

Institute and Faculty of Actuaries

Noting report

Subject	AMS Funeral trusts Thematic Review
Regulatory Board meeting	8 February 2022
Previous Board Steer/Approval	The Board previously provided a steer that the AMS conduct a thematic review that considers actuarial funeral trust advice.
International Issues Considered?	No, UK specific
Author	IFoA Executive
Purpose	Noting

A: INTRODUCTION

1. This agenda item provides an update on the work of the IFoA AMS Review Team on the Funeral Trust thematic review.
2. Work on this exercise is now nearing completion and the report is due to be published in March. The draft Chair Foreword and Executive Summary are provided at **Appendix 1** to this paper, and a draft version of the full report will be provided at **Appendix 2** for optional reading (before IFoA Communications Team review and final design work).
3. The review has been carried out based on the review of work submitted by actuaries carrying out work for funeral plan trusts and burial societies. The team also held a series of follow-up discussions with those taking part. The report sets out the review findings and makes a number of findings on the way that members follow actuarial standards along with some recommendations for areas that relevant regulators (including the IFoA's Regulatory Board) might usefully consider. In addition to the formal report, confidential bespoke feedback will be provided to each organisation on the work they submitted.
4. In addition to the Executive Summary, the detailed findings of the review are set out in the following sections of the report:
 - i) How actuaries advise - The approach followed for funeral trust valuations
 - ii) Compliance - Adherence with TAS 100, TAS 400 and the Actuaries' Code
 - iii) Advice to burial societies - Additional comments on actuarial advice provided to burial societies

iv) Other findings

5. The next steps will involve obtaining feedback on draft versions of the report from a member of the IFoA Funeral Plans Member Interest Group who has not taken part in the review. We have also discussed emerging findings with the FRC in late January.
6. The Board is asked to note and discuss the findings outlined in the Chair's Foreword and the Executive Summary and endorse publication of the report.

B: KEY PLANNED ACTIVITIES FOR NEXT PERIOD

7. Over the next period, we anticipate the following activities:
 - Complete drafting of the report to reflect feedback from Board and other stakeholders
 - Provide bespoke feedback to each participating organisation
 - Publish the report in late March 2022
 - Hold webinar, aimed in particular at those actuaries taking part in the review, to present the findings and provide an opportunity for questions and feedback
 - Start to liaise with appropriate stakeholders to discuss findings and consider what relevant next steps may be appropriate including for actuarial standards and regulation.

Appendices:

Appendix 1: Report extracts and draft Executive Summary

Appendix 2: Draft Report