

# So you think you know the new TASs?

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## What do you want from today's session?



## What do you want from today's session?

- Understand what the BAS is looking for
- A summary of the new requirements
- Share experiences with other actuaries
- Provide feedback to the BAS

## Key documents

- FRC website
    - Register for updates at [www.frc.org.uk/register.cfm](http://www.frc.org.uk/register.cfm)
  - Scope & Authority
  - TASs
  - Significant considerations
- also
- Consultation and feedback papers
  - BAS conceptual framework

## Reliability Objective

“The **users** for whom a piece of actuarial information was created should be able to place a high degree of reliance on the information's relevance, transparency of assumptions, completeness and **comprehensibility**, including the communication of any **uncertainty** inherent in the information.”

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## Outcomes

- Reliability objective achieved
  - Focus on user
  - Better communication of risk and uncertainty
  - Users understand implications of their decisions
- Work consistently above the bar
- More attention placed on emerging cash flows

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## The spirit of the TASs

“TASs are intended to assist in the achievement of the Reliability Objective. In applying TASs, it is important to be guided by the spirit and reasoning behind them, as well as following any detailed rules.”

Scope & Authority paragraph 20

## Materiality and proportionality

“To the extent that departures from a TAS do not have a Material effect on the results of the work in question, they need not be considered as departures and they need not be disclosed.”

Paragraph 23 of the Scope & Authority

“Nothing in this standard should be interpreted as requiring work to be performed that is not proportionate to the scope of the decision or assignment to which it relates...”

Part B of each TAS

## Generic TASs

Apply to work for aggregate reports completed on or after

TAS R	1 April 2010
TAS D	1 July 2010
TAS M	1 April 2011

and to work that is

Reserved Work

Within the scope of any specific TAS

Presented as complying with actuarial standards

## TAS D: Some key requirements

Data requirements	Assess for each exercise
Validation	Proper checks
Adjusting data	When data incomplete/ inaccurate adjust or supplement
Documentation	Document checks definitions, judgements

## TAS M: Some key requirements

Design	Satisfactory representation of reality Do not overcomplicate
Checks	Construct set of checks
Limitations	Explain limitations and implications
Documentation	Document assumptions and checks

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## Reporting

Users should have the right information on which to base their decisions

Aggregate report	Must comply with standard Consists of one or more component reports Needn't be a single formal document
Component report	Contributes towards compliance

Don't have to use term "aggregate report"

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## TAS R: some key requirements

Users' needs	Understandable to users
Descriptions	Include description of terms such as "best estimate"
Obscuring material information	Do not include immaterial information which reduces clarity
Uncertainty	Provide an indication
Risks	Nature/significance of risks
Cash flows	Provide an indication

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## Initial reactions

- Difficulty in determining what work is Reserved Work
- Caution
- Concerns about costs of compliance
  - Transition and ongoing
- Want more guidance
- Over emphasis on cash flows

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# Questions

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