

Institute and Faculty of Actuaries

Noting report

Subject	IFoA Executive Update
Regulation Board Meeting	1 July 2020
Author	IFoA Executive Team
International Issues considered?	Yes

A: Introduction

1. This paper provides an update on the work of the IFoA Executive Team since the last meeting of the Board and highlights key issues and developments for the Board to note.
2. The Board is invited to let the Chair know at least three days in advance of the meeting if there are any aspects of the update paper that they would like to discuss, so that appropriate time can be allocated in the agenda.

B: Update

		UPDATE	NEXT STEPS AND KEY DATES
1	Review of CPD Scheme	<p>The final new Scheme was published on 18 June, along with the discussion paper on the consultation. Members were notified via an all-member email and in articles on the website and various newsletters.</p> <p>Prior to publication the scheme was agreed with the FRC, on the basis of a number of conditions including that members submit a record of activities to us prior to their reflective practice discussions. The FRC also requested further information on how the scheme would be implemented and how we intend to measure its effectiveness. A note on the proposals made to the FRC and their response is included at Appendix 1.</p> <p>Various processes are also being built to allow practical operation of the scheme: including forms for 'Non-Practising' applications, revised renewal notices and a revamped recording facility to allow members to</p>	<p>The Scheme takes effect on 1 September.</p> <p>Before that date, the Executive will be preparing further guidance and educational material on the Scheme, tailored to particular communities of Members. There will also be a programme of further events.</p> <p>We will also be communicating with members about the new processes.</p> <p>The FRC have requested prior to 1 September that further information be provided on the KPIs and the plans for reflective practice discussions.</p>

		capture their activities and the outcomes achieved.	
2	AMS Thematic Review Programme – Pensions Factors review	<p>Following the 29 May submission deadline, 20 organisations have submitted a total of 63 examples of actuarial advice covering transfer values and commutation rates, and 12 sets of organisational benchmarking.</p> <p>We are very pleased at the level of participation with submissions from organisations of all sizes (by number of scheme actuaries) taking part, including 13 of the top 15 firms.</p>	The Review Team is currently analysing the submissions and benchmarking information received and will report back to the October Board with its findings.
3	AMS Thematic Review Programme update – GI pricing review	<p>Following Board feedback from the May meeting the scope of the review will be extended to consider actuarial involvement in the end-to-end pricing process, and in particular propensity modelling and the setting of “street” price (in addition to underlying technical pricing).</p> <p>Since the May Board meeting there has been a series of meetings with senior actuaries in the personal lines industry which have been broadly positive with useful feedback and challenge on the proposed scope. We currently aim to launch the review in mid-July with a submission window through to October recognising ongoing pressures on resourcing within organisations who we would hope will participate.</p>	Targeting a mid-July launch for the review with submission window to October.
4	QAS Sub-Committee Annual Report	Included at Appendix 2 is the annual report to the Board from the QAS Sub Committee.	
5	Feedback to Conflicts of Interest Working Party	The Executive had notified the FRC of the Board’s decision to withdraw the employers and pension scheme trustee guidance on 12 March with a follow up reminder sent on 26 March, but had not received a response.	

		<p>A further reminder was sent on 1 June advising that a notice of withdrawal would be included in the regulatory newsletter scheduled for 25 June and giving them until 5 June to acknowledge/respond.</p> <p>As no response was received, we confirmed with the Conflicts of interest Working Party our intention to communicate the withdrawal of the guidance to the membership in the regulatory newsletter on 25 June.</p> <p>This will give Members until 16 July to raise any objections, if none are received, the guidance will be withdrawn. This working party is now closed, with our thanks sent to the members.</p>	
6	FRC Annual Report	The FRC is due to publish its Annual Report for 2020. Board members have already seen and commented upon a draft version of the relevant appendix covering actuarial oversight matters. A copy of the final report will be circulated once available.	FRC Annual Report expected to be published during the summer.
7	Redacted minute from Board's May meeting for publication	<p>Included as Appendix 3 is a redacted version of the minutes from the Board's May meeting for publication on the Board's webpage. The proposed redactions are highlighted in yellow (for example where a policy decision of the Board has not yet been implemented or communicated to members or the discussion is of a confidential or sensitive nature).</p> <p>Included as Appendix 4 is a note setting out which papers from the May meeting will be published.</p> <p>The minutes and papers from the February meeting have now been published.</p>	

8	Regulatory governance changes	<p>The IFoA's Management Board has now approved changes that were proposed by the Board in relation to its composition, including the proposal to have a 50/50 split of actuary and non-actuary members and the requirement that members of Council will not be appointed to sit on the Regulation Board and vice versa.</p> <p>A further update on the Management Board meeting is included in the Chair's update.</p>	<p>A process for recruitment of new members of the board to fill vacancies that are about to arise will now commence on that basis.</p> <p><i>*redacted due to confidential content*</i></p>
9	Updates from other Boards and Committees	<p>An update from the May meeting of the Lifelong Learning Board is included as Appendix 5.</p> <p>An updated from the May meeting of the Research and Thought Leadership Board is included as Appendix 6.</p>	
10	JFAR update	<p>The JFAR has published its 2020 refresh of the Risk Perspective.</p> <p>The JFAR met virtually on 3 June, attended by Neil Buckley and Ben Kemp. A fuller update on that meeting is included in the Chair's Update paper.</p>	
11	Update on IAA, AAE and International Standards	<p>There are no further updates to provide since the Board's last meeting in May and there have been no further meetings of the IAA or AAE. Included at Appendix 7 is a table of the current AAE and IAA model standards, and their status.</p> <p>A discussion on the future relationship between the IFoA and the AAE will be covered under AOB.</p>	<p>AAE next committee meetings scheduled for October 2020</p> <p>IAA next committee meetings scheduled for November 2020</p>

C: Recommendations

The Board is asked to note this update.

D: Appendices

- Appendix 1 – Note of CPD proposals to FRC
- Appendix 2 – QAS Sub-Committee annual report
- Appendix 3 – Redacted minute of Board's May meeting

Appendix 4 – Note of proposed redactions to papers from May meeting

Appendix 5 – Update from Lifelong Learning Board

Appendix 6 – Update from Research and Thought Leadership Board

Appendix 7 – Table of international model standards