

## **Exposure Draft: ED 27 APS L1: Duties and Responsibilities of Life Assurance Actuaries**

## **Exposure Draft 28 of APS L2: The Financial Services and Markets Act 2000 (Communications by Actuaries) Regulations 2003**

- ED 27 can be accessed [here](#)
- ED 28 can be accessed [here](#)

### **ED 27: APS L1**

On 10 June 2011, the Actuarial Profession issued Exposure Draft 27 of APS L1: Duties and Responsibilities of Life Assurance Actuaries (ED 27) and Exposure Draft 28 APS L2: The Financial Services and Markets Act 2000 (Communications by Actuaries) Regulations 2003 (ED 28).

The purpose of ED 27 is to set out the specific practice area ethical obligations, including Practising Certificate obligations, for various Life Assurance actuaries holding reserved roles and those who support them. These obligations apply in addition to the Actuaries' Code.

ED 27 focuses upon each of the requirements for actuaries carrying out the statutory roles of Actuarial Function Holder, With-Profits Actuary, Reviewing Actuary and Appropriate Actuary for firms transacting long term insurance business. The relationship obligations between each role holder and the actuaries who support those role holders are also set out in this ED.

ED 27 is intended to draw out ethical material contained in Guidance Notes (GNs) 39, 40, 41, 42 and 43 which currently deal with the separate roles of Life actuaries and the relationships between those roles. ED 27 will, therefore, fill any possible regulatory gap when these GNs are withdrawn by the Board for Actuarial Standards (BAS) in October 2011 and the Insurance Technical Actuarial Standard (TAS) is introduced.

In terms of scope, ED 27 is deliberately narrow, reflecting a decision made against conducting a fundamental review of the GNs in the context of the Actuaries' Code. This was based upon the likelihood of future changes to the current roles resulting from the impact of Solvency II in early 2013. It was judged that conducting a fundamental review of Life actuaries' ethical obligations would be better served at a later juncture when the new roles were confirmed.

The narrow scope of this ED is also a direct response to the analysis conducted by the Life Practice Executive Committee that the Actuaries' Code covers all other ethical obligations for members in the Life practice area.

Additionally, during the review of GNs 39, 40, 41, 42 and 43, there was no intention to either strengthen or weaken the requirements currently set out in those GNs. Therefore, included in the questionnaire accompanying ED 27 are questions to members on whether this intention has been satisfactorily achieved, or whether there is a perceived view that the current GN requirements have either been strengthened or weakened.

Comments are invited on all aspects of ED 27 including both the substance and the detailed wording. However, we are particularly looking for input on various questions contained in the following Survey Monkey link: [http://www.surveymonkey.com/s/actuaries\\_APS\\_L1](http://www.surveymonkey.com/s/actuaries_APS_L1)

If preferred, responses can be sent via e-mail to: [consultations@actuaries.org.uk](mailto:consultations@actuaries.org.uk). The Survey Monkey questions concerning ED 27 can also be found in PDF form by clicking [here](#)

## **ED 28: APS L2**

The purpose of ED 28 is to provide assistance to a Relevant Actuary who is considering communicating matters of which he/she has become aware to the Financial Services Authority (FSA) in accordance with The Financial Services and Markets Act 2000 (Communications by Actuaries) Regulations 2003 (Regulations). These Regulations are often referred to as the “whistleblowing regulations.”

The background to ED 28 stems from a review of the ethical content of GN 37: The Financial Services and Markets Act 2000 (Communications by Actuaries) Regulations 2003, which will be disapplied by the Board for Actuarial Standards (BAS) in October 2011.

GN 37 sets out the circumstances under which an obligation arises for an actuary carrying out a statutory function to communicate matters of which he or she becomes aware to the FSA. ED 28 modifies GN 37 to provide a more accessible scenario-based APS, with specific guidance for the Relevant Actuary to follow on how to apply the rules set out in the Regulations and the Statements of Principle and Code of Practice for Approved Persons (APER).

Comments are invited on all aspects of ED 28, including both the substance and the detailed wording. However, we are particularly looking for input on various questions contained in the following Survey Monkey link: [http://www.surveymonkey.com/s/actuaries\\_APS\\_L2](http://www.surveymonkey.com/s/actuaries_APS_L2)

If preferred, responses can be sent via e-mail to: [consultations@actuaries.org.uk](mailto:consultations@actuaries.org.uk). The Survey Monkey questions concerning ED 28 can also be found in PDF form by clicking [here](#)

## **Continuous Professional Development (CPD) and consultation meetings**

Members are entitled to claim up to one hour private study CPD time for reading the communications on ED 27 and ED 28, and completing the relevant questionnaires provided that the topics are relevant and/or developmental for you (i.e. you can claim up to 30 minutes of CPD for ED 27 and up to 30 minutes of CPD for ED 28). If you choose to do so, please remember to record your learning outcome within your on-line CPD record.

The Actuarial Profession will be holding an open public consultation meeting for ED 27 and ED 28 at Staple Inn, High Holborn, London, WC1V 7QJ on 22 June 2011 at 17.30. Refreshments will be served from 17.00 hrs. Members are encouraged to attend this consultation meeting for which they are entitled to claim up to one hour of CPD. Please remember to sign the attendance sheet to verify attendance and, again, to record attendance in your on-line CPD record.

In order for us to gauge participant numbers, we should be grateful if you could please reply via email to [karen.cross@actuaries.org.uk](mailto:karen.cross@actuaries.org.uk) if you are planning to attend this meeting.

Details of the open consultation meeting to be held in Edinburgh will be posted on the Profession's website shortly.

For any further information please contact Fiona Goddard by e-mail: [fiona.goddard@actuaries.org.uk](mailto:fiona.goddard@actuaries.org.uk)