



Board for Actuarial Standards

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Dear Stewart & Nick,

1st April 2008

GN19

I thought I might write to explain the Board's approach in making the necessary amendments to GN19, following the DWP's recent changes in the Deficiency Regulations. The Board noted that these regulations now incorporate sufficient technical content to be self-standing and that there is now no relevant technical content in GN19 that is not to be found in the regulations. It also noted that the regulations no longer refer explicitly to GN19, although they do refer to "relevant BAS standards" and the Board does not preclude the possibility that it may write standards in this area in the future. Accordingly the Board has decided simply to disapply GN19 to deficiency calculations that fall to be calculated after 6 April 2008.

The regulations refer to "updated actuarial assessments", which require adjustments to the applicable time to be made "to reflect the actuary's assessment of changes". I understand this is of concern for your members because *'there are many techniques that actuaries use in practice, and there is no objective measure of what techniques might be "accepted" in practice in different situations'*. Nevertheless, the Board considered that it was not appropriate to include this in its standards, especially given the strength of response to its recent proposal that its standards be principles-based.

It is of course open to the Profession to consider whether it is appropriate to give their members further assistance by way of writing supporting explanations. I suggest that if the Profession do decide this is appropriate, it would be best done within two or three months of the amended regulations coming into force (6 April).

I intend to make this letter available on the BAS website, with a hyperlink from the foot of the webpage for Adopted Professional Guidance.

Yours ever
Paul

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