of the revised Specific TASs.

2.17 To ensure our technical standards remain effective and fit for purpose we need to monitor their effectiveness and identify new and changing risks.

2.18 We will undertake a post-implementation assessment of the revised suite of TASs to test their impact and effectiveness. This review will be performed by 2020.

2.19 We will regularly carry out horizon scanning using the FRC's Actuarial Council and its Actuarial Stakeholder Group, output from the JFAR's risk monitoring and taking account of:

- the IFoA's Risk Outlook which the IFoA is intending to publish annually from 2016;
- input from our co-regulators through JFAR including issues identified in their risk outlooks;
- input from stakeholders including practitioners; and
- changes to legislation and other changes which affect actuarial work.

2.20 We may also review our risk appetite over time.

2.21 In developing our proposals for the scope of the Specific TASs, we have followed the FRC's *Principles for the development of Codes, Standards and Guidance*². In line with

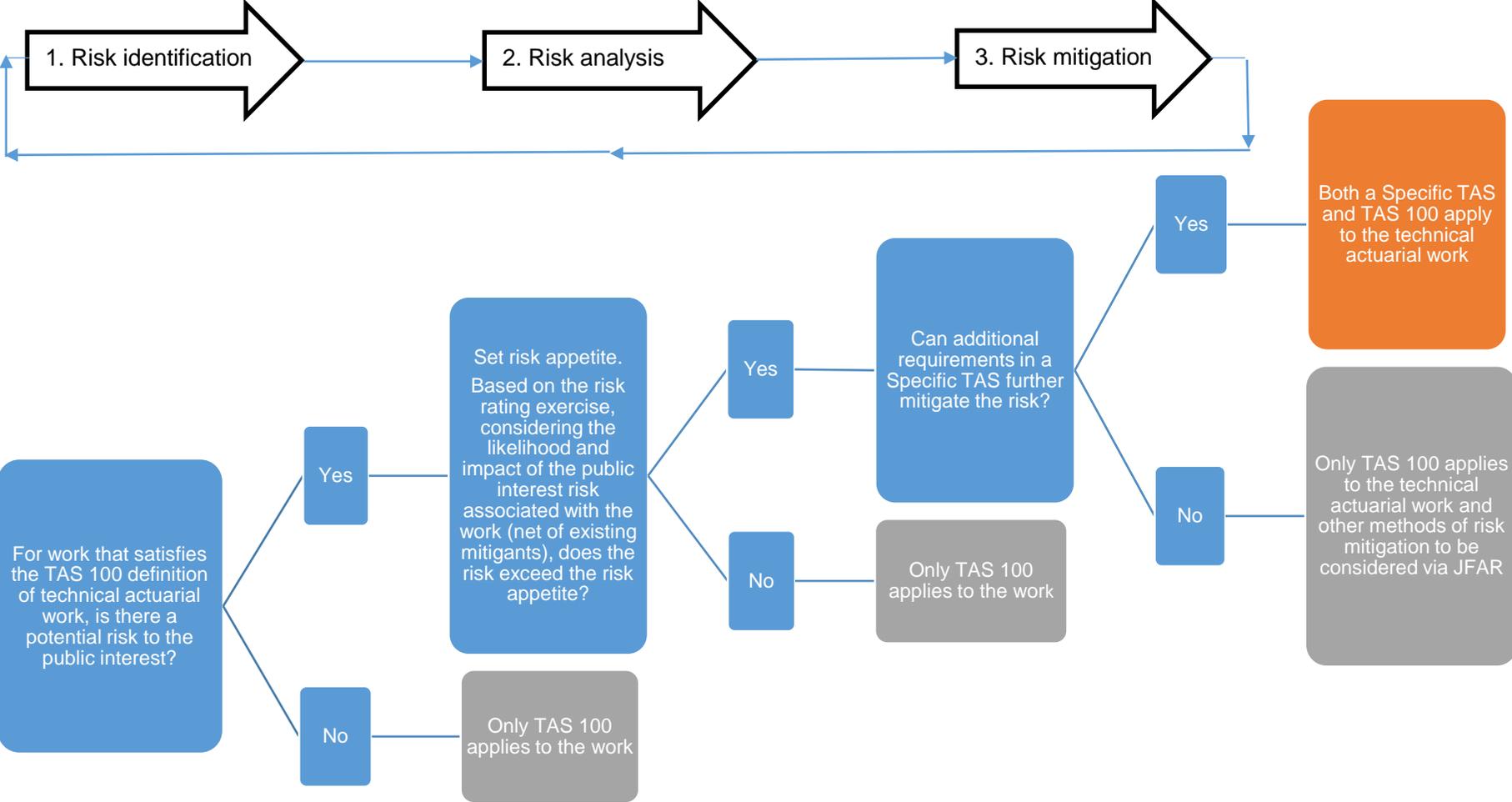
² <https://www.frc.org.uk/FRC-Documents/FRC/About-the-FRC/Principles-for-the-development-of-Codes.pdf>

