



The Actuarial Profession

making financial sense of the future

consultation response

**Board for Actuarial Standards –
Consultation Paper on Generic Data Standards**

Comments from the Actuarial Profession

January 2009



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making financial sense of the future

Ms Louise Pryor
Director
Board for Actuarial Standards
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26 January 2009

Reference: RM//FG/Consultation

Dear Louise

Response to the Consultation Paper regarding Generic Data

The Actuarial Profession welcomes this consultation paper upon which we offer some high level observations and comments for the Board's consideration.

We share the Board's desire to promote actuarial quality and agree that poor data can be a threat to the integrity of actuarial information. We are supportive of the desire by BAS to develop high level principles aimed specifically at the improvement of accuracy of data.

We welcome the overriding principle that "an overriding consideration in processing data should be the needs of users of the resulting information", and the recognition that this is an area of discussion not least of all through FRC's consultation on Promoting Actuarial Quality and the development of the Actuaries' Code. We consider that there needs to be considerable further debate before the issue is resolved.

The Consultation Paper is useful in formalising many aspects of data quality assurance practices that will already be in place, both from a regulatory requirement and from a best practice perspective. We agree that documentation of these practices, including sources of data and checks, should be developed but would discourage any 'one size fits all approach', given the diverse nature of actuarial work.

We are also in favour of disclosure of any assumptions made where data is found to be inaccurate. We believe the reporting recommendations you have made, in conjunction with

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overall effective communication with the user, will highlight issues with data integrity and ultimately lead to higher quality data being supplied.

We do not believe that the development of metrics in respect of data quality would result in an improvement of users understanding of data quality issues. The diverse scope of actuarial work and the subjective nature of data quality would result in any measurement being meaningless to users.

We hope that this feedback is of use to the board in developing the Technical Actuarial Standard. We would be happy to meet to discuss this response and the responses of others, either at one of our regular meetings or on a specific occasion.

Yours sincerely,

Richard Maconachie
Head of Professional Regulation

please reply to the Faculty, Edinburgh