



Institute
and Faculty
of Actuaries

Summary of Consultation Responses

Regulation of Chief Actuaries under the
Solvency II regime

Part 2 – Detailed considerations

Regulation Board

June 2015

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1. INTRODUCTION

I am pleased to introduce this summary of the feedback received in response to the Institute and Faculty of Actuaries' (IFoA) Consultation Paper on the Regulation of Chief Actuaries under the Solvency II Regime- Part 2 Detailed Considerations.

In light of the responses to an IFoA consultation in April 2014, it was decided that the IFoA should introduce a compulsory Practising Certificate for our members who are approved as "Chief Actuary" under the Prudential Regulation Authority's Senior Insurance Managers Regime in both Life and non-Life undertakings.

Part 2 of the consultation, which was launched in December 2014, sought feedback on the details of the proposals, including the impact on those in the Lloyd's environment. This response document sets out the IFoA's consideration of the feedback received and the final proposals for the new framework.

The structure of this response document reflects the questions which were asked in the "Survey Monkey" survey accompanying the consultation. For questions numbered 13 onwards, we have set out each question in full, along with the substantive comments made by respondents to those questions.

We have also set out tables listing the responses received in a percentage form. The percentages listed are percentages of the respondents who answered the question, rather than the number of respondents who actually started the survey. Some of these comments were confidential and they have not been published in this document. The Working Party, has, however, taken these comments into account in considering how the proposals should be implemented.

We are extremely grateful for the care and attention shown by all respondents in preparing their comments on the discussion paper and I hope you will find this summary of the feedback received both useful and informative.



Desmond Hudson
Chairman of the Regulation Board
June 2015

2. THE CONSULTATION PROCESS

The consultation was published on 4 December 2014 and closed on 4 February 2015. Members were invited to respond to an online questionnaire or to submit written comments to the IFoA. The consultation package was sent to key stakeholders with an interest in this area who were invited to comment on the proposals.

Members and interested stakeholders were also invited to attend a consultation meeting on 12 January 2015 in Edinburgh and 14 January 2015 in London to discuss the proposals and provide feedback.

During the course of the consultation period, the IFoA received a total of 106 responses:

- 104 responses via a Survey Monkey questionnaire, and
- 2 responses via the Chief Actuary mailbox

A summary of the key issues arising from the responses is set out in sections 3 and 4 below.

3. THE PROPOSALS AND A SUMMARY OF THE RESPONSES

3.1 General

The consultation paper explained the IFoA's Regulation Board's proposals in relation to the introduction of a compulsory Practising Certificate (PC) for an IFoA member fulfilling a Chief Actuary role, as described in the PRA's Consultation 26/14 "Senior insurance managers regime: a new regulatory framework for individuals"¹. This would apply equally in a Life or non-Life undertaking.

We also proposed that an IFoA member performing an outsourced Chief Actuary role as described in para 2.1 of the PRA's Consultation CP24/14 "Solvency II: further measures for implementation"² would also need to hold an IFoA PC.

65% of the responses received both in writing and at the consultation meetings were supportive of the introduction of a PC for members holding Chief Actuary roles with 72% in agreement that the IFoA proposals should be aligned with the PRA's approved person regime. A breakdown of the responses and the relevant comments is shown at Question 12 in section 5.

Notwithstanding the overall support, a number of respondents questioned the need for a PC for the Chief Actuary role on the basis that there are already sufficient checks and safeguards to ensure that those who are appointed to this role are fit and proper persons (such as the PRA's Approved Persons Regime). Similarly, several respondents opined that it is for the Board of an Insurance Company to ensure that they recruit a suitable person to be their Chief Actuary, and that this responsibility should not be "outsourced" to the IFoA. Concerns were also expressed about the additional administrative burden that the introduction of this compulsory PC would create.

We have considered these concerns but we are of the view that the introduction of the practising certificate is a proportionate means of safeguarding the public interest. It is essential that those in the role of Chief Actuary have the appropriate competence, expertise and propriety to carry out this role. The introduction of a compulsory PC allows the IFoA to assess these qualities when an individual applies for a PC, thereby helping to ensure that IFoA members who carry out this role have the requisite experience and skills.

As noted by the PRA in their Consultation Paper on the Senior Insurance Managers Regime, Insurance Boards will still need to undertake their own due diligence on whether a candidate for a relevant position has the requisite competence and capability for this role. They will not be relieved of this responsibility by virtue of the fact that an applicant has a PC as this would not guarantee a candidate's suitability for a particular Chief Actuary role.

As explained in Section 4.7 below, there are specific grandfathering provisions in relation to practising certificates for existing Actuarial Function Holders.

¹ <http://www.bankofengland.co.uk/pr/Documents/publications/cp/2014/cp2614.pdf>

² <http://www.bankofengland.co.uk/pr/Pages/publications/cp/2014/cp2414.aspx>. The CP24/14 related documents have been updated following consultation. The new documents can be found here: <http://www.bankofengland.co.uk/pr/Pages/publications/ps/2015/ps215a.aspx> <http://www.bankofengland.co.uk/pr/Pages/publications/ps/2015/ps215.aspx>

3.2 Type of Practising Certificate

In the consultation paper, we indicated our intention to amend our Practising Certificate regime to include the following types of Practising Certificates:

- (1) Chief Actuary (Life)
- (2) Chief Actuary (non-Life with Lloyd's)
- (3) Chief Actuary (non-Life without Lloyd's)

We also proposed that the existing PC for those members providing UK Actuarial Opinions for Lloyd's syndicates will remain and advised that we will keep this under review to monitor the appetite for this Certificate in the post Solvency II environment.

Respondents to the consultation were supportive of the breakdown of certificates with 80%, 64% and 61% respectively in favour of each of the types listed above. Full details of the responses are at Q15-Q17 in section 5.

We recognise that there is some resistance to the concept of introducing a compulsory non-Life Chief Actuary Practising Certificates. However, we consider that the introduction of a compulsory Practising Certificate for all Chief Actuary roles (not just Life roles) is necessary to uphold standards and maintain public confidence in the regulation of these roles.

The Chief Actuary (Life) PC will cover those businesses offering all long term classes of insurance together with general insurance Classes 1 and 2 as defined in The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 ("the Order"). Both of the Chief Actuary (non-Life) PCs will cover all of the general insurance classes as defined in the Order.

Under this definition, accident and health business will therefore be covered under all three PCs.

Any IFoA member fulfilling a Chief Actuary role for a non-Life Syndicate at Lloyd's will be required to hold a Chief Actuary (non-Life with Lloyd's) PC. In the case of Life Syndicates at Lloyd's, either the Chief Actuary (non-Life with Lloyd's) or a Chief Actuary (Life) PC would be acceptable. There would be no need for an individual with a non-Life with Lloyd's PC to obtain a separate non-Life without Lloyds PC if they moved to a role outside of the Lloyd's market.

The consultation proposed that a Chief Actuary (non-Life with Lloyd's) PC would incorporate the requirements for Statement of Actuarial Opinion (SAO) and a holder of such a Chief Actuary PC would not also need to hold a Lloyd's PC in order to sign SAOs for Lloyd's or Lloyd's syndicates. After further consideration, it has been decided that a Chief Actuary (non-Life with Lloyd's) PC will not incorporate the technical criteria for a Lloyd's PC. Accordingly a Lloyd's PC will continue to be needed in respect of these opinions and the technical criteria for a Lloyd's PC remain unchanged. A Chief Actuary (non-Life with Lloyd's) PC holder will also need to hold a Lloyd's PC if they wish to sign SAOs for Lloyd's or Lloyd's syndicates.

The technical criteria for a Chief Actuary (non-Life with Lloyd's) certificate are set out in section 4.4 of this document.

3.3 Dual Appointments

In the consultation we recognised that the Chief Actuary function may on occasion be performed by more than one person (such as in a job share situation). We understand too that it may be permissible for different individuals to be responsible for discrete parts of the required

work. In such circumstances, each member who is fulfilling part of the Chief Actuary role, and approved as such by the PRA, will need to hold a relevant PC.

We also appreciate that occasionally some members may perform more than one Solvency II role. This may be particularly relevant for those members who act within a composite undertaking. In such cases, members may need to obtain both a Chief Actuary (Life) PC and a Chief Actuary (non-Life with or without Lloyds) PC if they are responsible for both areas of the business. Accordingly, we recognise that it is appropriate to allow for a process of dual approval.

We have noted the concerns in the feedback in response to Question 18 in relation to the additional time and cost involved in applying for two Practising Certificates. We are committed to ensuring that this dual approval process is not unduly burdensome either in terms of financial or resource costs. Additionally, the Solvency II Directive (the Directive) provides specific circumstances where that dual approval will not be required and we will align our processes to reflect those exemptions.

We recognise that some organisations may have a Life focus for their business but may write a very small amount of Non-Life business, or vice versa, and that it may be considered to be disproportionate to require the Chief Actuary in such an organisation to hold two practising certificates. We have therefore decided that, exceptionally, the Practising Certificates Committee may use their discretion to award one Practising Certificate to cover all of the Chief Actuary's business in such circumstances.

3.4 Geographical limits

We proposed to require a PC only for members holding Chief Actuary roles for undertakings regulated by the PRA.

Concerns were raised in the responses to several questions in the consultation feedback about the fact that the PC requirement would not apply to actuaries from outside the UK who are not members of the IFoA. Several respondents considered that this would create inequality. There were also concerns in relation to the practicalities of extending the scheme to actuaries applying from overseas, for example in relation to the process for carrying out credit and criminal record checks for these individuals and locating an individual to provide an attestation for a foreign applicant.

We have considered these concerns and we will review the geographical extent of the proposals within 3 years when the position across the EU is clearer. 80% of those responding to Question 19 supported this proposal and this was reflected in the consultation meetings.

3.5 Renewal

The consultation proposed that the PC be renewed annually and 65% of respondents agreed with us. However, a significant proportion of the written comments in response to Question 20 suggested that renewing every two or three years would be preferable, to reduce the administrative burden.

We are concerned to ensure that the levels of bureaucracy are kept to a minimum. We are broadly supportive of the concept of a simplified renewal process for those members who remain in the same Chief Actuary role after completing an initial full application. However, we will defer making a formal decision on this matter until 2016 as this will only become relevant one year after the first applications have been granted. By deferring this decision, we will have

more time to assess the practicalities of the application process and to consider the implications of a simplified process for other PC holders.

3.6 Continuing Professional Development (CPD) requirements

We proposed that PC holders should carry out an additional level of CPD in line with other Category 1 members as described in the CPD Scheme.

81% of responses to Question 21 were supportive of additional CPD being required for these roles so this will be introduced as a compulsory requirement.

