



EXAMPLE - FULL RENEWAL PRACTISING CERTIFICATE (PC) APPLICATION FORM

PLEASE NOTE

Read the [PC Handbook](#) and the relevant Competency Framework for the PC(s) which you are renewing before completing this section.

Under each of the competencies, you should provide details to explain how you continue to meet each of the competencies set out in the relevant Competency Framework.

If you are applying for more than one PC, please ensure you provide information relevant to each PC type by indicating which PC the information relates to.

This section of your application may be shared with the Practising Certificates Committee. It would therefore be helpful if you could try to avoid providing details that could allow you, your employer or the entity/syndicate/scheme you are describing to be identified.

3.1 Communication

Since my initial application, I have been appointed as With-profits Actuary (WPA) to a medium-sized Life Company. This includes providing advice to the Board, With-profits Committee (WPC) and executive management of the company on all aspects of the exercise of discretion in respect of the with-profits fund (which is closed to new business).

When presenting to the various stakeholders, I need to ensure that technical topics are clearly explained as not all members are actuaries. As part of this I ensured that the papers produced included a clear exec summary to ensure they were understandable for all relevant stakeholders. In discussions my aim is to ensure that the stakeholders understand the proposals, the risks and uncertainties involved and any expert judgements made.

I presented a report to the WPC on the investment strategy for the fund. The report discussed a number of possible changes to the current investment strategy and the risks associated with each. I therefore had to clearly explain the possible changes and responded to questions, providing detailed explanations, to ensure the Committee members understood the risks and uncertainties involved in each change.

As WPA I am the trusted advisor on all WP matters and through regular presentation of reports I have built strong relationships with the Board, WPC and executive management of the company and continue to build on those relationships. I provide training to any new Committee members to ensure they are fully up to speed and provide deep dives on relevant topics to the full WPC when there are issues that they need to understand more about.

I lead a team of technical staff who prepare most of the technical reports mentioned and who work under my direction. I have ultimate responsibility for their work and I am accountable for that work at Board and Committee level.

I request annual feedback from all key stakeholders, as well as from the team that I lead, this helps to measure my effectiveness as a trusted adviser and colleague and provides an opportunity for constructive feedback, which I can then incorporate going forward.

As mentioned, I present various reports to the Board, WPC and executive management (mainly prepared by my team) and I am often challenged on the advice. In one case I was able to provide further information from other experts to support my recommendations. In another case, no new information was provided and I robustly defended my advice and provided justification to support my recommendations, which the WPC then accepted.

3.3 Professionalism

In my role as WPA, I review and challenge various management reports in relation to the with-profits business, either prepared by my team or others. As I have overall responsibility for many of these reports, I have to ensure that I have the confidence in the information provided to present the reports and defend the position, if necessary.

As part of the executive committee, I provide detailed review and challenge to the Chief Actuary in relation to the assumptions for the year-end valuation for the with-profits business. This included recommending changes, ensuring the with-profits management actions allowed for in the SCR were consistent with the PPFM. The Chief Actuary agreed with my recommendations and changes were made to reflect this.

There has been one occasion over the last three years where there was a difference in opinion within the WPC. I considered the issue from the different perspectives raised and there was a long discussion in relation to this point. However, in the end, and after taking all of the information into consideration, I was able to justify how expert judgement was exercised in arriving at the conclusion that I had recommended and this was accepted.

Since taking on the role, I have also engaged with the FCA and PRA in relation to with-profits matters. This includes responding to questions and explaining recommendations as and when required.

3.4 Knowledge, awareness and understanding

I have a number of years of experience in the life industry working in a range of roles, but over most recent years I have mainly been working in the with-profits area and therefore have detailed knowledge and understanding of with-profits business and products.

I maintain this knowledge by attending various CPD sessions each year, as well as to understand current issues in relation to with-profits matters to ensure my knowledge is up to date and I am aware of any future developments that may impact the fund. This includes keeping up to date with regulatory requirements. I have attended a number of sessions over the last two years in particular in relation to the impacts of covid and how we can prepare better for similar future events.

In my role as WPA, I am responsible for monitoring and managing risks that may affect the fund and reporting on those to the WPC. This includes reporting on how to mitigate those risks to ensure minimal impact on policyholders, should the risk arise.

3.5 Technical skills

I was appointed as WPA two years ago and have maintained and built on my knowledge in a number of the technical areas. Since my initial application I have been involved in the following:

I presented an update report on the fund run-off plan which reviewed the potential risks to the smooth run-off of the fund and whether any changes were required to the management of the fund to better mitigate these risks.

I presented quarterly reports to the WPC containing my recommended reversionary and terminal bonus rates based on the financial position of the fund. The update of the run-off plan mentioned above also contained a section on bonus distribution policy over the longer term, including the distribution of the estate.

I presented a report to the WPC on the appropriate allocation of expenses, including exceptional project related expenses, to the fund by reference to the expense agreement covering the fund. I also presented a report to the Board and WPC on compliance with the PPFM which covered the exercise of discretion in the fund. More generally, the investment strategy report, bonus reports and run-off plan all consider the fairness to policyholders of the recommendations contained therein.

The fund contains both conventional and unitised with-profits business. I reviewed reports prepared by my team on the appropriateness of the current surrender value bases by reference to asset shares. I have also advised my team on the approach to take in determining individual surrender values for a number on non-standard policies.

I reviewed the analysis of surplus produced at each quarter end and projections of the future capital position of the fund.

I was involved in the development and review of communications to policyholders about the management of their fund. This included ensuring the communications were clear and accessible to those policyholders.