

Institute and Faculty of Actuaries, **Regulatory Board**

Subject	AMS Recommendations update
Meeting date	17 May 2023
Previous Steer/Approval	26 April 2022 Discussion on recommendations. Board requested an update in 2023.
International issues considered?	Yes
Author	David Gordon, Senior Review Actuary
Reviewer	Alan Marshall, Review Actuary
Purpose	Noting

A: Executive summary

1. This item provides an update for noting on the actions taken following recommendations from the Pensions and GI Thematic Reviews which were conducted in 2020/21.
2. Given the actions completed over 2022/23, the AMS team considers that these recommendations can now be considered ‘Closed’.

B: Introduction

3. The AMS team’s first two reviews contained a series of recommendations aimed at members, the IFoA, and other regulators.
4. The purpose of this update is to summarise for the Board the evidence gathered on how the key recommendations have been met to date and to assess their current status.

C: Thematic review recommendations

5. Following publication of each thematic review report, the AMS team carries out extensive engagement to promote the recommendations among these parties. The AMS team also presented the results of each review to JFAR (until late 2022, when it was dissolved), the FRC Policy Team and other relevant regulators to inform their thinking.
6. Evidence to date suggests actuaries are changing their practices and regulators are taking recommendations into account in re-designing standards.
7. Over the year since we last updated the Board:

Actuarial factors

- A survey of pensions consultancies supports the view that member recommendations have been taken on board by scheme actuaries.
- The Working Party established to investigate the research recommendations has reported, giving practitioner views on the technical questions raised.
- The FRC is expected to consult shortly on a revised TAS 300: Pensions, having sought industry views in its call for evidence in 2022.

- There continues to be more limited formal progress to date on industry-wide benchmarking of transfer values and commutation rates. However, this is ultimately a decision for the Pensions Regulator, based on regulatory priorities.

GI pricing

- The FCA has published evidence that firms are engaging with new pricing rules.
- FRC has updated TAS 100 and introduced guidance relevant to pricing and multi-disciplinary practices.
- The AMS Data Science thematic review will further consider pricing activity, and the FRC/GAD review on AI/ML techniques is likely to provide further evidence.
- Educational and professionalism materials have been updated.

C: Note on subsequent reviews

8. The AMS team has now published a further four thematic review and information gathering reports. These highlighted 'findings' (rather than recommendations). In each case, the Board agreed specific actions in response to the report at the time of publication. These are tracked elsewhere in the Regulatory Actions Tracker at each Board meeting.

D: Conclusions

9. Given the actions completed over 2022/23, the AMS team considers these recommendations are now 'Closed'.

E: Appendices

- Appendix 1: AMS Update on progress 2023 thematic review recommendations