

1	Please provide your name (note that anonymous responses will not be accepted)	<b>DELETED FOR GDPR PURPOSES</b>
2	Are you responding as an individual or on behalf of an organisation? If so, please list:	On behalf of Lane Clark & Peacock LLP
3	Please provide your email address so we can validate your response is legitimate.	<b>DELETED FOR GDPR PURPOSES</b>
4	Do you request confidentiality of your response?	No
5	To what extent have the TASs been effective in supporting high quality technical actuarial work?	<p>The fundamental principles behind the TASs, particularly TAS 100, are the cornerstones of good actuarial work. We believe those principles help to achieve reliable, high quality and cost-efficient actuarial work. At LCP we have chosen to expand the remit of the fundamental principles behind the TASs beyond actuarial work, to seek to ensure a consistently high level of work quality throughout our business. We rarely use the TAS principles as a checklist for the work that we do. Instead they underpin our thinking and are considered in more detail when producing standard models or starter documents for use throughout the firm. An exception to this would be one-off, unusual or particularly significant pieces of work that warrant a deeper consideration of the principles because of the unusual level of risk or uncertainty surrounding the project. The “decision-first” focus has been a particularly useful mindset to adopt, seeking to ensure that our clients’ needs are foremost when producing the work.</p>

6	<p>What aspects of the TASs have caused difficulties? Please explain what those difficulties were and how you were able to overcome them.</p>	<p>There are more difficulties in areas where there is no requirement to get the work done. For example, work required by a Scheme Actuary or Chief Actuary has to be produced and there are generally no difficulties in such work being TAS compliant. Sometimes actuaries, particularly those working in-house but also consultants, are asked by an insurance company or pension scheme sponsor/trustees for an indication or point of view on a topic that their "client" is not required to take advice on. It might not at that point be possible for the actuary to have the time to produce a TAS compliant "report" to answer the question before the decision is made, but the user would clearly benefit from the actuary's opinion in the short time before the decision is made. In some cases an indication can be given verbally and followed up with a compliant report later, but particularly in-house actuaries may find themselves feeling they should follow up many conversations with a report in cases that non-actuaries would not. Consulting actuaries may also find themselves in a situation where a follow up "report" is seen as inappropriate and out-of-date by their client, who may not appreciate the work. In these cases the difficulty might be the actuary satisfying themselves that they have taken a proportionate approach in the circumstances, or in fact whether they have been properly asked to perform technical actuarial work. Another area that has required careful consideration is the increased use of modellers made available for operators to interact with. Here the information produced by the modeller can often influence decisions and, whilst the model is rigorously tested before release there may not be an actuarial "sense check" every time an operator performs a calculation. In these cases we have carefully worded our communications and agreements with users to explain what the modeller is and is not doing, and tried to ensure the operator is fully aware of the extent to which they can rely on the outputs (usually not at all).</p>
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7	<p>[For users of technical actuarial work] Have the TASs been effective in ensuring the quality and clarity of the actuarial information you receive is reliable to any decisions that you take based on that information?</p>	N/A
8	<p>Are there any aspects of the TASs that do not help to ensure the quality of actuarial information? Please explain your response with examples of where this has been an issue.</p>	<p>The overriding principles of materiality and proportionality mean that if there is ever a circumstance where an aspect of the TASs is unhelpful the person preparing the advice can do something sensible. So no, there is generally not anything unhelpful.</p>
9	<p>Is TAS 100 of sufficient detail to enable you to have a clear understanding of what is required in order to comply with this TAS? Are there areas of guidance which are vital to your understanding to the TASs?</p>	<p>TAS 100 is of sufficient detail, when considered together with the Framework for Technical Actuarial Standards and Glossary of Terms. Note that we also had the benefit of contributing to the development of the TASs, and the IFoA guidance on the application of TAS 100 has also been helpful.</p>
10	<p>[For users of technical actuarial work] Are there any areas where you would welcome further standards; in particular, new areas where an increasing number of actuaries are performing technical actuarial work?</p>	N/A