However, we recognise that when individuals make their first application for a Chief Actuary PC, they may not have completed the requirements for a Category 1 member of the IFoA's CPD scheme in the previous certificate year. We have therefore decided that those applying for the Chief Actuary PC on or before 31 December 2015 who do not hold another PC, will only need to demonstrate Category 2 CPD for the period to 30 June 2015. PC holders will be required to undertake Category 1 CPD for subsequent years.

4. CRITERIA

4.1 In our consultation document we laid out the criteria which we intended to require applicants to demonstrate. The following section sets out details of those criteria and provides some more information on the feedback received in respect of each. As with the existing regime, we propose that the standards necessary to obtain a PC would comprise both generic and technical elements.

4.2 Generic Criteria

Fellowship

We proposed that, in line with other PC holders, a Chief Actuary PC holder must be a Fellow of the IFoA. This was supported by 72% of responses to Question 26.

Some respondents pointed out that the requirement to be a Fellow may cause problems for those members who intend to hold these roles but who are not currently Fellows and several respondents suggested that there should be some flexibility in this requirement. There were also some concerns about the implications for foreign actuaries and for smaller, non-life firms.

We have considered the implications of this approach and understand the issues. However, we are of the view that it is important that PC holders reflect the highest standards of the profession and wish to ensure that this role remains aligned with the requirements of other PC holders. We intend therefore to retain Fellowship as part of the generic criteria.

We will, however, incorporate a relaxation into the initial process whereby the IFoA will have discretion to provide a PC to members who fulfil all the other criteria but who are not Fellows. This transitional measure will apply for three years and will be limited to those individuals who apply for a PC between 1 July 2015 and 31 December 2018. This will allow them time to complete the necessary route to Fellowship. At the end of this three year period, the PC will be revoked for those PC holders who have not qualified as a Fellow, so that they will need to qualify as a Fellow by 31 December 2018 at the latest in order to retain their PC.

Practice Module

One element of the PC criteria for members qualifying after 2005 is a requirement to complete a Practice Module. It is recognised that some applicants may not meet this criterion. As such, members who qualified post-2005, or who qualified under the Mutual Recognition Arrangement, will not need to pass the relevant Practice Module when they apply for a PC between 1 July and 31 December 2015. However, the Practice Module will be needed for all new applications and renewals made from 1 January 2016 by members who qualified post-2005 and for members qualifying under the Mutual Recognition Arrangement. This will have the effect of giving those who apply for a PC before 1 January 2016 additional time to complete this requirement before they are required to renew their PC.

Attestation

We proposed that, for first time applicants for a Chief Actuary PC, a current holder of an IFoA Chief Actuary PC must attest to the professional suitability of the applicant to fulfil the role of a certificate holder. The role of an attester is an important one, as the IFoA will rely on the information given in the attestation when assessing the suitability of the applicant.

What will attestation cover?

We proposed that the attestation should relate to an applicant being professionally suitable for the role – that the applicant is a fit and proper person to hold this PC.

We have set out in section 4.3 below our proposals with regard to the technical criteria. Several respondents were concerned that these technical criteria reduced the Chief Actuary role to a list of technical requirements rather than focussing on the skills required for the Chief Actuary role.

We have further considered the scope of the attestation in light of these concerns and we have concluded that it would be appropriate for the attestation to confirm both the professional suitability of the applicant and that the applicant has the required detailed technical experience in 3 of the last 4 years and in 3 of the last 12 months, in line with existing PCs. The requirement for an applicant to obtain an attestation as to their professional suitability is designed to address the need to focus on the skills needed for the Chief Actuary role rather than simply the technical requirements, as it is a means by which the IFoA can be assured that the applicant is suitable for the Chief Actuary role based on their experience and skills as a whole.

It is envisaged that an individual who would be in a position to attest to an applicant's professional suitability would also be well-placed to deal with technical experience.

The suitability criteria to which the attester will attest are that:

- the applicant has the self-assurance, influencing skills and ethical standards to behave professionally, exercise sound judgement and meet regulatory requirements when faced with those pressures which may arise in executing the reserved work for which the certificate is required; and
- the applicant's character and professional experience make them a fit, proper and suitable person to hold a practising certificate.

Who will be able to attest?

In the Consultation paper, we proposed that attestation should only be completed by a holder of an IFoA Chief Actuary Practising Certificate. As a transitional measure, we proposed to relax this requirement so that, for the first year of the Practising Certificate scheme, attestation could be given by any Fellow with 5 years post qualification experience (provided that the attester is not a person over whom the applicant has influence in the workplace).

74% of respondents to Question 28 agreed with this transitional provision. However, 51% of respondents to Question 27 did not agree that attestation should only be completed by a holder of an IFoA Chief Actuary Practising Certificate. The main objection was that this would be too restrictive and some of those who would need to apply for a PC may not be able to obtain this attestation (for example because they do not work with a PC holder). It was suggested that other actuaries with relevant experience should be able to make this attestation.

We have given the concerns about the availability of a suitable attester particular attention. We have decided that, as a transitional measure, for initial applications for a Chief Actuary (Non-Life without Lloyds) and Chief Actuary (Non-Life with Lloyd's) PC made during the period from 1 July 2015 to 31 December 2016 inclusive, the attester need not be an existing PC holder. The Attestation can instead be given by any Fellow with 5 years' post qualification experience.

This transitional provision will cease to apply from 1 January 2017, so that only a Chief Actuary (Non-Life without Lloyds) PC or a Chief Actuary (Non-Life with Lloyd's) PC holder may attest to an initial Chief Actuary (Non-Life without Lloyds) PC or a Chief Actuary (Non-Life with Lloyd's) PC from this date.

Attestations for Chief Actuary (Life) PCs will be accepted from an AFH/RA or a WPA PC holder from 1 July 2015, in addition to a Chief Actuary PC holder.

All attesters, irrespective of the date of the application, must know the applicant well enough to make the attestation. They should have knowledge of the applicant during 3 of the last 12 months and 3 of the last 4 years. The attester does not have to work on a day-to-day basis with the applicant, nor is the attester accepting responsibility for that applicant's work going forward. Rather the attester, having taken reasonable steps to satisfy themselves, must be satisfied that the applicant meets each of the requirements set out in the attestation.

The attester must not be a person over whom the applicant has influence in the workplace. We have concluded that the attestation should not be made by a person who reports to the applicant, or by someone who, at the date of the application, is or has committed to be the CEO or CFO of the entity in which the applicant would become Chief Actuary, to avoid any conflict of interest.

In order to provide further reassurance, we have decided that, during the transitional period of one year, if an individual is unable to find an attester with the requisite experience even with the transitional measure described above, they should contact the IFoA's Membership Team. We will then make a decision on a case-by-case basis as to whether an individual who is not a Fellow with 5 years of experience, or an existing PC holder, should nonetheless be approved to provide the attestation. This should only be needed as a transitional measure to 31 December 2016 as the pool of PC holders will expand within the 18 month transition period.

We recognise that, in response to concerns about the availability of suitable attesters, we have only broadened the criteria during the transition period. However, we consider that, in the long

term, only allowing certain PC holders to attest will be an efficient mechanism for providing assurance that the member attesting has a deep practical understanding of the requirements of the role. The Practising Certificates Committee will have discretion to apply a different requirement if it is found that the requirement for attestation to be provided by an existing Chief Actuary PC holder is an inappropriate and overly restrictive obstacle.

Criminal and Credit checks

We proposed that all applicants would be required to undergo criminal and credit checks in line with the process for other PC holders.

This was supported by 77% of respondents to Question 29. However, there were several comments about this being unnecessarily onerous, given that these checks will already be conducted by the PRA and/or by employers.

We have taken into account the feedback received in relation to the PRA approval process and have decided that members who can demonstrate that they have successfully undergone the PRA or FCA's fit and proper persons process (for which they will have completed credit and criminal checks) will not need to undergo additional credit and criminal record checks by the IFoA to apply for the Chief Actuary PC. These members will be able to avoid undergoing these checks by evidencing with their PC application that they have PRA approval. Going forward, the IFoA may require evidence that these members have undergone regular criminal and credit checks since the date their Chief Actuary PC was first awarded and, if they have not, that they participate in the IFoA's such checks every 5 years.

However, members who are not existing PC holders and who do not have PRA approval at the time of applying for a Chief Actuary PC will need to undergo both IFoA and PRA checks in the first year in order to avoid the IFoA process being delayed by the PRA process and vice versa. We appreciate that this means it will be necessary for the checks to be duplicated for many applicants in the first year. However, given that the application process for criminal and credit checks is relatively straightforward, we do not envisage that this will be unduly burdensome.

Applications for these checks will need to be made by 14 October 2015 at the latest to allow for applications to be processed and approved prior to 1 January 2016. Applications received after 14 October will still be processed but they are made at the applicant's own risk that the process may not complete before 1 January 2016.

4.3. Technical Criteria

We proposed that successful applicants for Life and non-Life Chief Actuary PCs would need to demonstrate sufficient breadth of recent work in insurance (with recent being defined as not more than 10 years ago) and that they have relevant experience, post qualification, in 3 of the last 4 years and in 3 of the last 12 months which would enable them to fulfil the requirements of the role as detailed in Article 48 of the Directive. The requirement for the experience to be gained post qualification will be relaxed as a transitional measure, as explained on page 13 below.

66% of respondents to Question 31 agreed with this proposal. However, we received several comments, particularly at the consultation meeting in London, expressing a concern that the requirement for recent experience may prove difficult for members who have gaps in their career for maternity or other reasons. Similarly, several respondents considered that this may discourage people from gaining experience in other fields.

We set out within the consultation document our proposals in relation to the technical criteria. 73% of respondents to Question 30 agreed with our proposed technical criteria in general terms. We obtained views on whether respondents agreed with the requirement to demonstrate breadth of experience in the following areas:

- valuing the assets and liabilities of insurers (Question 32 – 65% supportive);
- considering the appropriateness of pricing bases for insurance contracts (Question 33 – 76% supportive);
- considering appropriate reinsurance arrangements (Question 34 – 74% supportive);
- measuring, managing and mitigating issues and risks to which an insurer is exposed (Question 35 – 76% supportive);
- assessing the requirements for capital for insurers (Question 36 – 77% supportive); and
- analysing the matching of assets and liabilities and advising on investment strategy for Life PCs only (Question 37 – 87% supportive).

Areas of experience

Although there was broad support for our proposals, we identified a concern in relation to the requirement to demonstrate experience in the valuation of assets as well as liabilities.

As a result of the feedback in relation to experience in valuing assets, we have restricted the requirement for applicants to have experience in this area so that they are only required to have experience in considering appropriate bases and methodologies for valuing the assets of insurers.

The list of technical areas has therefore been amended to:

- considering appropriate bases and methodologies for valuing the assets and liabilities of insurers;
- considering the appropriateness of pricing bases for insurance contracts;
- considering appropriate reinsurance arrangements for insurers;
- measuring, managing and mitigating issues and risks to which an insurer is exposed;
- assessing the requirements for capital for insurers ;and
- analysing the matching of assets and liabilities and advising on investment strategy (Life PC only).

