



# The Actuarial Profession

making financial sense of the future

## CERTIFICATE FOR SYNDICATE ACTUARIES - CRITERIA (March 2008)

- 1 Pursuant to the Lloyd's Valuation of Liabilities Rules Councils require all Fellows of the Faculty and the Institute who sign a certificate as a Syndicate Actuary to a general insurance business syndicate to possess a Certificate issued by the Faculty or the Institute. FSA guidance (at SUP 4.6.4G and 4.6.12G) states that the Lloyd's actuary and syndicate actuaries should have appropriate practising certificates before appointment.
  
- 2 The requirements for obtaining a Certificate are:
  - 2.1 Fellow of the Faculty or of the Institute or Fellow of the Casualty Actuarial Society who is also an Affiliate of the Faculty or Institute. Any Fellow of the Faculty or Institute who qualified from and including the 2005 examinations will require to have passed the relevant UK practice module unless they are exempt by having completed the relevant 400 series examination previously.
  
  - 2.2 Practical appropriate relevant and recent experience after qualification. Normally this would involve the following:
    - a) 3 years in general insurance
    - b) 2 years in the London market
    - c) 1 year of broadly-based experience in the Lloyd's market (excluding, for late applicants, experience after 30 September in the year for which the opinion is to be given)(Note: the numbers of years are full-time equivalents)

At the discretion of the Practising Certificates Committee, relevant years of experience as a student may be used at a rate of one half in considering the requirements under a) and b).

**Actuaries are reminded of the requirements of the Professional Conduct Standards, and in particular section 3 thereof which states:**

- "3.1 In formulating advice, a *member* must pay proper regard to any relevant professional guidance or other guidance and, subject to that guidance, is expected to exercise best judgement.
  
- 3.2 Many assignments offered to *members* require considerable knowledge and experience for proper completion. Requisite knowledge includes methodology, relevant legislation and local conditions. *Members* must not give advice, unless:
  - satisfied of personal competence in the relevant matters, **or**
  - acting in co-operation with, or with the guidance of, someone (not necessarily a *member*) with the requisite competence.
  
- 3.3 Notwithstanding paragraph 3.2, a *member* may provide advice if the circumstances are such that, having regard to all the relevant factors, it would be

contrary to the client's interests to decline to do so. However, the *member* must make clear to the recipient that, in the absence of the constraining circumstances, the *member* would have recommended referring the matter to someone with the relevant knowledge and experience

3.4 A *member* must consider the extent to which it is appropriate to carry out investigations to assess whether data is sufficiently accurate and complete for the purpose for which it is being used. The advice should normally include an explanation or qualification if the *member* has any reservations about the data.

3.5 Advice should normally include sufficient information and discussion about each relevant factor and about the results of the *member's* investigations to enable the intended recipient of the advice to judge both the appropriateness of the recommendations and the implications of accepting them, including, where the advice relates to an insurance company, a Lloyd's syndicate, a friendly society or a retirement benefit arrangement, the implications for the policyholders of the insurance company or syndicate, the *members* of the friendly society or the beneficiaries of the retirement benefit arrangement, as the case may be.

3.6 Where a *member* provides reserved advice, the *member* must ensure that the client is aware of:

- the name and qualifications of the *member* providing the advice,
- the name of the *member's* firm
- the scope, purpose and terms of reference of the advice provided by the *member*.

If the *member* has cause to believe that a third party will have access to reserved advice provided in written form, the information listed above and the client's name must both be contained within that advice.

3.7 A *member* giving advice which is formulated in the interests of a particular client must ensure that:

- the client is aware that the advice is of no broader applicability than intended by the *member*,
- and the advice is not presented as if it were necessarily the advice that would be given to another client or to a third party whose objectives and requirements may be different."

**2.3** Up-to-date Continuing Professional Development (CPD) with two-thirds of the formal requirement of fifteen hours, i.e. ten hours, of verifiable activities to be on subjects technically relevant to general insurance. Not less than five of the ten hours of technically relevant study should relate to verifiable activities that are not attended only or mainly by members of the same firm. These requirements should normally be fulfilled each year, but in exceptional circumstances which must be cleared with the Membership & Certificates Team in advance, averaging over a period of up to three years is possible as long as reasonable justification is given.

**2.4** Attendance at a Professionalism Course (for recent qualifiers), and thereafter at least once in every 10 years. Actuaries who are in category 1 and have not attended an event in the last ten years are encouraged to do so as soon as possible.

**2.5** Any adverse Disciplinary Tribunal finding will be taken into account. The Practising Certificates Committee may, in the circumstances of the case and other information available, be satisfied that the actuary is a suitable person to hold a certificate.

- 2.6** Appropriate person (similar to the 'fit and proper' requirement of insurance company directors).
- 3** Further details are given in Faculty Rules 44 - 53 inclusive, Faculty Bye-laws 20 - 28 inclusive and Institute Bye-laws 75 - 79 inclusive.
- 4** The Certificates apply to the year-end opinions due within one year of the date of issue. Actuaries should apply by 1 November. Applications after 15 November of the calendar year-end to which the opinion relates will not normally be granted but later applications may be accepted at the discretion of the Practising Certificates Committee in cases of unexpected emergencies.
- 5** Enquiries regarding Certificates should be addressed to: [practising.certs@actuaries.org.uk](mailto:practising.certs@actuaries.org.uk)