

THE UK ACTUARIAL PROFESSION

ED9 ACTUARIAL PROFESSION STANDARD

COMMUNICATION

1. Application & status

- 1.1 This Standard applies to all members of the UK Actuarial Profession and sets out the mandatory approach to communication where a member gives professional advice or services. For the purposes of the Actuaries' Code and this standard, Faculty Students and Affiliates are considered as members and within the Actuaries' Code all members are considered as actuaries.
- 1.2 Please note that those sections of this Standard denoted by "*For amplification*" are intended only to explain and qualify the main sections of this Standard. Compliance with a "*For amplification*" section is evidence of compliance with the related mandatory requirement, but non-compliance with such a section is not of itself a breach of a Standard.

2. The Communication principle

- 2.1 The Actuaries' Code states: "*Actuaries communicate information and advice, whether written or oral, in a clear, complete and effective fashion so that the recipient of that advice can be expected to understand it.*"

3. Clarity

- 3.1 A member must ensure that in any communication, whether written or oral: the intended audience, the purpose of the communication and the capacity in which the member is acting is clear. The form of communication should be suitable for the intended audience.
- 3.2 *For amplification:* The overriding aim is to ensure that the intended audience can gain a proper understanding. This necessarily requires the communication to be tailored to suit that audience. The use of jargon is only acceptable where it is defined or it is highly likely that the intended audience will be familiar with its meaning.
- 3.3 *For amplification:* Where the context of the communication itself makes the purpose, intended audience and capacity clear then this need not be explicitly stated. Otherwise it will be advisable to set these out explicitly.
- 3.4 *For amplification:* Where there is a possibility of someone outside the intended audience obtaining the communication then it will often be appropriate to highlight any dangers that may result from taking it out of context.
- 3.5 *For amplification:* Whereas it is normally possible to take some time to reflect on the form and substance of written communication there is likely to be less time to reflect on oral communication. If it becomes apparent that a misunderstanding has arisen over some part of oral communication then it is preferable to address that at the time. If however this is not possible then it is important to ensure that subsequent clarification is given.

3.6 A member will not attempt to disguise the truth or deliberately conceal any material facts by using overly complex language.

3.7 *For amplification:* Plain language is preferable in most cases. Where more complex language is warranted it must not be used for the purpose of deception or obfuscation.

4. Completeness

4.1 A member will ensure that any communication contains sufficient information to enable its subject matter to be put in proper context.

4.2 *For amplification:* Where a view is being expressed it is important that the existence of alternative views and the potential implications of those alternatives are indicated. The provision of an unduly biased view in isolation is unlikely to achieve the aim of promoting an understanding of the subject matter by the intended audience.

4.3 *For amplification:* This does not mean that every communication needs to contain every potentially relevant piece of information or potential alternative point of view. Indeed the inclusion of too much information may also act against the aim of promoting an understanding of the subject matter.

4.4 *For amplification:* Communication is likely to be most effective when viewed as a process rather than an event. In many situations setting out the concepts at a high level initially and focusing on the main issues will be the most effective route. The detail can be expanded on in subsequent communications.

4.5 A member will ensure that, where appropriate, information is accompanied by a consideration of the implications and risks for their client or employer.

4.6 *For amplification:* In some circumstances, particularly where the submission of prescribed information is required, the bare information will suffice. However, in most circumstances provision of the bare facts and figures will not allow a proper understanding of the implications for the member's client or employer.

4.7 *For amplification:* In certain circumstances where values are quoted, it will be useful to indicate a likely range within which that value may reasonably lie.

5. Effectiveness and Understanding

5.1 A member will ensure that the medium used to convey a communication is appropriate.

5.2 *For amplification:* Where large volumes of data are to be conveyed it will rarely be suitable for this to be done orally. Similarly, any communication that is likely to have a significant impact on a member's client or employer should not be communicated orally alone, but should be confirmed in writing.

5.3 *For amplification:* Where the subject matter is particularly complex or the nature of the intended audience is sufficiently diverse that it may not be possible to cover all possible angles in a written report then the member should consider whether it would be appropriate to present that report in person.

5.4 *For amplification:* Where the member is unable to present such a report in person and requires a third party to present the information instead it is important to ensure that the third party has sufficient understanding to be able to meet the needs of the intended audience.

5.5 *For amplification:* Given that the overriding aim is to ensure that the intended audience can gain a proper understanding the member should seek to confirm that this is indeed the case where appropriate.

5.6 *For amplification:* In some circumstances it may be appropriate to attempt to test the audience's understanding. Where it is clear that the intended audience has not understood the communication, the member will take steps to correct this.

6. Non-compliance with this principle

6.1 The Actuarial Profession is committed to enforcing the Code through disciplining members who do not meet the standards of behaviour, integrity, competence or professional judgement which other members or the public might reasonably expect of a member. Failure to comply with the Code or this Standard may result in a member becoming liable to disciplinary action.