Breadth and depth of experience

We also received several comments that it should be sufficient for an applicant to have a broad understanding of the specific areas in which we suggested relevant experience should be demonstrated and it may not be necessary for an applicant to have actual experience in all areas. Several respondents were concerned that the criteria and requirements for the PC would limit the pool of available candidates for a Chief Actuary position, and exclude individuals who would be well-suited to the role. A number of comments were provided about the impact upon smaller firms. For example, it may be that the Chief Actuary in a smaller firm does not

have the level of experience required for the PC, even though they are well-equipped to carry out the role in that particular firm. It was suggested that it might be sufficient for the necessary experience and knowledge to be available within the team, rather than to be required of one person.

In response to the concerns in relation to the level of experience required for a Chief Actuary PC, we provide further detail below on the level of experience that will be required.

The PCC may also apply its discretion if an applicant can justify having gained alternative recent and relevant technical experience under the terms of the PC Scheme.

Breadth of experience over time

We have concluded that the breadth of experience should include experience, during a period not exceeding the last 10 years, in valuing the liabilities of insurers and in all, or almost all, of the technical areas listed above.

However, guidance will specify that it will not be necessary for an applicant to have a detailed understanding of each of the technical areas nor to have worked in all or most of them. An individual will be considered to have a sufficient breadth of recent work experience if they have a general understanding of the technical areas such that they are able to review or critique work put to the Chief Actuary by others.

The experience will need to be gained in a period not more than 10 years before the application (i.e the experience should not be over 10 years old). It will not be necessary for an applicant demonstrate sufficient experience in each and every year in the last 10 years.

Depth of recent experience

We have decided that the depth of experience should include relevant experience post qualification during a period of at least 3 out of the last 4 years and at least 3 months in the last 12 months, in valuing the liabilities of insurers and in a number of the technical areas listed above.

As for current guidance for AFH/RA PCs, it will not be necessary for applicants to have a depth of experience in a large number of these technical areas. Guidance will set out that it will normally be sufficient for the applicant to demonstrate recent deep experience of at least two of these technical areas during a period of at least three years (not necessarily consecutive) in the last four years, and during a period of at least three months (not necessarily consecutive) in the last twelve.

In addition, as a transitional arrangement, applicants who apply for a PC (initial or renewal) between 1 July 2015 and 31 December 2018 and who meet all of the criteria for a Chief Actuary PC but who either Associates or are Fellows but with less than three years' post qualification experience, may be awarded a Chief Actuary PC by discretion if they have been operating at the level expected of a Fellow in terms of the nature and seniority of their relevant experience for at least three years.

All applicants for new Chief Actuary PCs from 1 January 2019 must be Fellows with at least three years' post qualification experience. Renewal applications from those Chief Actuary PC holders who are Fellows as at 31 December 2018 but have less than 3 years' post qualification experience at that date (that is, they qualified during the transitional period ending on 31 December 2018), will continue to count their relevant experience operating at the level expected of a Fellow prior to becoming a Fellow towards the three year post qualification experience

requirement. This will continue until the PC holder has met the three years' post qualification experience requirement in their own right.

Some respondents were concerned whether the recent and relevant experience requirements would unduly limit members taking career (including maternity/paternity) breaks from being able to obtain a Chief Actuary PC. We do not underestimate the importance of ensuring diversity across the profession at this level and we recognise that having broad experience outside purely actuarial roles is desirable for those in the position of Chief Actuary. Information in relation to the process which the IFoA adopts for accommodating career breaks can be found on the IFoA website under section 7A of the Guidance on the Generic Criteria³ and in the Frequently Asked Questions on the PC regime⁴. We consider these arrangements will work for Chief Actuary PCs also but will keep this under review.

4.4 Lloyd's

64% of respondents to Question 39 agreed with our proposal that the technical criteria for the Chief Actuary (non-Life with Lloyd's) PC should be the same as for the other practice areas as outlined above except that experience must materially be gained in the Lloyd's or London Market environment.

We have decided that, for a non-Life with Lloyd's PC, this material period of relevant experience of working in the Lloyd's or London Market environment would need to be obtained in the last 4 years. For this purpose, guidance will specify that a period of between 6 and 12 months experience would normally be considered sufficient provided the member gained that experience carrying out actuarial work at a senior level.

4.5 Review

We proposed to review all of the above criteria within the next 3 years to ensure that they remain fit for purpose as our experience of the Chief Actuary role and of the PRA's approval regime evolve. 87% of respondents to Question 38 agreed with this.

4.6 Actuarial Function Holder/Reviewing Actuary PCs

For the avoidance of doubt, and until further notice, members may continue to apply for AFH/RA PCs as currently.

4.7 Next steps and when to apply

Chief Actuary PCs are being introduced from 1 July 2015. Revisions to the PC Scheme and the necessary application forms will be loaded up to the IFoA website during June.

Existing Actuarial Function Holders as at 1 July 2015 who intend to become a Chief Actuary in respect of life business before 1 July 2016 do not need to apply for a Chief Actuary (Life) Certificate straight away : an existing AFH/RA PC is sufficient to act as a Chief Actuary up to 30 June 2016. With effect from 1 July 2016, provided the holder remains in, or is appointed to, a Chief Actuary role in respect of life business, he/she would need to obtain a new style Chief Actuary (Life) PC. Further, the Actuarial Function Holder would not need an attester at that time.

³ <http://www.actuaries.org.uk/research-and-resources/documents/practising-certificates-committee-2011-practising-certificates-sc-0>

⁴ <http://www.actuaries.org.uk/research-and-resources/documents/practising-certificates-committee-2012-practising-certificates-sc-0>

Existing Lloyd's PC holders who intend to become a Chief Actuary, whether in relation to life or non-life business, will need to apply for the appropriate Chief Actuary PC.

To be assured that their application for a Chief Actuary PC will be considered in time, applications must be received by the Membership Team by 14 October 2014. Applications received after 14 October will still be processed but they are made at the applicant's own risk that the process may not complete before 1 January 2016.

5. DETAILED RESPONSES AND COMMENTS

The following questions about you help us understand who our respondents are

Question 1: About you

Answered: 103 / Skipped: 1

Answer Options	Percent	Response Count
Name	100%	103
Name of Firm	99%	102
Position held	100%	103
Answered Question	-	103

Question 2: Are you a member of the Institute and Faculty of Actuaries?

Answered: 103 / Skipped: 1

Answer Options	Percent	Response Count
Yes	97%	100
No	3%	3
Answered Question	-	103

Question 3: Do you want your name to remain confidential?

Answered: 103 / Skipped: 1

Answer Options	Percent	Response Count
Yes	60%	62
No	40%	41
Answered Question	-	103

Question 4: Do you want the name of your organisation to remain confidential?

Answered: 103 / Skipped: 1

Answer Options	Percent	Response Count
Yes	68%	70
No	32%	33
Answered Question	-	103

Question 5: Do you want your comments to remain confidential?

Answered: 103 / Skipped: 1

Answer Options	Percent	Response Count
Yes	33%	34
No	67%	69
Answered Question	-	103

Question 6: If you are a member of the Institute and Faculty of Actuaries, which category of membership do you hold?

Answered: 100 / Skipped: 4

Answer Options	Percent	Response Count
Student	8%	8
Affiliate	3%	3
Associate	3%	3
Fellow	86%	86
Honorary Fellow	0%	0
Student Actuarial Analyst	0%	0
Certified Actuarial Analyst	0%	0
Answered Question	-	100

Question 7: If yes, what is your primary practice area? (If more than one, please indicate all that apply)

Answered: 100 / Skipped: 4

Answer Options	Percent	Response Count
Life	35%	35
General Insurance	69%	69
Pensions	6%	6
Finance and Investment	3%	3
Enterprise Risk Management	13%	13
Health and Care	5%	5
Education	0%	0
Retired	1%	1
Other	1%	1
Answered Question	-	100

Question 8: Do you hold a Practising Certificate issued by the Institute and Faculty of Actuaries?

Answered: 101 / Skipped: 3

Answer Options	Percent	Response Count
Yes	18%	18
No	82%	83
Answered Question	-	101

Question 9: If yes, which area of practice does it cover?

Answered: 20 / Skipped: 84

Answer Options	Percent	Response Count
Pensions	5%	1
Life	75%	15
Lloyd's	25%	5
Answered Question	-	20

Question 10: What type of organisation do you work for?

Answered: 99 / Skipped: 5

Answer Options	Percent	Response Count
Actuarial Consultancy	13%	13
Life Insurance Company	12%	12
Non-Life Insurance Company	39%	39
Lloyd's Managing Agent	20%	20
Bank	1%	1
Investment Firm	1%	1
Other	23%	23
Answered Question	-	99

Question 11: If your organisation is an actuarial consultancy, what is the size of your organisation?

Answered: 16 / Skipped: 88

Answer Options	Percent	Response Count
Sole practitioner	25%	4
2-10 Fellows or Associates	12%	2
11-25 Fellows or Associates	6%	1
26-40 Fellows or Associates	6%	1
40+ Fellows or Associates	50%	8
Answered Question	-	16

Question 12: Do these comments represent your own personal views or your organisation's views?

Answered: 100 / Skipped: 4

Answer Options	Percent	Response Count
Personal views	88%	88
Organisation's views	4%	4

Both	8%	8
Answered Question		100

The following questions are in relation to your views on the consultation paper

Question 13: Do you agree that a member of the IFoA holding the PRA approved Chief Actuary role in Life and non-Life undertakings should require a practising certificate?

