



## APS Z1: DUTIES AND RESPONSIBILITIES OF MEMBERS UNDERTAKING WORK IN RELATION TO UK FUNERAL PLANS

**Version:** 2.0 effective from 19 November 2023

**Purpose:** This APS sets out requirements for Members carrying out the following work in respect of Funeral Plans and associated Funeral Plan Trusts:

- **Solvency Assessment Reports**
- **Valuations**
- **approval of Withdrawal of Surpluses**
- **approval of Remediation Plans**
- **Certification of Sufficiency of Transfer Arrangements**

### 1. Obligations

1.1 Before accepting an instruction to carry out work in respect of a **Funeral Plan**, a **Member** must obtain assurance that the **Funeral Plan Provider** and/or the **Trustees**, as appropriate, will:

- 1.1.1 provide the **Member** with all information relating to the **Funeral Plan** as may be required to enable the **Member** to fulfil their duties, including the **Governing Documents** (in the case of a **Funeral Plan Trust**), any previous **Valuations**, and any prior **Solvency Assessment Reports**;
- 1.1.2 provide the **Member** as soon as practicable, with notice of any replacement to, alteration of, or addition to, the **Governing Documents**;
- 1.1.3 whenever practicable, discuss with the **Member** any proposed replacement to, alteration of, or addition to the **Governing Documents** in advance of the proposal taking effect;
- 1.1.4 provide the **Member** with sufficient membership, asset and other data as is necessary to enable them to fulfil their duties;
- 1.1.5 provide the **Member** with guidance and decisions on the interpretation and/or meaning of any of the provisions of the **Governing Documents**, where such guidance and decisions are reasonably needed by the **Member** to enable them to fulfil their duties;
- 1.1.6 highlight to the **Member** any information contained within the **Governing Documents** which may assist the **Member** in understanding the nature of the **Funeral Plan Provider's** contractual obligations;
- 1.1.7 allow the **Member** to make any reasonable request for information from any actuary previously involved in carrying out work in respect of the **Funeral Plan** where the **Member** deems this necessary to fulfil their duties; and
- 1.1.8 allow the **Member** to present a report directly to the **Auditors**, should the **Member** consider that there is a compelling reason to do so.

1.2 Once instructed to carry out work in respect of a **Funeral Plan**, the **Member** must:

- 1.2.1 inform the **Funeral Plan Provider** and/or the **Trustees**, as appropriate of their understanding of the **Planholder's** contractual entitlements and of the need for the cost of providing the contracted funerals to be taken into account in a **Solvency Assessment Report** and/or **Valuation**, having regard to any relevant representations which have been made to the **Planholder** and which are set out in the available **Governing Documents**;
- 1.2.2 on becoming aware that a significant change is likely to take place or has, in fact, taken place in the **Funeral Plan's** operations, practices or other circumstances, take reasonable steps to encourage the **Funeral Plan Provider** and/or the **Trustees**, as appropriate, to take appropriate account of any implications for the provision of the contracted funerals to the **Planholder**;
- 1.2.3 on becoming aware of any other issue which may reasonably be expected to impact upon the provision of the contracted funerals to the **Planholder**, inform the **Funeral Plan Provider** and/or the **Trustees**, as appropriate; and
- 1.2.4 notify the **Funeral Plan Provider** and/or the **Trustees**, as appropriate, should the **Member** consider that the systems of control in place to protect the **Planholder's** interests may not be adequate;
- 1.2.5 in respect of any of the following instructions:
  - i) to approve a **Remediation Plan**,
  - ii) to approve the **Withdrawal of Surpluses**,
  - ii) to provide **Certification of Sufficiency of Transfer Arrangements**,obtain the most recent **Solvency Assessment Report**, including assumptions and methodology, insofar as it was not produced by the **Member**.
- 1.2.6 consider any potential conflicts of interest which may arise in their work in relation to the **Funeral Plan Provider**, the **Trustees**, and **Planholder**, and where appropriate document how this has been managed.

## **2. Interpretation and application**

- 2.1 A failure to comply with this **APS** may result in a finding of misconduct in terms of the **IFoA's Disciplinary and Capacity for Membership Schemes**.
- 2.2 This **APS** uses the word "must" to mean a specific mandatory requirement. It uses the word "should" to indicate that, while the presumption is that **Members** will comply with the provision in question, there may be some circumstances in which **Members** are able to justify non-compliance.
- 2.3 In the event of any inconsistency between this **APS** and the **Actuaries' Code**, the **Actuaries' Code** prevails.

### 3. Definitions

Term	Definition
APS	Actuarial Profession Standard.
Auditors	The auditors of the Funeral Plan Provider and the auditors of the Funeral Plan Trust.
Certification of Sufficiency of Transfer Arrangements	The certification by a Member of the sufficiency of arrangements relating to the transfer by a Funeral Plan Provider of all or part of its business to another Funeral Plan Provider as required by FPCOB 3.1.9R
Funeral Plan	An arrangement established by a Funeral Plan Provider to support the sale of contracts of the type defined in article 59(2) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001
Funeral Plan Provider	The entity which undertakes to provide, or secure that another person provides, a funeral in the United Kingdom for the Planholder on their death.
Funeral Plan Trust	A trust established as part of a Trust-Based Pre-Paid Funeral Plan to hold money paid by Planholders to the Funeral Plan Provider for the purpose of providing funerals.
Governing Documents	The documents governing a Trust-Based Pre-Paid Funeral Plan which include the following non-exhaustive list of documents: the current trust deed and any previous amendments of the Funeral Plan Trust, the current and historical marketing literature, contracts or terms and conditions between the Funeral Plan Provider and the funeral director, the funeral director and the Trustees and the Funeral Plan Provider and the Planholder.
Member	A member of the Institute and Faculty of Actuaries.
Planholder	The person with whom the Funeral Plan Provider has contracted under the funeral plan contract .
Remediation Plan	A remediation plan produced by a Funeral Plan Provider in accordance with FPCOB 3.2.6R
Trust-Based Pre-Paid Funeral Plan	An arrangement established by a Funeral Plan Provider and backed by a trust to support the sale of contracts of the type defined in article 59(2) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.
Trustees	Those persons charged with the control of the Funeral Plan Trust.
Solvency Assessment Report	A report produced by a Member in accordance with FPCOB 3.2R.
Valuation	An actuarial valuation undertaken -to determine, calculate and verify the assets and liabilities of the Funeral Plan.
Withdrawal of Surpluses	The withdrawal of surpluses from a Funeral Plan Trust by a Funeral Plan Provider in accordance with FPCOB 3.2.12R