the FRC's Principles we will review TAS 100 and each of the Specific TASs at least once every five years.

C.2.1 Do you have any comments on the risk assessment process described in paragraphs 2.2 to 2.15?

C.2.2 Do you have any comments on our proposed approach to risk monitoring (paragraphs 2.16 to 2.21)?

RISK ASSESSMENT PROCESS FOR SPECIFIC TASs



3 CONTENT OF THE REVISED SPECIFIC TASs

Introduction

- 3.1 In this section we discuss the proposed content of the revised Specific TASs in general terms. The detail of the proposals is set out in the annexes.
- 3.2 In the November 2014 consultation we proposed that we would maintain the current approach of having TASs specific to particular practice areas placing any relevant provisions that are not already included in TAS 100 in these Specific TASs. The feedback we received supported this approach.

Design principles

- 3.3 In drafting the content of the revised Specific TAS we have applied the following design principles:
- The Specific TASs will be of similar format and style to TAS 100 and each TAS will set out its purpose, scope, application and provisions.
 - The scope of the Specific TASs is determined by a risk assessment process which identifies areas where there is a high degree of risk to the public interest.
 - The provisions of the Specific TASs will support the six high-level outcome-focussed principles in TAS 100 targeted for areas of work within their scope.
 - Core provisions will apply to all work in the practice area and specific provisions apply to specified areas of work.
 - Specific TASs will not duplicate or repeat the requirements in TAS 100, regulations or legislation and will not contain guidance material.
 - Specific TASs will need to be read in conjunction with the *Framework for FRC technical actuarial standards* and with TAS 100 and will refer to both documents. Emboldened terms used in the Specific TAS will be defined in the *Glossary of defined terms used in FRC technical actuarial standards*.
- 3.4 These design principles were developed to ensure that the Specific TASs form a coherent and risk-focussed set of requirements that apply alongside TAS 100. We would welcome any comments on these design principles.

C.3.1 Do you agree that the design principles described in paragraph 3.3 will help to ensure that the Specific TASs form a coherent and risk-focussed set of requirements that apply alongside TAS 100?

Revised Specific TASs

- 3.5 As proposed in the November 2014 consultation we are proposing to retain Specific TASs for insurance, pensions and funeral plans. Principles for work relating to pensions or insurance transformations currently contained within the Transformations TAS will be included in TAS 200 and TAS 300 and the Transformations TAS will be withdrawn.
- 3.6 For consistency with the TAS 100: *Principles for technical actuarial work*, we propose to name the new TASs:

- TAS 200: Insurance;
- TAS 300: Pensions; and
- TAS 400: Funeral plans.

3.7 As risks emerge or change, we may consult on further Specific TASs. One area which we are considering is work performed on the National Insurance Fund as an area of technical actuarial work of high public interest. The International Actuarial Association has recently issued a model standard ISAP 2 for work of this type which we will consider in future reviews.

Style and structure

3.8 We have adopted a similar style and structure to TAS 100. This ensures that the TASs are written in a consistent way. Therefore the Specific TASs will consist of the following sections.

Purpose

3.9 The proposed purpose of each Specific TAS is the same as TAS 100 (ie to promote high quality actuarial work) but limited to technical actuarial work of a high degree of risk to the public interest in that practice area. For example, the proposed purpose of TAS 300 is to promote high quality actuarial work where there is a high degree of risk to the public interest in pensions.