Answered: 97 / Skipped: 7

Answer Options	Percent	Response Count
Yes	67%	65
No	33%	32
Answered Question	-	97

Agree	Comment
N	The Practising Certificate would only apply to members of the IFoA, but not to actuaries from other countries. So e.g. a member of the DAV could become Chief Actuary of a British company without a practising certificate. This creates an uneven playing field.
N	The PRA proposed 'Senior Insurance Managers Regime' (the changes proposed to the current Approved Persons regime) contains a requirement for holders of certain Senior Insurance Manager functions (SIMF) to be approved by the PRA. In particular the proposal includes the SIMF20 – Chief Actuary function. Whilst this is only a proposal currently which is being consulted upon, it would appear that this will provide a suitable test as to the suitability of a Chief Actuary and hence there is no need to also require such an individual to hold a practicing certificate. Where necessary for the purpose of the rest of this response it will be assumed that a practicing certificate is required.
N	If you have been approved as being fit by the PRA and your company is satisfied that you have the relevant experience to conduct the role then it seems redundant for there to be a further certificate / hurdle presented by the Institute and Faculty of Actuaries. In my view this is an unnecessary step for the I&F of Actuaries which potentially involve barriers for a potential good candidate to attain the role who would otherwise be able to access others' work who do have extensive experience in certain subjects. Please see my answers below to explain my rationale further.
Y	The holding of a practising certificate for a statutory role make sense.
N	I am very strongly against this proposal. The reasons set out to support this proposal in the CP are largely fatuous. For example, I do not believe for one moment that there is a "public expectation that the IFoA will regulate the roles"; there is no evidence to support that claim and strong evidence against it, since none of the other PRA approved roles require the individual fulfilling them to hold a Practising Certificate issued by their professional body.
Y	Provided the cost of a Practising Certificate is sufficiently low that it doesn't influence whether an actuary is selected for the role.
N	I have expanded on this later in my response but if the practising certificate is aimed at demonstrating that we can meet the requirements of the Actuarial Function as set out under SII then I think it is far more important that we demonstrate that we have a team in place to meet the requirements rather than the idea of one individual who can do everything. A team leader doesn't need to be able to perform every role within their team's remit. As a Lloyd's syndicate we have already been through a process to demonstrate to Lloyd's and the PRA that we have the appropriate skills within the team as part of our preparation for SII. Having

	been through this process I would be surprised if my Board would find this additional confirmation helpful at such a late stage.
N	No. The Board of an insurance company needs to be sure they are recruiting a Chief Actuary appropriate for the role – the Board cannot and should not in anyway “outsource” that decision. In addition, this also creates potential barriers to entry for those actuaries looking to step up to a Chief Actuary position.
Y	This should ensure that all members of the IFoA undertaking the Chief Actuary role meet the minimum criteria specified by the IFoA, which are considered relevant to such a role.
Y	To maintain standards.
N	I don't agree that Practising Certificates are necessary with the possible exception of With Profits.
N	Personally I believe that being a Fellow of the Institute, and a PRA Approved Person, is sufficient and the additional regime from the IFoA will be seen by our customers as an additional and unnecessary regulatory burden, at exactly the time when many of our customers are unhappy about the regulatory burden on their business (in the UK especially).
N	There are plenty of other regulatory regimes in existence (FRC, PRA etc.) and therefore the IFoA scheme is just adding complexity where it should not exist.
N	Agree with the concept in principle but to consider whether this requirement to apply to any actuaries who are responsible for regulated activities For example when providing formal reports say on technical provisions, this can be Chief Actuary or the Head of Reserving if reserving not under Chief Actuary “umbrella”.
Y	For non-life Actuaries where the predominant business is insuring commercial enterprises or reinsurance, I don't see the necessity. However, for the remainder of this response I have assumed that it will come into force for all non-life Actuaries.
Y	Agree in principle, although should be consistent with other European regulators.
N	If the IFoA believes a certificate is necessary, it should apply to any fellow who is an “actuarial function holder” under the Solvency II regime – it seems a nonsense that an actuary working for a firm regulated by the PRA requires a certificate, whereas an actuary (possibly the same actuary) working for a firm regulated, for example, in Gibraltar but doing an identical job does not require a certificate.
Y	Given our current philosophy on this, it seems to be unavoidable and it would be very odd if we did not do so.
N	I do not believe that this is necessary for Non-Life. Professional Standards should be sufficient.
N	I can't comment re life but for non-life it is neither a necessary nor a sufficient condition for being a Chief Actuary. Clearly a firm will look for appropriate experience and technical knowledge in a Chief Actuary but also important are experience, management skills and the quality of the team. Additionally the size and complexity of the business are relevant considerations.
Y	Yes, as this (should) enable the IFoA to help retain professional standards provided it is done appropriately.
Y	Share the responsibility of Appointed Actuary especially avoid undue pressure from the Board.
Y	I think there should be some flexibility for people taking up a new role who do not meet the recent experience requirements e.g. due to a sabbatical or time in alternative roles, provided they do not take primary signing responsibilities for new roles.
Y	Given the enhancement of the role under Solvency II and in order to increase our visibility within companies I think this is valuable proposed change.
Y	Introduction of a PC will add another layer of credibility to the CA position – but – the requirements to obtain/maintain one must not be too onerous. It seems inconsistent that General Insurance does not have a specific AFH.

N	If approved in the role by the PRA then there should not be the need for further approval from the profession. Such approval would also not apply to an actuary affiliated to a different actuarial body.
Y	Think this is a good way of identifying members in such a role and ensuring consistent standards.
N	It runs the danger of creating a two tier qualification – i.e. Chief Actuary and everyone else It is not clear what constitutes a Chief Actuary. Some actuarial function holders may not be the Chief Actuary – would they still require a PC.
N	IFoA's role should be to support its members: not imposing requirements. Accordingly collating members' views on best practice, prerequisites for holding such a role and other support mechanisms would be a better function than requiring a PC.
N	To sign off on reserves yes – to hold the role no.
N	I think this could be an additional overhead / burden on actuaries.
N	The Practice Module, which is currently required for a Practising Certificate is of very limited relevance to much of Solvency II.

Question 14: Do you agree that the IFoA's Practising Certificate proposals should be aligned with the PRA's approved person regime?

Answered: 94 / Skipped: 10

Answer Options		Percent	Response Count
Yes		77%	72
No		23%	22
Answered Question		-	94
Agree	Comment		
Y	The question is why one would need both.		
Y	The requirements should be aligned with the approved person regime OR if the SIMR replaces this then that should be the focus of any alignment.		
N	It is not necessary given the approval process conducted by the PRA.		
Y	As noted above, the holding of practising certificates for statutory roles makes sense.		
N	There should not be any requirement for a practising Certificate, whether aligned or not.		
N	I view the role and the skills required of a Chief Actuary to be much broader than meeting the requirements of the Actuarial Function which is how the proposed PC has been structured. I find the idea of a having a Chief Actuary PC covering specifically the requirements of the Actuarial Function confusing. I get the impression the proposal has been modelled around the current Actuarial Function Holders role for Life companies. I understand though that this role is not generally performed by the Chief Actuary. Given the Chief Actuary role is an established role in general insurance will it not be confusing to Boards etc. to have individuals holding Chief Actuary PCs who are not the Chief Actuary if that is how teams choose to fulfil the role. If there is to be a PC shouldn't it be the Actuarial Function PC.		
N	No, because I don't believe that level of experience likely to be required by some small insurers who have had little if any actuarial input in the past will be as great as the certification requirements will require. They will benefit just from having actuaries. If practising certificates are required then the potential supply of external actuaries will be restricted (potentially creating a quasi-monopoly).		
Y	If introduced, then yes they should be aligned. However, I disagree with IFoA Practising Certificate proposal.		

Y	Should a practising certificate regime be seen as necessary it should certainly be aligned to the PRA approved person regime. The current proposal is not. The PRA does not categorise its approved person by type of insurance that is being undertaken, nor by granular technical experience, nor with an annual renewal. If required the practising certificate regime should be substantively simplified to be in line.
Y	But to bear in mind that other key persons might not require a Practising Certificate and so need to ensure appropriate balance in upholding profession high standards relative to other professional bodies.
Y	If introduced, the PCP regime should be aligned to PRA requirements.
Y	It should be aligned, in that if the PRA does not require a practising certificate to approve an actuary then the IFoA should not introduce an additional requirement.
	I am not sure what this means or what proposals that are not aligned would look like.
Y	The IFoA requirements must be at least as strong as the PRA ones.
N	There is more to an actuary than Solvency II compliance!
Y	Yes, however I am unclear what is intended by “align” – since it would be “frustrating” for individuals to have to go through a near-identical process for two separate approvals. This can happen currently with new Actuarial Function Holders or With-Profits Actuaries who have a process both with the IFoA and also with PRA.
N	Members responsible for the actuarial function in firms authorised in other EU members ought also to be required to hold a certificate.
Y	Providing more clarity can be provided as to whether the PRA expects that this should be a single person within an organisation or recognises that increasingly the Chief Actuary role can be split across different product divisions for a multi-line or composite business and/or areas of actuarial discipline e.g. with a Capital Management function reporting through either CRO or CFO rather than Actuarial lines.
Y	It’s a tested method and effective which can be implemented in limited time frame.
Y	Where a prospective applicant is already accepted under the approved person regime, there should be no need for additional fit & proper testing by the IFOA.
Y	Practically speaking there is no reason why we should not be looking for the same level of approval as the PRA’s approved person regime.
N	Any PC should certainly consider PRA regime and keep any changes to that regime under surveillance. Equally IFoA should proactively contribute to shaping the regime. However, any PC should reflect members’ consensus not an external body’s.
-	If in force then it should be aligned but should not duplicate.
Y	If a practising certificate is introduced it should aligned with PRA’s approved person regime as much as possible to reduce the burden.

Question 15: Do you agree with the proposal to introduce a Chief Actuary (Life) Practising Certificate?

Answered: 83 / Skipped: 21

Answer Options		Percent	Response Count
Yes		80%	66
No		20%	17
Answered Question		-	83
Agree	Comment		

-	No view on this aspect given area of practice is general insurance only.
Y	But as commented on further below, the type of business covered by each practising certificate should not be mandated rather suggested under a “should normally” approach.
-	I have no view on the Life side.
Y	To maintain standards.
N	General professional responsibilities are sufficient.
N	Generally I view the practicing certificate proposals as written as a negative move. Should it be felt to be necessary there should be just one Practising Certificate, for Chief Actuary generally, which focuses on the skillsets (such as communication, challenge, professionalism etc.) rather than having narrow, technical boxes.
Y	If practical as depends on structure of actuarial function and how the actuarial team fits into the local organisation chart and if part of group structure.
Y	Agree in principle, although should be consistent with other European regulators.
Y	See comment to question 13.
Y	This is aligned with the previous regime.
Y	Don't have a view on this but n/a not an option.
Y	Not clear how this differs from the current regime.
Y	The person should be competent as the issue is related to policyholders' protection.
N	The role of actuaries within Solvency II should be regulated under that legislation and through the PRA. A practicing certificate regime puts UK actuaries at a disadvantage to non-UK actuaries. If the individual firm requires adherence to IFoA standards then they can request this without this being made a necessity of a certain person holding that role. This should be the firm's choice.
N	See Q13 – support rather than requirements would be better.
Y	Would align with existing approved person regime on life side.

Question 16: Do you agree with the proposal to introduce a Chief Actuary (non-life with Lloyd's) Practising Certificate?