11	Do you foresee any issues with the TASs being reviewed and updated in a staggered approach?	Unless there are significant adjustments to the structure of the TASs or the way they interact, it would seem possible to take a staggered approach. Although a counter-argument might be that if there are no immediately obvious issues with TAS implementation, it may be easier to take more time and make any changes from the same date (as was done with the revised TASs from July 2017).
12	Are there specific considerations or factors that actuaries should take into account when making professional judgements?	As noted, the key is that judgement should be exercised for the benefit of users and the decisions they are making. The principles of materiality and proportionality are central to that. There don't seem to be any other generic factors that are not currently considered by the TASs, and in our view it would not be appropriate to cover specific factors in TAS 100. We also note that IFoA covers ethical matters, particularly within the Actuaries Code. If it is felt beneficial to produce additional guidance on making professional judgements there should be consideration of how it fits in to the current structure of actuarial standards, and it may be appropriate for it to be a joint venture with the IFoA.
13	Does TAS 100 currently give sufficient direction on the nature of professional judgement and what it involves?	TAS 100 doesn't give much direction but it would in our view be difficult to be much more specific given the range of professional judgements involved. The balance between the information in TAS 100 and the supporting documents, in particular the IFoA guidance, seems appropriate.
14	[For users of technical actuarial work] In making your decisions based on the actuarial information requested, how much reliance do you place on the professional judgement made which resulted in the actuarial information, and has there been sufficient clarity of how these judgments are arrived at?	N/A

15	How has TAS 100 supported you in determining whether a model is fit for purpose?	<p>The TAS principles have over time shaped the way our models have been developed – not just for actuarial work but across the firm (including non-traditional business areas such as energy consulting, health analytics and football analytics). The area that has probably been impacted the most is in the communication of the areas of risk in the model, and the ways it is least likely to represent reality. Over time we have improved the level of assistance we give clients on the uncertainties involved and how they may affect the client's decisions.</p>
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16	How have changes in modelling techniques in recent years impacted on your models used in technical actuarial work? What changes should be made to TAS 100 to reflect these developments?	<p>As noted in question 6 the increase in automation of models for use directly by users has necessitated clear communication regarding the uses and purposes of the models. Models becoming more complex has also seen the number of assumptions being made increase significantly and those assumptions becoming harder for users to understand – for example the correlation factors for different asset classes in an economic scenario generator. The model itself can also become harder for the user to understand. Continuing with this example, the generator could be involved in lots of different types of work, but the user may not want to know everything about that model, including what all the assumptions are, how they are employed and their derivation. It might be helpful for a communication provision in either section 4 or section 5 of TAS 100 to note that in particularly complex cases it could be appropriate and sufficient to provide a high level summary of key assumptions and to note that the full list of assumptions, a detailed derivation of the assumptions and explanation of how they are used in the model is available on request. It has also become more difficult for actuaries operating some more complex models to understand fully the workings and calculations behind them. A comprehensive manual explaining all the calculations and checks performed is important but can run to hundreds of pages and is unlikely to be read and understood by all actuaries, and should therefore not be the primary source of information for practitioners. The model needs to be reasonably “safe” (with appropriate high level risk warnings) to be used by an actuary who hasn’t read all the backing documentation. The principles and provisions of TAS 100 deal with the end user well, but could better address the boundary between the actuary as model builder and actuary as user of that model.</p>
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17	<p>How has TAS 100 supported you in determining whether sufficient controls and testing is in place for the models used in technical actuarial work?</p>	<p>The modelling principles in TAS 100 outline a good process and were in line with our standard practices already in place at the time of issue. Section 4 of TAS 100 contains a few succinct provisions that have assisted with the division of responsibility between teams developing central models and what the individual client teams using those models are responsible for doing.</p>
18	<p>How are recent or anticipated changes in modelling techniques, or other influences, changing the nature of model governance and validation? What changes should be made to TAS 100 to reflect these?</p>	<p>Models are becoming more complex as for example more use is made of machine learning / AI techniques. These do not change the fundamental requirement for the model to be fit for purpose and controls and testing to be documented. Professional judgement is required to determine the extent of testing just as with any other model. Climate change is an example of a development that introduces a significant amount of risk and uncertainty to many of the models that we use. We have introduced specific processes to assist users with understanding this risk, such as standard wording to outline what allowances we have made for the risk, what has not been included and highlighted the additional uncertainty that the relative lack of historical information on climate change causes. The current TAS 100 principles discuss risks in a generic manner and we are content to apply TAS 100 in its current form to new risks such as climate change. Also, climate change is a fast evolving area with lots of other guidance being issued by regulators and other bodies, so we do not feel that further guidance (either in the TASs or separately) is necessary or helpful for this and other specific risks. We have previously stated models/calculators are increasingly being used directly by users. It would be helpful if TAS 100 acknowledged this and the fact that the loss of the “actuarial sense check” on every use of the model might impact the level of reliance users should have when making a decision. It could be reasonable for TAS 100 to require communications to be clear that users should get additional actuarial input if the decision is significant enough.</p>