Scope

3.10 The scope of each of the Specific TASs has been determined using the risk assessment process set out in section 2. The proposed scope of each Specific TAS is discussed in the annexes.

Application

3.11 TAS 100 has a section on compliance which covers the application of TAS 100 including the application of materiality and proportionality considerations. TAS 100 also includes a requirement for a statement of compliance with TAS 100 for Reserved Work, work in the scope of a Specific TAS and technical actuarial work which is central to a significant decision by the user.

3.12 The proposed wording in the application sections of the Specific TASs is the same as TAS 100 and requires a statement confirming compliance with TAS 100 and the Specific TAS for the work in the scope of the Specific TAS.

Provisions

3.13 Each of the Specific TAS has core provisions which are generic and apply to all work in the scope of the Specific TAS. These provisions support the principles in TAS 100.

3.14 For pensions and insurance, there are then specific provisions which apply to specified areas of work. These provisions also support the principles in TAS 100 although they are focussed on specific areas of work within each practice area. For funeral plan trusts, all provisions apply to all the work within the scope of TAS 400.

3.15 The rationale for the provisions is set out in the annexes.

C.3.2 Do you agree with the proposed style and structure of the revised Specific TASs outlined in paragraphs 3.8 to 3.15?

Glossary of defined terms used in FRC technical actuarial standards

3.16 We have collated all defined terms in TAS 100 and the proposed revised Specific TASs in a combined [Glossary of defined terms used in FRC technical actuarial standards](#).

C.3.3 Do you have any comments on the draft *Glossary of defined terms used in FRC technical actuarial standards*?

4 SUMMARY OF KEY CHANGES

4.1 In this section, we summarise the key proposed changes to the scope and requirements of the revised Specific TASs. The details of the proposals and our practice area specific impact assessments are set out in the annexes.

Changes to scope

4.2 The outcome of the risk assessment process has focused the proposed overall scope of the Specific TASs on those areas of technical actuarial work where there is a high degree of risk to the public interest. Appendix A sets out the output from the risk assessment process for pensions and insurance, and shows which work has been identified for inclusion in Specific TASs.

4.3 The table below shows the most significant changes to the proposed scope of the revised Specific TASs when compared to the scope of the current TASs.

Insurance*	Pensions*	Funeral Plans
Work proposed to be removed from the scope of the Specific TASs and made subject only to TAS 100		
<ul style="list-style-type: none"> • Embedded Values • Opinion on underwriting policy • Opinion on reinsurance arrangements • Pricing of large risks • Insurance Commutations • Capital Raising • M&A work • Repricing of reviewable rate products • Lloyd's reinsurance to close 	<ul style="list-style-type: none"> • Some Reserved Work eg PPF levy and s75 debt certification • Sponsor Scheme Funding advice • Financial statements • Directors' pensions disclosure • Transactional elements of buy-out work 	None
Work proposed to be added to the scope of the Specific TASs		
<ul style="list-style-type: none"> • Risk modelling for Solvency II regulatory capital requirements and ORSA • Provisions for the actuary supporting the auditor extended to cover actuary acting in either expert or specialist role 	None	None

* including relevant elements of the Transformations TAS

4.4 For most of the areas of work proposed to be removed from scope, the Specific TASs contained no principles specifically for that area of work but rather their inclusion in scope served to bring them into the scope of the Generic TASs. Those areas of work

will be subject to TAS 100 and therefore the standards applying to that work in future will broadly be the same as at present.

Changes to requirements

- 4.5 Work in the scope of the revised Specific TASs will be subject to the principles and provisions in TAS 100, the core provisions of that Specific TAS, and where applicable specific provisions relevant to that area of work.
- 4.6 Currently for work in the scope of the Specific TASs, one or more of the Specific TASs apply, as well as the Generic TASs on data, modelling and reporting.
- 4.7 The changes to the requirements within the Specific TASs reflect the introduction of TAS 100 and the revised scope based on the output of the risk assessment process. Therefore the proposed provisions in the Specific TASs are new, derived from the existing Specific TASs or derived from Generic TAS principles which are not included in TAS 100.
- 4.8 The derivation of the proposed provisions of the revised Specific TASs is explained in the relevant annex to this consultation. We have also produced mappings comparing the provisions in the three existing Generic TAS and the four existing Specific TASs with the requirements in TAS 100 and the proposed revised Specific TASs. These are available on the [Actuarial Policy](#) section of the FRC website.