Answered: 93 / Skipped: 11

Answer Options		Percent	Response Count
Yes		63%	59
No		37%	34
Answered Question		-	93
Agree	Comment		
N	Although there are differences in business, regulations, rules and requirements for Lloyd's compared to non-Lloyd's entities, I don't believe that the actuarial skills required are so different as to require a separate practising certificate.		
N	See response to Q13.		
N	As above I see this as duplication of the approval process and potentially a barrier or risk for a company hiring a new “Chief Actuary”. There is a risk that a company hires an actuary who does not get the practising certificate agreed on the basis that the I&F of Actuaries views the experience of that individual to be too narrow. In my view the technical experience criteria		

	are too wide – my view is that a Chief Actuary should be able to take work from other experts in the Actuarial Function and if he understands them can collate and offer an opinion. It is my view that that individual does not have to spend time working in those areas to perform the duty which is my understanding of the experience criteria.
Y	It is important for a Lloyd's/non-Lloyd's distinction is made given the differences in business, regulations, rules and requirements compared to non-Lloyd's entities.
N	I don't agree that the Chief Actuary practising certificate should distinguish between Lloyd's and Non-Lloyd's.
N	See 14.
Y	Yes for consistency.
N	General professional responsibilities are sufficient.
N	There are differences between Actuarial work in Lloyd's and outside Lloyd's, although I do not believe that they are sufficiently different for any Practising Certificate regime to introduce separate certificates. There is a far bigger difference between a non-Lloyd's Motor insurer and a non-Lloyd's Property Catastrophe insurer. I believe that the requirements as a Fellow, and as a PRA Approved Person, already capture sufficiently the requirement to 'understand your business' (paraphrasing).
Y	Don't see the need for separate Lloyd's and non-Lloyd's certificates.
N	Generally I view the practicing certificate proposals as written as a negative move. Should it be felt to be necessary there should be just one Practising Certificate, for Chief Actuary generally, which focuses on the skillsets (such as communication, challenge, professionalism etc) rather than having narrow, technical boxes.
Y	Same comment as in Q15.
Y	See comments under question 13.
Y	I assume that Lloyd's supports this?
-	Not relevant to me.
N	I do not see any difference between Lloyd's and non-Lloyd's in terms of AF requirements. Yes, Lloyd's has different reporting requirements, but would expect these to be picked up by The Actuaries Code etc, and are easily learnt. The issue if aligning with PRA is primarily to do with TPs, where Lloyd's is no different.
N	See comments to Q 13/14. Additionally, I do not see the need to distinguish between Lloyd's and non-Lloyd's; it will create artificial boundaries and potential labour shortages where the technical difference between the two is not so great.
-	I don't feel competent to comment.
Y	Lloyd's is becoming far more conventional in current times and I wonder is it necessary to differentiate between Lloyd's and non-Lloyd's.
Y	Important to be consistent across life and GI
Y	Not having any connection/experience of Lloyds, I am assuming that a single "Non-Life" Practising Certificate regime would not work.
Y	The market size is increasing and the risks are becoming more and more complex especially due to introduction of innovative products and the increased pressure on price due to intense competition in the market. However, the products are often shorter term which may reduce the need of such requirement as the policyholder's interest is less of concern for such contracts unlike long term contracts.
Y	I do not think the recent experience proposals as currently drafted are ideal, and may prevent experienced senior people moving from the company market to Lloyd's even if they have significant prior experience with Lloyd's. In my view it is not as essential for the Lloyd's

	experience to be recent as it is for the general market / regulatory / practical experience to be up to date.
N	The role of actuaries within Solvency II should be regulated under that legislation and through the PRA. A practicing certificate regime puts UK actuaries at a disadvantage to non-UK actuaries. If the individual firm requires adherence to IFoA standards then they can request this without this being made a necessity of a certain person holding that role. This should be the firm's choice. In addition, a Practising Certificate regime for non-life actuaries would require a Fellow to hold the role which for smaller firms is not reflective of the history of the non-life actuarial profession, the scale of the risks faced or the availability of suitably qualified individuals. I have no particular views about the Lloyds market.
Y	Agree with the concept but have some questions regarding the criteria. E.g. proposal says the Lloyd's component will be the same basis as the Lloyd's SAO. However some Chief Actuaries are neither qualified or involved in setting the reserve estimates. In the intermediary term, would such persons lose their job? In the long term it will ensure the term 'Chief Actuary' will be reserved for people who are qualified actuaries.
N	See Q13 – support rather than requirements would be better.
N	I think it could stifle some non-life actuaries, who have excelled in recent years without the burden of approved person status.
N	Hard to see the benefit of this given the current CPD requirements. Many established Senior Actuaries will be put off the role due to the increased bureaucracy.

Question 17: Do you agree with the proposal to introduce a Chief Actuary (non-life without Lloyd's) Practising Certificate?

Answered: 92 / Skipped: 12

Answer Options		Percent	Response Count
Yes		62%	57
No		38%	35
Answered Question		-	92
Agree	Comment		
N	It would just be an unnecessary complication.		
N	See response to q13. I understand that the Lloyd's business is deemed sufficiently different to require separation of the practicing certificate into with and without Lloyd's.		
N	As above I view this as duplication with the PRA approval process.		
Y	As noted above, it makes sense to distinguish between Lloyd's and non-Lloyd's.		
N	See 14.		
Y	Yes for consistency.		
N	General professional responsibilities (to be competent) are sufficient and introducing the requirement will restrict the supply of candidates to companies that would benefit most from increased supply.		
N	Generally I view the practicing certificate proposals as written as a negative move. Should it be felt to be necessary there should be just one Practising Certificate, for Chief Actuary generally, which focuses on the skillsets (such as communication, challenge, professionalism etc.) rather than having narrow, technical boxes.		
Y	Same comment as in Q15.		
Y	See comments under question 13.		

-	Agree in principle, although should be consistent with other European regulators.
Y	I am not convinced of the need for separate certificates for with and without Lloyd's. Many of the issues at Lloyd's are similar to those of the London market. There are some unique issues at Lloyd's, but that is true of every single insurer. I would be happy to see just one certificate covering 16 and 17.
N	I do not believe that this is necessary for Non-Life. Professional Standards should be sufficient.
N	See comment to question 16.
-	I don't feel competent to comment.
N	Where an Actuary provides Solvency II related activities to both a Lloyd's and a non-Lloyd's entity, why would there be the need to have two separate Practising certificates?
Y	Important to be consistent across life and GI.
N	The role of actuaries within Solvency II should be regulated under that legislation and through the PRA. A practicing certificate regime puts UK actuaries at a disadvantage to non-UK actuaries. If the individual firm requires adherence to IFoA standards then they can request this without this being made a necessity of a certain person holding that role. This should be the firm's choice. In addition, a Practising Certificate regime for non-life actuaries would require a Fellow to hold the role which for smaller firms is not reflective of the history of the non-life actuarial profession, the scale of the risks faced or the availability of suitably qualified individuals. I have no particular views about the Lloyds market.
Y	Agree with the concept but have some questions regarding the criteria. Some Chief Actuaries are neither qualified or involved in setting the reserve estimates. In the intermediary term, would such persons lose their job? In the long term it will ensure the term 'Chief Actuary' will be reserved for people who are qualified actuaries.
N	See Q13 – support rather than requirements would be better.
N	I do not see why you would distinguish between Non-Life and Lloyds.

Question 18: Do you agree that where members perform more than one Solvency II role there should be a process of dual approval resulting in two Practising Certificates?

Answered: 90 / Skipped: 14

Answer Options		Percent	Response Count
Yes		57%	51
No		43%	39
Answered Question		-	90
Agree	Comment		
N	The relevant Practising Certificate or Certificates should be a choice of the individual actuary. A more principles based approach should apply where comments based on "should normally" language appears far more appropriate. To mandate certificates for specific circumstance can lead to unintended consequences. For example the Chief Actuary of a firm that writes £1m of non-life business and only a de-minimis £10 of life business should surely be able to operate with only a non-life Practising Certificate.		
Y	It seems a logical extension that an individual with responsibility for more than one area would require multiple practicing certificates. The emphasis then should be on making the process of gaining multiple certificates as efficient as possible.		
Y	If there has to be a practising certificate this should apply to both types.		

N	The relevant practising certificate or certificates should be a choice of the individual actuary. A more principles based approach should apply where comments based on “should normally” language appears far more appropriate. To mandate certificates for specific circumstances can lead to unintended consequences. Centrewrite is a composite pure reinsurer and underwrote a nominal RITC for a life syndicate where the claims behaviour of the business is more closely aligned with general insurance business rather than life business. Further to this, the current best estimate of the reserves for this contract are zero. In this situation, it is the view of Centrewrite that a Chief Actuary Non-Life with Lloyd’s practising certificate will have the skills and knowledge necessary to assess all the reserves of Centrewrite and the requirement to appoint two Chief Actuaries would be disproportionately burdensome.
N	The relevant practising certificate or certificates should be a choice of the individual actuary. A more principles based approach should apply where comments based on “should normally” language appears far more appropriate. To mandate certificates for specific circumstances can lead to unintended consequences. For example the Chief Actuary of a firm that writes £1m of non-life business and £10 of life business should surely be able to operate with only a non-life practising certificate.
Y	It may be reasonable to offer a discounted fee for the second certificate.
Y	It is important that the approval process is efficient and the financial/resource costs are minimised.
N	Because I don’t believe certificates are necessary – I think they are a restraint of trade that is not necessary for the protection of the public.
N	Overkill.
N	As per previous answers, I believe there should just be one generic Chief Actuary certificate not linked to technical areas (should there be a requirement at all). Any process that leads to people requiring multiple certificates is unnecessarily bureaucratic.
N	Need to consider how often this situation will arise for the need to have such a process. Perhaps useful to give some of examples of such situations i.e. of how the single S2 role likely to be separated out and person responsible for overseeing all three roles. Also if another member provides temporary cover for illness, then this member should apply for practising certificate if undertaking same responsibilities as absent member unless already hold practising certificate? Could the members performing some of the S2 roles be Associates?
Y	Yes, and it should not stop at dual recognition. The situation with regard to Accident and Health insurance should be clarified. In theory an Actuary with responsibilities in Lloyd’s and non-Lloyd’s businesses could also have this line. Would this require a Life PC also?
Y	Consideration might need to be given though to making sure CPD requirements are pragmatic but still cover non-life and life specialisms.
N	This seems excessive and disproportionate.
Y	Though paralleled as far as possible.
Y	Competency for one role does not necessarily imply competency for another. Hopefully a common application pack could be used.
Y	Given the proposal for Risk is optional, I do not expect this to be much of an issue.
N	If one is the Chief Actuary and the CRO the PC for Chief Actuary should be adequate to cover both roles [I note that at the moment the CRO PC is voluntary but that may not always be the case – in the event it becomes compulsory the Chief Actuary PC should be sufficient].
N	Would keep to one to simplify the process.
Y	Yes, subject to the comments in the Consultation about ensuring this is done efficiently.
N	Actuary should satisfy him/herself that the multiple roles undertaken are not too onerous. However, if a Life and a Non-Life Role is undertaken by the same individual, then I believe it

	WOULD be appropriate to have dual approval.
N	I would consider that experience across the whole spectrum of actuarial disciplines should be a pre-requisite for any single reserved actuarial discipline. A key objective of SII and the ORSA process is to (as far as possible) create consistent processes throughout the Actuarial Function and embed models in the business operating model. This can only be done effectively if the Actuary has a good appreciation of, and understanding of their interaction with, the other Actuarial disciplines and wider business functions outside their own direct remit.
Y	I think this brings clarity to what the Practising Certificate is covering.
Y	Specialist knowledge and experience is must for the members taking the responsibilities.
Y	Yes and no – makes sense for Life & Non Life but not for the combined Lloyd's & Non-Lloyd's.
Y	To ensure sufficient proficiency in the proposed role.
Y	If there are to be Practising Certificates then I see no need for there to be a combined approval process.
Y	Why not have one Practicing Certificate which has a list of what is and what is not covered?
N	No, this seems like onerous regulation.
N	See Q13 – support rather than requirements would be better.
N	The practising certificates issued should be wide enough to cover these possibilities. Unless the IFOA needs the revenue?

