



Institute  
and Faculty  
of Actuaries

# Annual Report to Members

The Practising Certificates Committee

18 November 2020

## Introduction

Welcome to the third Annual Report to Members from the Practising Certificates Committee (PCC). This year's report provides an update on the annual review of the PC Scheme and includes current statistics and some further information on restricted certificates.

Members are encouraged to read the [2018 and 2019 Reports to Members](#), which provide information on the operation of the PCC and suggestions to initial and renewal applicants to help their applications go as smoothly as possible.

Members can now see the following on the [IFoA website](#) in relation to the operation of the PCC:

- Full list of PCC members, indicating which panel or panels they sit on.
- The most recent agenda and the most recent minutes of the full PCC meetings (which are normally held twice per year).

Occasionally it may be necessary to redact some aspects of the agenda or minutes where there are references to specific cases or individuals.

## Review of the PC Scheme

Due to the implementation of the new CPD Scheme, amendments were made to the PC Scheme and the application forms to reflect that the additional CPD requirements for PC holders now fall under the PC Scheme. This came into effect on 1 September 2020. There will no longer be a check by the IFoA of CPD compliance before a PC is renewed (with this applying to both the basic CPD requirements and the additional 15 hour requirement under the PC Scheme), and applicants will no longer be *required* (by the IFoA) to log their CPD on the IFoA's online recording system to allow this check to happen. Applicants can however still use the IFoA online system to record their CPD if they so wish or if it is required by their employer.

Both the initial and renewal PC application forms now require applicants to self-certify that they will comply with the CPD requirements, as set out in the CPD Scheme and the PC Scheme. If an applicant works for an organisation that is adopting the QAS CPD Scheme, they should indicate this by ticking the relevant box on their application form, and the wording on the application form confirms that the applicant will comply with the development and training policies and procedures set by the employer.

The cost of a PC has also increased this year to £910, with effect from 1 October 2020. The PC Scheme and the application forms have been updated to reflect the increase.

The PCC reviews the PC Scheme annually and the following updates have been made:

- To ensure consistency with APS L1, section 6.1.1 of the PC Scheme has been amended to reflect that Appropriate Actuaries are only required to hold a Chief Actuary (Life, Non-Directive) Certificate and not a With-Profits Actuary Certificate as well. This only affects a small number of cases.
- Clarification has been made on the quantum of Scheme Actuary or Scheme Actuary related work that a PC applicant needs to be undertaking in order to gain and maintain a Scheme Actuary PC. Whilst it is not possible to be 100% definitive and cover every possible situation, it is hoped that the clarification will be of help to applicants. The clarification can be found in Appendix 5, Criterion 1 of the updated [PC Scheme](#).
- Guidance on the extent to which reserving *risk* or other reserving work may meet the technical criteria for a Lloyd's Syndicate Actuary Certificate has been added at Appendix 4, Criterion 2 of the Scheme.

Please take the time to review the current [PC Scheme](#) before making an application, whether initial or renewal.

## Certificates in existence

The table below shows the number of Practising Certificates (PCs) in existence as at 31 August 2020, together with the most recently available annual figures for the number of new certificates:

Type of PC	Number of unrestricted PCs	Number of restricted PCs	Number of PCs extended	Total in existence	Total new*
Chief Actuary (Life)	93	24	5	122	7
Chief Actuary (Life, Non-Directive)	10	0	0	10	2
Chief Actuary (Non-Life With Lloyd's)	95	0	1	96	2
Chief Actuary (Non-Life Without Lloyd's)	56	5	0	61	8
With-Profits Actuary	48	0	0	48	4
Lloyd's Syndicate Actuary	53	0	0	53	3
Pension Scheme Actuary	734	4	0	738	21

(\* this shows the number of new PCs issued in the period 1 September 2019 to 31 August 2020)

For the Chief Actuary (Life, Non-Directive) PCs, 9 out of the 10 holders of such PCs also hold a Chief Actuary (Life) PC.

Applications are declined where, after full consideration, the experience requirements have not been met. In the 12 month period to 31 August 2020, 9 cases were declined, this covering both initial and renewal cases. Applicants are given a written explanation as to why their application was declined, and are also offered a conference call with members of the relevant PCC panel to explain and discuss fully the reason for the decline.

As noted in previous reports, there is an [appeals process](#) for cases where an application is declined, or where the applicant disagrees with any aspect of a PCC decision. In the 12 months to the date of this report, there have been no appeals.

## Restricted PCs

Where an applicant does not meet the technical criteria to be awarded a full PC, the PCC has the ability to grant a restricted PC. This enables a PC to be granted, and thus help the Member and/or their employer/firm, when the only other solution would be to decline the application.

Each applicant receiving a restricted PC receives a written explanation for the restriction, and applicants receiving a restricted PC for the first time are now offered a conference call discussion with the relevant PCC panel members if they are unclear on any aspect. Notwithstanding this, any PC applicant is welcome to request a conference call with the relevant PCC panel to discuss their application. The PCC thought it would be helpful to provide some clarity on those PCs and the types of restrictions that have been applied. The number of certificates that have been restricted can be found in the table above and some examples of the types of restrictions applied are:

- Restricted to a named pension scheme or company – for example due to the special nature of that scheme/company in relation to the applicant's experience.

- Restricted to a specific role e.g. the audit Reviewing Actuary role for life insurers, due to the nature of the applicant's experience.
- Restricted to a specific type of insurance business e.g. health insurers, or companies in run-off.

In addition, some certificates have been *extended* to include the life or non-life business of a named composite insurance company, where the size of that business is very small in relation to the main business. This avoids the company having to appoint a separate Chief Actuary for an immaterial amount of business of the other type.

As the above table indicates, the majority of the restricted PC issued relate to the Chief Actuary (Life) PC, and most of these restrictions relate to the audit Reviewing Actuary role.

The PCC is of course willing to remove or modify restrictions where the applicant is able to demonstrate that he or she now meets the full PC Scheme criteria in relation to the breadth and depth of experience in at least three of the last five years and in at least three of the last 18 months. In order to remind applicants of this, the renewal application forms have recently been updated to allow an applicant to indicate where he or she now believes that their experience meets the full criteria, and to explain the additional experience on the form. Clearly the PCC will need to be satisfied that the full criteria are being met.

#### **Queries and draft applications**

If you have any questions in relation to practising certificates, please contact the Secretary to the PCC at [practising.certs@actuaries.org.uk](mailto:practising.certs@actuaries.org.uk). Potential new PC applicants who believe that they are close to meeting the requirements, but are unsure as to whether they do actually meet them, are reminded that they are welcome to submit a draft application to the PCC for consideration and feedback.

**John Jenkins**  
Chair of the PCC



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