19	[For users of technical actuarial work] How are recent or anticipated changes in modelling techniques affecting the communication of a) methods and measures used in the technical actuarial work and b) significant limitations to the models?	N/A
20	Do you consider standardising the wording of the statement of TAS compliance would lead to better clarity on the quality of the work provided? Please provide rationale for your view.	We do not, at this stage, have a strong view on standardised vs individual wording. We are comfortable with our current approach which is to express compliance with TAS 100 and a specific TAS where appropriate. We do not see the need or benefit to the user of explaining which provisions of each TAS apply to the work in question.
21	As an actuary completing a work review as defined in APSX2 , or as a user of technical actuarial work, is the evidence supporting the statement of TAS compliance clear and accessible, and how important is it to have this evidence available to you?	We have answered this question from the viewpoint of an actuary completing work review. LCP operates a do/check/review process for all pieces of advice. Where that work is non-standard, it is important to see how the author has demonstrated they comply with TASs (or LCP's own principles). Normally this comes from a discussion with the author/team and review of the do/check/review process. For standard pieces of work where we have developed centrally produced starter documents and standard, centrally produced models, both will have been constructed having regard to TAS compliance, and as such using these tools is helpful evidence that an appropriate, TAS compliant process has been followed. In either of the cases outlined above, it is helpful to flag how each TAS principle has been met for the internal reviewer.



22	Have there been circumstances where you have experienced issues with making a statement of compliance with TAS 100? Please can you provide examples of such.	We have cases where actuaries and non-actuaries perform the same work in a department and it is not entirely clear whether the client will view the work as “actuarial”. We tend to err on the side of caution and include the statement if we are unsure whether the client would consider the work within scope of TAS 100. There are rarely difficulties in making the statement because of uncertainty about whether the work complies. Our processes have changed over time as methods of communication have changed. When the TASs were first implemented almost all our advice was given in formal written letters or reports, and the TAS compliance statement was added to our Word templates for consideration for inclusion by our client teams. Over time that has extended to advice being given via emails and slides (where in practice it can be more challenging to work out when a TAS compliance statement may be necessary or appropriate). We now also communicate with some clients via MS Teams in a much more collaborative manner, and that can produce situations that are similar to those faced by in-house actuaries (as noted in the response to question 6).
23	Should ISAP 4 be adopted by the FRC? Please provide your rationale supporting your view.	No. IFRS 17 accounting work is in principle no different from other actuarial work covered by TASs. It is also automatically covered in the scope of TAS 200. In addition, the level of detail in ISAP 4 is wholly out of line with the detail in the TASs.
24	If ISAP 4 is adopted as a UK standard, are there either additions or deletions that we should consider to ensure that it best reflects UK conditions?	N/A