Question 19: Do you agree that we should review the geographical extent of the proposal within 3 years once the approach of other regulators is clearer?

Answered: 91 / Skipped: 13

Answer Options		Percent	Response Count
Yes		80%	73
No		20%	18
Answered Question		-	91
Agree	Comment		
Y	We are in favour of a complete review in 3 years to allow possible amendments to all areas of the scheme given there will no doubt be some adjustments necessary are requirements become clearer.		
Y	Yes, as part of a regular review of how the approach is working.		
Y	Need to ensure that members of the IFoA are not disadvantaged by putting in place more stringent requirements than those in place elsewhere.		
Y	For practical reasons probably have no choice.		
Y	I imagine that these are going to be a lot stronger than any other European country, thus placing the UK and the profession at a competitive disadvantage (apart from within the UK where you appear to be trying to set up a closed shop).		
Y	Yes. I am against handing out of PC's to EEA Actuaries who are not mutually recognised with the IFoA. Clarification of the situation of FCAS and SOA Actuaries operating in the UK should be made from day one.		
Y	Within three years is too long. As other regulators are presumably consulting their members within a similar timescale as this consultation, then the consistency position should be		

	reasonably clear within a year.
N	The situation should be kept under general review as it develops, but that is true for everything. Unless there are developments that make the original settlement obsolete I cannot see the need for a review.
N	As an actuary working in Ireland, I welcome the proposal that only members holding Chief Actuary roles in undertakings regulated by the PRA should be required to hold a practising certificate. However, I think that members holding Chief Actuary roles should be bound by the requirements of the regulator of their organisation, and that UK requirements should not apply in other jurisdictions. I therefore see no need to provide for a review.
Y	Being based in Europe, it is rather clear that not all European regulators are working at same pace to consider all aspects including that of controlled functions. Being able to see how things unfold in the UK is very helpful, although they may not apply outside the UK.
N	I am concerned at the super-equivalence introduced by these proposals. As a motor insurer competing with Gibraltar, already such proposals are adding cost and making UK entities less competitive.
Y	Much of the S2 regime is likely to need review....
N	Should extend geographical coverage now to all EU firms both in respect of their UK operations and, unless an equivalent quality control exists in that country, of their non-UK operations too.
Y	I think this is important that any member of the Faculty/Institute involved in this type of work be asked to fulfil the obligations of a Practising Certificate.
Y	Make it market consistent and more relevant to the changed conditions. Any practical issues arising due to implementation of this regulation may need to be rectified in order to make it more effective and practical.
N	This sort of thing needs to be under continual review: a target of within 3 years is not appropriate.
N	It not be sensible to require an FIA based abroad working for an overseas company to hold a practising certificate for the UK and also one from the local actuarial association. It may encourage UK actuaries to leave the foreign association (and vice-versa).

Question 20: Do you agree that Chief Actuary Practising Certificate should be renewed annually as in the existing regime?

Answered: 88 / Skipped: 16

Answer Options		Percent	Response Count
Yes		65%	57
No		35%	31
Answered Question		-	88
Agree	Comment		
Y	Although there could be scope for 2 or even 3 years.		
Y	Without understanding the renewal process and administrative burden this poses it is difficult to give a clear response. However as one of the requirements is a level of CPD which needs to be completed annually it follows that the practicing certificate should also be renewed annually to keep in synch with the CPD test.		
Y	Only if the certificate is required (which I don't think is strictly necessary)		
Y	Although there could be scope for 2 or even 3 year		
Y	We accept there is some benefit from aligning the proposals with the current regime but		

	suggest the period between renewals should be subject to review at some stage. In our opinion a longer period would not, in practice, weaken the practising regime but would save costs.
N	Seems overkill – three years maybe a more appropriate timeframe.
N	Three year renewal is satisfactory subject to meeting CPD requirements.
N	See later comments relating to experience. I question what will change in a year.
Y	This should help to ensure that those holding certificates remain suitable and maintain the necessary breadth/depth of experience.
N	Regularly yes. Annually feels too frequent, bi-annual might be a sensible compromise.
N	If you are going to have certification, I would have thought that three years was sufficient
Y	Although I don't agree with the whole idea
N	The key should be aligning with the PRA. There is no (current) requirement for PRA approval to be annually renewed, so the same should be the case for the Practising Certificate regime.
N	Bi-annually or upon the take up of a new role should be sufficient.
N	I am ambivalent about this as a general rule and when I held a certificate, as I did for about 15 years, I thought that the annual renewal was a bit disproportionate. It is unlikely that people will become unsuitable in a year from the issue of a certificate. However, it would be odd to have a different renewal period for these certificates and the current ones.
N	Why not consider say a three year term to avoid unnecessary bureaucracy?
N	Perhaps there could be a fuller process required say every 3 years to check competency and experiences and just a minimal process for annual renewal. Things like competency do not disappear over one year.
Y	Although a slightly longer renewal cycle such as 2 or 3 years should also suffice.
-	Depends on the criteria for renewal.
N	If an Actuary has not changed roles, then I think a longer window for Renewal should be applicable – perhaps 24 months, rather than 12. This would cut down on needless admin.
N	Not necessarily against this in principle, but the regime needs to ensure an availability of suitable opportunities specifically designed for the Actuarial Function holder which I consider needs to be further developed to ensure the time required to meet stricter CPD requirements is productive. In particular, focus needs to be more Professionalism than technical mathematics focused at this level e.g. conflict management and business decision making.
Y	To maintain core competency of the members and increase the market confidence as the issue is related to the policyholders' protection.
N	Too onerous, suggest renewed annually for a couple of years.
N	Perhaps two-yearly? Annually seems a little excessive.
Y	If there are to be Practising Certificates then I would consider this appropriate.
N	Given the role of Chief Actuary then a longer period would be appropriate (three years) for actuaries remaining in the same role. If a change of company then an annual regime would be better.

Question 21: Do you agree that Chief Actuary Practising Certificate holders should be required to undertake additional Continuing Professional Development (CPD) in line with other IFoA members who hold a Practising Certificate?

Answered: 91 / Skipped: 13

Answer Options		Percent	Response Count
Yes		81%	74
No		19%	17
Answered Question		-	91
Agree	Comment		
Y	The CPD requirements for category 1 members make sense.		
Y	A higher level of CPD seems appropriate given the requirements of the role. Ideally it should be for the individual actuary to consider the appropriate amount of CPD they need in terms of subject matter and quality, as well as quantity (rather than simply mandate a minimum number of hours).		
Y	30 hrs of CPD should be fairly easy to get for a person holding this role.		
Y	If we are to have PCs then yes it makes sense to have increased CPD although it should be relevant to our area of expertise.		
Y	30 hours is consistent with the current regime for members with existing PCs and seems reasonable. It is important that CPD material/events are made accessible for members and that a large proportion of this is free.		
Y	Regardless of a certificate, members should do as much CPD as is necessary to fulfil their professional responsibilities to their clients/principals.		
Y	Although I don't agree with the whole idea		
N	Whilst I am not against additional CPD being a requirement, it should not be as onerous as is currently applied under the current Practising Certificate regime.		
N	The current category 1 CPD requirements should be reconsidered as to whether they could be reduced and restructured to support the PC regime better.		
N	I believe that the differential requirements are wrong in principle. All working actuaries need to be up to date with developments in their areas (and, to an extent) outside. I do not believe that the clients (in the widest sense) of those doing work that does not require a practising certificate should expect any standard lower than clients whose work does require a certificate. I have no particular objection to a requirement of 30 hours if it is necessary, but if it is necessary for certificate holders then it is necessary for everyone else as well.		
N	The regime should focus on quality not quantity and gaining the necessary experiences, much of which can be achieved through work in the office without requiring courses or verifiable training.		
N	Don't see a need for additional CPD. Chances are rather high that such individuals will obtain additional hours, whether formally registered in the CPD system or not.		
Y	And it will be important to ensure this is structured around the slightly different responsibilities of the Chief Actuary under S2 rather than carrying forward the AFH approach.		
Y	Additional responsibility means the member should be competent enough in order to gain policyholders' confidence in the practices.		
Y	If there are to be Practising Certificates then I would consider this appropriate, although there is no reason that this could not be adopted anyway by the PRA without the need for Practising Certificates.		
Y	Should be consistent unless requirements are changed for other categories.		

N	Requiring more CPD implies the existing level isn't enough! Plus current levels for PC holders is onerous
N	Encouraged for sure. Supported for sure. But not required.
Y	But it must be specific to the requirements of S2 and would reduce over time as S2 becomes practice as normal.
N	It is unclear why any additional requirements are necessary given the already stringent exam system and CPD requirements.

Question 22: Do you agree with the proposed CPD transitional arrangements for members taking up responsibility for the Chief Actuary role for the first time?

Answered: 90 / Skipped: 14

Answer Options		Percent	Response Count
Yes		84%	76
No		16%	14
Answered Question		-	90
Agree	Comment		
Y	Given these are new roles and it is relatively short notice then it is important reasonable transitional arrangements are made.		
Y	This seems a sensible proposal which deals with potential issues both on the initial adoption of the requirement to have a practicing certificate and once in force for members newly taking up the Chief Actuary role.		
Y	Given these are new roles and it is relatively short notice then it is important reasonable transitional arrangements are made.		
N	I think it would be reasonable to reduce the additional CPD requirement but not to eliminate it – there is enough opportunity for potential applicants to get extra CPD during 2015.		
Y	This looks reasonable to me		
Y	This seems reasonable. Those likely to apply for a PC should be able to demonstrate they are up to date with current actuarial matters, expecting them to have gained CPD in excess of 15 hours doesn't seem unreasonable and is likely to have been met by those applying. What is unclear is what will be considered an acceptable level of CPD, within the range 15-30 hours.		
Y	Makes sense		
N	Further clarification on this is urgently required. For instance, full new PC CPD requirements should only come into force in the next full CPD year after the introduction of the regime or the receipt of the PC. CPD requirements from the prior CPD year or current CPD year as at the PC application date or date of introduction of the regime should not be augmented in any way so as to give members time to adjust their schedule planning to meet the new requirements.		
N	Again, if it is needed then it is needed. If it is not then it should not be required. I would have thought that, if anything, the reverse was true and new holders might need more as they are preparing to take on a new role.		
Y	Seems sensible, but the IFoA should plan now for the known number of applications for the new certificates during 2016. No excuses to be surprised by the volume and the potential time pressures – life companies will not want to find their CA suddenly in limbo and hence falling foul of PRA requirements.		
Y	However, allowing attestation for applicants not initially able to demonstrate full compliance with the stricter CPD and recent experience requirements needs to be carefully managed to		

	ensure organisations are not simply appointing inappropriately qualified persons to tick a regulatory box or as a “soft touch”.
N	I think there is adequate time to build up the required CPD now
N	The transitional arrangements should cover members taking up the Chief Actuary role for the first time at any future time. It is likely that members taking up a Chief Actuary role will not have completed the additional CPD at the time they accept the appointment (e.g. with promotions). It could therefore be onerous or impossible to complete particularly if the member had to react at short notice (if the Chief Actuary left immediately). The requirements should be amended for this case as it could be impossible to promote an IFOA member to Chief Actuary with the required CPD in the time to complete the AF requirements.
N	It is unclear why any additional requirements are necessary given the already stringent exam system and CPD requirements.

