



EXAMPLE - FULL RENEWAL PRACTISING CERTIFICATE (PC) APPLICATION FORM

3. Demonstration of competencies

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

All of the work described in this application has been completed since my last full renewal.

I remain the Appropriate Actuary for a large Non-Directive Insurer, which includes membership of the Management Board and advising the Chief Executive which reviews papers before submission to the Board. When presenting to management and the Board, I ensure that technical topics are clearly explained as not all members are actuaries or accountants. All papers therefore include a clear summary to ensure they were understandable for all relevant stakeholders. In discussions my aim is to ensure that Board members understand the proposals, the risks and uncertainties involved, and any expert judgements made. I therefore regularly work with the team to ensure assumption update papers are clear and understandable for the board members, highlighting the key expert judgements and the choices made.

Since my last renewal, I have facilitated discussions on key methodology topics ensuring that views are shared and I also provided risk reviews on key topics to ensure my opinion as a key function holder is clearly communicated.

I have worked with the Finance Director to advise the Board on the assumptions, methods and results for the determination of the Individual Capital Assessment and the analysis of the results. This included fully explaining the underlying assumptions that had been made and providing a clear analysis of the results to ensure the Board members understood the advice being provided and the uncertainty therein.

3.2 Leadership/Accountability

I have maintained strong relationships with management and the Board, through regular presentations related to the areas for which I am responsible, including advising on assumptions, pricing and reinsurance strategy. More detail on this is provided under the technical skills section. Regularly presenting to management and the Board level ensures the key stakeholders are clearly informed of my opinion as Appropriate Actuary when considering relevant matters. Annual feedback from all key stakeholders helps to measure my effectiveness as a trusted adviser and the recent feedback received was very positive, particularly in relation to how I ensure technical topics are clearly explained in meetings.

I lead a small team of technical staff who help to prepare technical reports and who work under my direction. I plan the scope of the work and work collaboratively with the team, but I have ultimate responsibility for their work and delivery of that work at Board and Committee level. I encourage team members to develop their own thoughts and to make suggestions for how a problem should be tackled.

I am also an active participant in Risk Leadership team meetings building relationships with all key stakeholders through open and honest dialogue. Regular meetings are held with other organisations to discuss actuarial matters on a quarterly or annual basis as well as ad-hoc meetings on specific topics. I aim to be supportive in these meetings by providing advice, clearly presented through governance, that can be used to inform decisions and policies that may affect the whole sector.

I also regularly meet with my clients CEO to discuss broader issues and strategy outside of the normal committee cycle.

3.3 Professionalism

Over the last 18 months, management have been considering introducing a new product in the company. I have advised management and the Board on the capital implications of introducing this new product and provided challenge to ensure that this was the right course of action. Following detailed analysis and discussion on the capital implications, steps were taken to introduce the new product.

For year 2023 valuation I proposed a fundamental change to the expense reserving for my client. This meant that the Board had to accept a future reduction in Board size and costs if new business volumes were not sufficient to counter the decline in membership. This had direct implications for all members of the committee. After some discussion and challenge, the proposals were accepted and this will be incorporated within the business planning. This will be subject to future review depending on the levels of new business generated by the new strategy being employed. This discussion also included a debate with the CEO about the cost inflation assumptions. I had originally proposed maintaining a fairly conservative rate in light of the level of uncertainty around the future inflationary outcome. After some discussion / debate I was happy to adjust the proposal down slightly, reflecting the improving outlook relative to when this assumption was first proposed. I remained comfortable that the lower rate still provided an appropriate assumption within an accepted range.

I have supported a small non-directive in challenging the regulator's view that they do not write contracts of insurance. This included a number of discussions with the regulator about the nature of their business, and a report summarising my opinions. The regulator accepted our arguments, and I subsequently supported the insurer with a rule change and their conversion to a discretionary benefits society.

3.4 Knowledge, awareness and understanding

I have more than 10 years' experience in the industry working in a range of roles.

I have worked in product pricing which gave me a solid understanding of the key products sold in the UK market, this has been maintained through ownership of the Pricing and Product development and Underwriting policies as Appropriate Actuary. In my current role, I have reviewed in detail the data preparation process, tested valuation models and output, as well as specifying assumptions and methodology for annual valuations.

Through CPD, regular interaction with consultants and reinsurers, participation in discussions on regulatory developments with internal experts and membership of various Committees, I keep fully aware of material developments on the risks affecting the business and how they may develop, for example, the Solvency II reform for the UK (SUK). I regularly lead discussion at the Risk Committee on actuarial topics.

I have attended a number of CPD sessions over recent years on climate related risk and have made reference to these risks in my advice when presenting to the Board, ensuring the Board are aware of the risks relevant to the products sold.

To improve the knowledge of myself and the team on our newer markets I have organised a series of deep dives over the last year into each new market to build our understanding of the products sold and the use of reinsurance in each market.

3.5 Technical skills

My role over the last three years has included the following technical work:

Advising the Board on the capital impact of proposed investment strategy for annuity business.

Advising the relevant Boards on the assumptions, methods and results for the valuation of liabilities and calculating the regulatory balance sheet and capital requirements in compliant with the appropriate regulators. I have worked with the Board to discuss asset/liability matching, set appropriate investment strategies and help manage liquidity.

I have specified and priced new products as well as repriced and reviewed existing contracts. I have assessed the suitability of existing reinsurance arrangements and worked with clients on reinsurance arrangements to mitigate risk, provide capital relief and help manage liquidity.

Monitoring and advising the Boards on the statutory free assets and solvency position of the long-term funds.

Advising the Board on Treating Customers Fairly and recommending resolutions to issues arising in connection with the disclosure of risks on certain derivative based products.

Advised management and the Board on matters relating to the financial management of the business both directly and through participation in the risk management governance processes.

Responsibility for components of the company's Internal Model with particular responsibility for advising the Board on model design.

Management, review and delivery of the ICA results, (including consolidated results) including presentation to the Board for approval.

I am a member of the ALM committee and my team is responsible for ALM work, and undertake an ongoing cycle of review of the different market risks in each year.