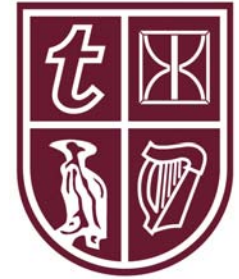


Society of Actuaries in Ireland



GI Forum

Alexander Hotel, 27 November 2009

GI Forum Agenda



- SAI Regulations & Guidance
- FR – Review of SAO's etc
- Lloyds – Lessons from an SAO Review system
- General Discussion

Regulations for GI Actuaries: ASP's etc



- PCS
- ASP PA-1
- ASP GI-1
- ASP GI-2
- ASP GI-3
- GIP-2

GIP-2 v3



-
- Oct 2009
 - Reviewed every 12 months
 - MIBI
 - Explain in SAO Report (ASP GI-2)

ASP GI-3 Reinsurance SAO



- New definitions:
 - Solvency – to link with FR forms
 - Requirements – to link with FR
- Composites - Sign for Non-Life only even if Life SAO been derogated by FR
- 1.8 The Signing Actuary must explain in the Report his or her reasons for any non-compliance with any obligations which, under this ASP, he or she “should meet”.
- 4.2.4 SA not to sign the DAS
- 6.2 Report to meet ASP GI-1 requirements
- 6.6 use of benchmarks – “must” not “should normally”
- Appendix 1 – SAO Certificate – specimen only
- Appendix 2 – DAS also words for SAO’s on draft statutory returns
- Appendix 3 – some “must”s in respect of GIP’s
- Appendix 4 – Certificate words for SAO’s on draft statutory returns

ASP GI-2 Direct SAO



- New definitions:
 - Requirements – to link with FR
- 1.8 The Signing Actuary must explain in the Report his or her reasons for any non-compliance with any obligations which, under this ASP, he or she “should meet”.
- 4.2.2 SA not to sign the DAS
- 6.2 Report to meet ASP GI-1 requirements
- 6.6 use of benchmarks - “must” not “should normally”
- 6.15 run-off surplus analysis even if not previous actuary
- Appendix 1 – SAO Certificate – specimen only
- Appendix 2 – DAS also words for SAO’s on draft statutory returns
- Appendix 3 – some “must”s in respect of GIP’s
- Appendix 4 – Certificate words for SAO’s on draft statutory returns



ASP GI-1 Actuarial Reports

- No change since 30.12.06
- Sets out report format for ASP GI-2 & GI-3
- 30 “must”s & 21 “should normally”s
- But ASP GI-2 & GI-3 require strengthened “should normally”
- Report to contain sections on:
 - Purposes & Scope
 - Data
 - Methodology & Assumptions
 - Results
 - Uncertainty
 - Definition of terms

ASP GI-1 Actuarial Reports



- Report must state:
 - Who commissioned and addressee
 - Name and qualifications of the member responsible for the report
 - Capacity in which member is acting
 - Effective date of report and data used
 - Purpose of report and terms of reference
 - Scope of report
 - Extent to the report falls short of or exceed the scope of purpose
 - Prepared in accordance with ASP GI-1 and others as may be applicable
 - Any restrictions on the work carried out by the member

ASP GI-1 Actuarial Reports



- Report “should normally” include & in an SAO (both) report “must” explain
 - Nature, accuracy and interpretation of the data
 - Comparison of actual v expected
 - Actuarial models and key assumptions
 - Changes in method and key assumptions
 - Results
 - Uncertainty of results
 - Effect of any known actual or planned business developments
 - Comment that 3rd parties may not have sufficient background for full understanding
 - Sufficient detail for another suitably experienced member to form an opinion as to the key judgements and reasonableness of results

ASP PA-1 Continuing Professional Development



- Category 4 – retired & career break - no CPD requirements
- Category 3 – not in practice - sufficient CPD to remain competent
- Category 2 – Practice area but not certificated
 - at least 15hrs verifiable
 - incl at least 10 relevant to practice area
 - > 4 entries
 - some from external to firm
 - Attend SAI accredited Professionalism Event once in 10yrs
- Category 1 - Certificated Signing Actuaries
 - as above plus
 - incl at least 10 relevant to certificate
 - incl at least 3 relevant to Rol entity
 - > 5hrs verifiable from external to firm

PCS Professional Conduct Standards



- PCS gives guidance on professional conduct to which all members
 - must conform in both the spirit and the letter
 - comply with at all times even if subject to standards of another body
- ASP's apply even if work outside RoI unless other local IAA standards apply
- Covers – professional standards, actuarial advice, breaches of pcs, disciplinary scheme, conflicts of interest, financial interests, appointment of new advisor, relations with other members & publicity
- Material breach of PCS or mandatory ASP is itself ground for a referral under the disciplinary scheme
 - ASP GI-1, GI-2 & GI-3 are mandatory
- A member who becomes aware of a material breach “must” subject to confidentiality and materiality refer the matter to the disciplinary scheme

ASP's – the one you don't want to apply



slide 12

- The FR has an ASP also
- Administrative Sanctions Procedure