Question 23: Do you agree with our conclusion that the PRA approved Chief Actuary will typically be performed by Fellows of the IFOA?

Answered: 92 / Skipped: 12

Answer Options		Percent	Response Count
Yes		84%	77
No		16%	15
Answered Question		-	92
Agree	Comment		
N	I believe it has to be open to any actuary from the EU. Otherwise it would fall foul of European regulations that prohibit discrimination against nationals of European countries (it is sufficient if the effect is discriminatory, even if it is not the intention)		
Y	Whilst agreeing that this will be the typical case it is of some concern that this gives the strong impression of restricting the Actuarial Function holder under solvency II to that of a member of the IFOA. The regulations seemed to be drafted explicitly to avoid the creation of a closed shop of members of actuarial professions by requiring that ‘The actuarial function shall be carried out by persons who have knowledge of actuarial and financial mathematics, commensurate with the nature, scale and complexity of the risks inherent in the business of the insurance or reinsurance undertaking, and who are able to demonstrate their relevant experience with applicable professional and other standards.’ If the intention of the PRA in approving a candidate for the chief Actuary role is to expect them to have a practicing certificate and therefore need to be a fellow of the IFOA then this gold-plates the criteria contained in the regulations. Without this expectation there is presumably a risk that firms will seek to avoid appointing members of the IFOA.		
Y	If the control function is the “Head of the Actuarial Function” as defined in solvency II then this in my view does not need to be carried out by an actuary. See answer to question 24. I believe SII does not have such a requirement.		
Y	Although recognising that this will not apply to all firms.		
N	The introduction of a Practising Certificate Requirement will almost certainly lead to more and more actuaries who are not members of the IFOA taking on the role. In fact, this requirement, combined with the ludicrous work review requirements being introduced and the IFOA’s apparent obsession with placing barriers between actuaries and the commercial environment in which they work is seriously making Antares consider putting its actuarial students through the CAS qualification, rather than the IFOA.		
N	Firstly I should highlight that I am an Associate working as a Chief Actuary and so I am clearly conflicted on this question. Within the general insurance arena I would think that		

	there will be a mix of fellows, associates and part qualified actuaries currently performing the role of a Chief Actuary or Head of Actuarial and whose experience and broader management skills make them appropriately skilled to perform the role outlined by the PRA but yes I'd expect the majority to be Fellows. See comments to question 26.
Y	Under the proposed regime only Fellows of the IFoA will be eligible to hold Chief Actuary roles, all other members will not be permitted. Individuals outside the IFoA could also be considered by the PRA but they would have to demonstrate they have sufficient experience/knowledge to meet the requirements of the Chief Actuary, which will limit the number of eligible applicants.
-	Yes in life insurance but not in General Insurance
Y	Absolutely
Y	Typically but not always – experience will show
Y	“Typically”, yes. “Always”, no. There is a very strong likelihood that Chief Actuary roles will be performed by actuaries of different geographical backgrounds, particularly where firms are part of a wider organisation. It would not be appropriate for someone to have to apply for fellowship in the UK for what may be a 2-3 year assignment to the role, after which they expect to return to their native country, as long as they pass the PRA fit and proper person test. In addition, many smaller insurers writing very simple lines of business (e.g. Health Cash Plan) will not need the expense and complexity of an actuary on the payroll (or more involved than the review of reserves once a year) and therefore may have other people perform that function within the organisation.
N	It could also be performed by FIAA, FCAS, FSOA, FSOAI actuaries. However, EEA actuaries should only be in receipt of the PRA approval and PC on having achieved mutual recognition by the IFoA.
N	I am Associate qualified. I have generally been performing the Chief Actuary role for several years in a non-life company (see Q26 for further comments).
Y	Though it is possible that the requirements for a practising certificate will steer some insurers in the opposite direction.
N	As noted in the CP, this will not necessarily be the case in Non-Life organisations, and so I am not convinced that it is necessary to require Fellowship as one of the criteria
Y	Typically, but not exclusively.
Y	Typically of course, self-evident. The issue is for those which are not typical e.g. very small GI companies essentially captive-type, where Casualty Actuaries might perform the role. Feels like Institute is trying to reduce competition.
N	See previous comments, a fellowship is neither a necessary nor sufficient condition for this role. This will depend on the experience and management skills of the Chief Actuary and his/her team. Our current Chief Actuary is an Associate and we regard him as very well qualified.
Y	Although there are people outside the Profession capable of performing this role, my concern would be that they are not necessarily bound by the Profession's Professional Standards.
Y	But smaller firms may struggle with this
Y	I do not think it should be entirely restricted to fellows however, with special arrangements available for those of significant appropriate experience and expertise. If the mechanism exists to make these people honorary fellows as a first step then that would be a reasonable alternative.
Y	Ideally it would be a statutory role like a Scheme Actuary under the PA 1995
N	Not for smaller non-life firms.
Y	“Typically” could be even stronger ... “Virtually always”?

N	In non-life there are senior roles carried out by non-actuaries; some Chief Actuaries are not qualified actuaries. In the intermediary term, would such persons lose their jobs? In the long term it will ensure the term 'Chief Actuary' will be reserved for people who are qualified actuaries. Does this means positions such as 'head of pricing', 'head of reserving', 'head of capital' should only be carried out by Fellows of the IFoA or similar since these positions are usually stepping-stones for a Chief Actuary role? Chief Actuary roles are also carried out by Fellows of other actuarial bodies. Also persons affected by the proposal (i.e. non IFoA members) may not have received the consultations so will be unable to comment.
N	I am not convinced that "Fellows" should be a requirement – though it could become the norm
N	There could be 5%-10% of Chief Actuaries who are not, such as foreign actuaries or actuaries in smaller companies.
Y	Typically yes, mandatory no.

Question 24: Do you agree that a Practising Certificate issued by the IFoA would provide support to insurance company boards in their assessment of fitness and propriety as required by the PRA?

Answered: 91 / Skipped: 13

Answer Options		Percent	Response Count
Yes		70%	64
No		30%	27
Answered Question		-	91
Agree	Comment		
N	In my experience, large companies have effective screening procedures in place anyway. For small companies, where the Chief Actuary would be perhaps be the only actuary or head up a small team, the hiring procedure would be the same as for a senior actuary at a large company. It is not clear that the PC would add value in either case.		
N	The existing mechanisms are sufficient, as they are for all senior roles. It is the responsibility of Boards to ensure appointees are Fit and Proper – they should not rely on professional bodies.		
N	Companies and Boards are perfectly capable of doing this assessment themselves and should be able to rely on their own assessment backed up by the PRA approval process. For existing employee they will already have a good view on the experience and skills of the actuary performing the AF duties. For new hires this would form part of the company's interview and selection process. There is also room for confusion as to what the "Chief Actuary" means here. In our organisation there is a Chief Actuary who is responsible for managing all actuaries operations in the company. Separately there are "Actuarial Function Heads" who carry out the Actuarial Function duties laid out in the solvency li directive. The PRA regime appears to refer to the first definition "Chief Actuary" as it applies to "...single individual performing each of the PRA CRFs" and "the most senior employee or officer responsible for managing that area" – taken from Appendix 2 of CP26/14. I am very confused as to who the certificate is for – does it apply to the most senior actuary in the company or the most senior actuary who is carrying out the Actuarial Function duties as laid out in solvency li? This needs to be clarified. Indeed it would be better if the term Chief Actuary is replaced by the terms "Head of the Actuarial Function" as defined by the solvency II directive. This would make the purpose clearer and allow the firm to apply the regime to those individuals who are actually performing the solvency II regulatory control function. In our case the most senior actuary in the company is not performing this role and is allocated to adequately qualified individuals who act as "Heads of the Actuarial Function" for individual		

	syndicates.
Y	It would be a very helpful tool for the board.
N	No. This was discussed at a Board meeting and the following comment was minuted. "The Board notes the Institute and Faculty of Actuaries (IFoA) proposal to require any of its members holding the PRA-approved role of Chief Actuary to hold Practising Certificate issued by the IFoA. The Board was unanimously against this requirement. It is for the Board of an insurance business to determine whether a candidate is fit and proper for the role of Chief Actuary, not the IFoA. The Board believes it is perfectly well-equipped to carry out this role without any involvement from the IFoA. The award of a Practising Certificate by the IFoA would not relieve the Board in any way from its fit and proper responsibilities and indeed, that any work carried out by the IFoA towards establishing fit and proper credentials would be duplicative and wasteful. Further, the Board is strongly of the view that should it decide that a candidate that is a member of the IFoA is suitable for the role of Chief Actuary, then the IFoA should not be in a position to block the appointment".
N	Whilst I recognise that there will be a few small companies who might find it useful to have the added assurance of a Practising Certificate I would be very surprised if most insurance company boards felt they could not assess whether an actuary is fit and proper. As noted in 13, as a Lloyd's syndicate we have already been through a process to demonstrate to Lloyd's and the PRA that we have the appropriate skills within the team as part of our preparation for SII. Having been through this process I would be surprised if my Board would find a PC helpful at this late stage. I note that in the consultation meeting, it was commented that the new PRA process is very onerous and this would help make this process easier but I do not think that making the administration process easier is a reason to impose a compulsory requirement for a Practising Certificate.
Y	Assurance will be obtained from the fact that the IFoA has undertaken a minimum level of checks on the suitability of members to hold the Chief Actuary Role. Companies will still need to ensure that a particular individual is suitable given the specific line of business.
Y	Yes it would help boards with that assessment but I believe the requirement will reduce the amount of choice that boards have.
N	I believe this would just be view as an additional regulatory burden that adds very little in addition to the Fellow Qualification and PRA Approved Person regime.
N	If approached differently then yes it could. However, the narrowness of the scheme and the technical focus of the definitions mean that it restricts the choice that Boards may have. Recent IFoA research showed that the skills that were most required from Actuaries from CEOs included flexibility, commerciality and strong communication. These skills are not key requirements for a Practising Certificate (indeed it runs counter to some of these as having flexibility to work over different insurance lines is seen as a negative) and therefore Boards are likely to have a choice of a narrower field, which does not include the skill sets they are looking for.
Y	Helpful for the Board and senior management easily demonstrate to key stakeholders that the Chief Actuary was appointed via a due diligence process.
N	For general insurance, the skills and experience required for personal lines business are very different to those for large commercial business writers are different again to London market players (which is much wider than Lloyd's). So unless the practising certificate is going to be very granular in what lines of business the actuary has experience of, it will be pretty useless and the firm will have to make their own assessment anyway.
Y	However, I think that the advantage is very slight. If they are looking to appoint internally, the person will be well known to them already. If they are looking to appoint an outsider then they are likely to be rigorous in their selection processes.
Y	However, I would expect Boards to make their own assessment of the person concerned