5 IMPACT ASSESSMENT

Introduction

- 5.1 In this section we consider the impact of the proposed changes to the Specific TASs. More detail on each of the Specific TASs is contained in the relevant annex.

Context

- 5.2 There are more than 6,000 defined pension schemes and over 100 insurance companies in the UK with combined liabilities of around £4trn. There are around 700,000 funeral plan trusts with assets of almost £2bn.
- 5.3 Actuarial advice is required to support key decisions by governing bodies of pension schemes, directors of insurance companies and trustees of funeral plan trusts.

Benefits

Users and the public interest

- 5.4 The revised framework benefits users by setting a minimum level of standards which can be expected for all technical actuarial work and by having more targeted standards for technical actuarial work where there is a high degree of risk to the public interest. Under the new framework, there will be a reduction in any gap in users' expectations about whether technical actuarial work, upon which they base their decisions, is subject to professional standards.
- 5.5 Additionally, the revised TASs are short, clear and outcome-focused. We consider that they will be more easily understood and, as a consequence, can be more readily made applicable by users and other stakeholders than the current TASs.

Practitioners

- 5.6 Practitioners will benefit from improvements to the structure, style and content of the TASs which will result in a simpler framework, reduced volume of regulatory material and standards which are easier for practitioners to use and understand. A maximum of two TASs will apply rather than the current potential five TASs. The changes should result in a reduction in time spent ensuring compliance with the TASs.

Costs

- 5.7 The proposed changes should not lead to material changes to work which is currently in the scope of the TASs – there are few additional requirements in the revised Specific TASs and we expect that most work which is compliant with the current Specific TAS will be compliant with revised TASs.
- 5.8 Evidence collected in our post-implementation review indicated that the transitional costs of implementing the TASs ranged between very small amounts and 10% of the actuarial costs of the relevant organisation. The costs depended on several factors including the nature of the work and the size of the firm. The costs were proportionally higher for smaller organisations.
- 5.9 We consider that the transitional costs to practitioners of implementing the revised Specific TASs should be considerably lower than the costs of implementing the original

TASs and no more than 1% of the annual cost of performing actuarial work. This equates to a one-off cost of between £10m and £20m.

6 IMPLEMENTATION

Introduction

6.1 In this section we set out the proposed timing and next steps for implementing the revised Specific TASs.

Revised TASs

6.2 Subject to the feedback we receive from this consultation we propose to issue the three revised Specific TASs at the end of 2016 which will be effective for all actuarial work in their scope completed on or after 1 July 2017.

6.3 At the same date, the new Generic TAS 100: *Principles for technical actuarial work* will come into effect and all the existing TASs will be withdrawn.

6.4 We consider that by specifying the implementation date in advance we are giving practitioners sufficient preparation time.

Framework for FRC technical actuarial standards and the Glossary of defined terms used in FRC technical actuarial standards

6.5 The *Framework for FRC technical actuarial standards* and the *Glossary of defined terms used in FRC technical actuarial standards* will also come into effect on 1 July 2017.

6.6 At the same time the *Scope & Authority of Actuarial Standards* will be withdrawn.

C.6.1 Do you have any comments on proposed implementation of the revised Specific TASs?
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Appendix A: Output of the risk assessment process

In section 2 we described our risk assessment process for determining the proposed scope of the revised Specific TASs. In the tables below we have set out the output from our risk assessment of work in insurance and pensions. We are proposing to include the work in the four shaded top right hand boxes (medium-high or high impact and medium-high or high likelihood) in the scope of the Specific TASs. This is work which we consider to be of a high degree of risk to the public interest and having been rated to have a medium to high impact and medium to high likelihood. These ratings are net of existing mitigations such as legislation or other material issued by sectoral regulators.

We have not included the output for funeral plans as this TAS covers one area of work only which was rated medium to high impact and medium to high likelihood.

In the table work which is in the scope of an existing Specific TAS is shown in **bold**, C in parentheses indicates that we consider that actuarial work is central.

Pensions

		Likelihood			
		Low	Medium-low	Medium-high	High
Impact	High			<ul style="list-style-type: none"> • Transfer value advice and assumptions (C) • Private sector Scheme Funding – trustee work (C) • Incentive exercises 	<ul style="list-style-type: none"> • Public sector funded schemes (C) • Public sector financing – unfunded schemes (C) • Commutation factor assumptions (C)
	Medium-high	<ul style="list-style-type: none"> • Benefit design • Benefit calculations 	<ul style="list-style-type: none"> • Buy outs – transactional 	<ul style="list-style-type: none"> • Public to private sector transfers (C) • Actuarial factors for individual calculations other than transfer values and commutation (C) • Scheme modifications including buy-outs (C) • Bulk transfers without consent (C) 	
	Medium-Low	<ul style="list-style-type: none"> • Audit of pensions information in financial statements • Financial statements – assumptions (C) 	<ul style="list-style-type: none"> • Buy-ins • Asset backed contributions • Strategic investment advice (eg LDI) • Longevity swaps (C) • PPF transition (C) • Financial statements – calculations (C) • DC projection assumptions • Summary funding statements (C) • Private sector Scheme Funding – employer work (C) 	<ul style="list-style-type: none"> • Asset liability modelling • Section 75 Debt on employer calculations (C) 	
	Low	<ul style="list-style-type: none"> • Annual reports - directors' pensions disclosures • PPF levy valuation (C) 	<ul style="list-style-type: none"> • DC projection calculations (L) 		<ul style="list-style-type: none"> • M&A advice (C)

Insurance

		Likelihood			
		Low	Medium-low	Medium-high	High
Impact	High			<ul style="list-style-type: none"> Work to support estimating capital requirements using the Solvency II standard model 	<ul style="list-style-type: none"> Work to support estimating insurance contract liabilities for regulatory purposes (C) Work to support estimating insurance liabilities for a general insurer's financial statements (C) Work to support internal/partial internal risk modelling for the purpose of estimating regulatory capital requirements (C) Preparation of material for ORSA (C) Pricing frameworks including development of pricing models, advice on assumptions for use in these models, and pricing/profitability analysis (C)
	Medium-high		<ul style="list-style-type: none"> Work required to support a Part VII transfer of insurance obligations (C) 	<ul style="list-style-type: none"> Work to support the auditor in providing an opinion on an insurer's regulatory and financial statements (C) Work to support the exercise of discretion by a with-profits life insurer including advice on the distribution of surplus (C) Work supporting schemes of arrangement (C) Work for a policyholder advocate in an inherited estate reattribution (C) Work relating to changes in the principles contained in the Principles and Practices of Financial Management (C) General Insurance tax (C) Actuarial reporting on policyholder benefit reductions under section 113 (Part VII transfers) and section 376 (Liquidation of long term insurance companies) of the FSMA 2000 (C) Work to support asset valuations (eg equity release loans, mortality swaps, value of in force business (VIF), deferred acquisition costs recoverability) for regulatory purposes 	<ul style="list-style-type: none"> Work to support estimating insurance liabilities for a life insurer's financial statements (C) Lloyd's SAO (C)
	Medium-low		<ul style="list-style-type: none"> Opinion on reinsurance arrangements (C) Skilled persons reports prepared under FSMA s.166 and other ad hoc information for regulators. Asset allocation advice Strategic advice Other risk management work eg risk appetite work, reinsurance evaluation, non-actuarial ORSA 	<ul style="list-style-type: none"> Opinion on underwriting policy (C) M&A work (C) Work to support repricing of reviewable rate products (C) 	<ul style="list-style-type: none"> Financial reporting non-GAAP measures including embedded values, value of new business (C)
	Low	<ul style="list-style-type: none"> Compliance / Internal Audit work 	<ul style="list-style-type: none"> Individual risk pricing Business planning – financial projections 	<ul style="list-style-type: none"> Lloyd's reinsurance to close (C) 	



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