Y	Unless the certificate is specific to the role being applied for, it is useful but unlikely to be sufficient.
N	Not convinced by this. Larger firms already cope with this issue in appointing Chief Actuaries. Small firms will presumably use consultants. I am not sure a Practising Certificate will sort the wheat out from the chaff at consultants.
N	I think most boards will look at the quality of the person rather than a certificate. Our current Chief Actuary is an Associate and we regard him as very well qualified.
Y	Although there should not be complacency around this – with Boards wanting to know that, for example, the CPD is more than just an annual jolly event.
Y	The Board gain more confidence in the reporting and the financial condition of the company.
Y	I do not think there is a need for additional fit & proper review by the IFOA where an applicant is already an approved person
Y	Probably, but we shouldn't overestimate it.
N	I agree that it would provide support however I would fear that it would encourage them to defer to an outside body rather than take responsibility for the decision themselves.
N	There has to be a danger that Boards will rely on a PC rather than conducting more detailed review.
N	This would overlap with their own Fitness and Probity assessments.

The following questions relate to the proposed generic criteria

Question 25: Do you agree with the proposed generic criteria for Practising Certificates?

Answered: 89 / Skipped: 15

Answer Options		Percent	Response Count
Yes		69%	61
No		31%	28
Answered Question		-	89
Agree	Comment		
N	See answer to Q27 – otherwise agree		
N	It may be too difficult for someone from abroad e.g. the US to gain a certificate if they do not know someone to attest them. This is overly restrictive.		
Y	It could be emphasised more that broad experience as well as detailed experience is sufficient. In that regard, all actuaries taking up any role should question themselves that they have the relevant experience and knowledge to fulfil the role.		
Y	Although it could be emphasised more that broad experience as well as detailed experience is sufficient. In that regard, all actuaries taking up any role should question themselves that they have the relevant experience and knowledge to fulfil the role.		
N	The proposal for the IFOA to carry out credit checks and criminal record checks is completely inappropriate. A Board already has to do this for PRA-approved roles and, in the absence of a formal outsourcing agreement with the IFOA, would still have to do so whether or not a candidate has a Practising Certificate from the IFOA. If the Practising Certificate is introduced, it should just relate to fitness, not propriety.		
N	As noted in 26 I do not agree with the FIA requirement and I have concerns on the practicalities of only allowing holders of a Chief Actuary PC to attest on the suitability of the applicant to hold the role in the longer term. See 26 and 27 below.		
N	In general, if I were CEO, CFO, CRO or had any other role in a life firm I could take the equivalent role in a non-life firm, in all likelihood without any issues from the PRA in the		

	approved persons regime. Likewise if I held these roles in a non-life firm I could take them up in a life firm. Indeed, even if I came from a broader background in banking, retail, consultancy or many other areas I would likely be approved as an appropriate person to hold one of these roles. More specifically, if I were a life actuary I could take on a role as CEO, CFO, CRO etc. within a non-life firm, and vice-versa if I were a non-life actuary taking on one of these roles in a life firm. Indeed an actuary may well be able to take on one of these roles in another regulated area such as banking. Under these rules, the one thing I would not be able to do if I were a life actuary is to take up a Chief Actuary role in a non-life firm. The one thing I could not do as a non-life actuary is take up a Chief Actuary role in a life firm. In both situations, regardless of my professional, technical or business strength, my past experience or the fact that I might be Chief Actuary within that firm, I would have to sit under another Chief Actuary for three whole years. This does not sound a logical position to take and a restraint on members that feels inappropriate.
Y	But possible duplication of credit and criminal record checks with PRA. Also to bear in mind that for actuaries applying from overseas, it might be tricky to obtain such checks.
N	I do not agree that Fellows should only be permitted to have PCs.
N	I think that it should be acceptable for Fellow (or equivalent) members of full members of IAA who are affiliates of the IFoA to be appointed. I am also concerned about attestation.
N	As noted above, I am not convinced that the Fellowship is necessary for Non-Life. Also I am not sure whether credit and criminal record checks should be part of the practising certificate requirements – would these not form part of the PRA process?
N	Each of the criteria is dealt with separately in the following questions
N	I do not see why small GI companies need Chief Actuaries to be qualified. Experienced members who have not qualified but understand the company may arguably be better. And all actuaries have to follow the Code.
N	I do not agree that a Fellowship is a requirement for a PC (see above). I'm not sure that an attestation from an existing PC holder is appropriate – the only person who will really know the competence of candidates would be their existing boss and if a candidate is moving to a Chief Actuary role elsewhere then there might be conflicts. I am absolutely certain that a recommendation from a distant acquaintance would be of little value. I would not ask the IFA to conduct criminal and credit checks – employers do this as a matter of course anyway. Clearly Tribunal or other issues are relevant.
N	The requirement for attestation by an existing holder of a Chief Actuary PC risks creating a very narrow closed shop. Suggest weakening this to preferred criteria rather than compulsory criteria.
N	Only partial agreement to this.
Y	Broadly
N	The Practice Module is, honestly, very poorly written in that much of the syllabus is either irrelevant or encourage by rote learning. I think this should be dropped from the requirement, or reformed to be more fit for purpose.

Question 26: Do you agree that the proposed Practising Certificate should only be issued to Fellows of the IFoA?

Answered: 88 / Skipped: 16

Answer Options	Percent	Response Count
Yes	72%	63
No	28%	25
Answered Question	-	88

Agree	Comment
N	I believe that if a PC is required, then it must be open to actuaries from other EU countries. It should then be possible for them to have a suitable attestor from another EU country, as they may not be sufficiently close to any attestor with a practising certificate.
Y	It appears sensible for the IFoA to only issue Practising Certificates to its members. Given the work undertaken it seems reasonable to require them to have attained the level of Fellow of the IFoA.
N	The AF does not have to be formed of any actuaries is my understanding of SII
Y	The criteria are appropriate for the statutory roles involved.
N	<p>As noted above I am an Associate working as a Chief Actuary and so I am clearly conflicted on this question. I agree that if there is to be a Practising Certificate then it makes sense to link this to the actuarial exams in some way. I also consider the exams to be an important part in training to be an actuary. However, I think the relevance of someone's exam record reduces as they take on more senior roles. I would consider experience and broader management skills to be far more important when considering the skills needed to perform the role of a Chief Actuary. I think there should be some discretion on this point. At the consultation you asked for example cases to consider. In my case I have worked within general insurance for 23 years and within Lloyd's for 14 years. I have been in my current role as a Chief Actuary for 6 years and have been heavily involved in our preparation for SII. Prior to that I have held the roles of Head of Reserving, Head of Capital and overseen the Business Planning process looking at the adequacy of future business. I would think this gives me the broad experience required within the PC proposal but I am an Associate.</p> <p>Does the working party think that I would be better able to fulfil my current role, and the role outlined by the PRA in their consultation paper, if I were to take the additional exams needed to become a Fellow? Or should my company look for a new Chief Actuary? The suggestion at the consultation that those who didn't meet the requirements could leave the profession and perform their roles outside of the profession was very confusing and personally not something I would contemplate.</p>
Y	Yes if practical. Might be necessary to extend but would prefer not.
N	I believe that there are perfectly suitable candidates who are not Fellows
Y	Although there may be a small number of non-fellows that this will affect, I do think that it is important to maintain the credibility of the professional exam requirements
Y	May need to make some provision for foreign actuaries
N	If suitably experienced Associates are responsible for regulated activities, then they should be issue with a Practising Certificate. This will also give more weight and promote the Associateship credentials
Y	See also question 23 comments.
N	<p>Given many European Actuarial profession qualifications are currently on a par with the Associateship, it seems unclear why Associates from the UK Profession are excluded. Separately, but still inter-related, I was disappointed to hear that (Student Consultative Forum, minutes from 7 Nov 2014) the qualification will also be dumbed down by reducing the exam threshold criteria that one may call themselves an Associate. In short, it seems the qualification will now have little credibility.</p>
N	It is entirely possible that a firm may wish to appoint a very experienced actuary, who has not yet finished all of the exams, to the role of chief actuary, and it would be an entirely rational decision. But if you require them to hold a certificate, and they aren't a Fellow, then you would effectively drive them out of the IFoA – then they don't need a certificate and can keep their job.

N	I am not convinced that the Fellowship is a necessary condition for Non-Life
Y	This is a helpful differentiation between Fellows and all other members (students and associates) of the IFoA.
Y	See response 23 above. Could be reassessed if other Professional Bodies e.g. ACII could develop some equivalence in CPD etc.
Y	As per answer to 23 above, I think it should be possible for someone with significant experience to continue to perform a senior role, with appropriate review by the IFOA. If they can be made honorary fellows this would be a reasonable route.
Y	If there is to be a Practising Certificate regime then completion of the relevant exams must be a criteria.
-	I do not have a strong opinion here. The PC could also cover non-Fellows with the appropriate skills, although this would be more complex to substantiate and administer. Maintaining credibility is key.
Y	Yes and no – there is no option for maybe! In non-life there are senior roles carried out by non-actuaries; some Chief Actuaries are not qualified actuaries. In the intermediary term, would such persons lose their jobs? I suppose it is not fair e.g. to have one criteria for Lloyd's SAO only but weaker criteria for the Chief Actuary? In the long term it will ensure the term 'Chief Actuary' will be reserved for people who are qualified actuaries. Does this means positions such as 'head of pricing', 'head of reserving', 'head of capital' should only be carried out by Fellows of the IFoA or similar since these positions are usually stepping-stones for a Chief Actuary role? Chief Actuary roles are also carried out by Fellows of other actuarial bodies.
N	The status of Fellow should not be a requirement
N	I'm a Qualified Spanish Actuary with more than 8 years experience in the UK. Currently I'm the Head Actuary for a Lloyd's Managing Agent. I don't have access to the Practising Certificate because I'm not a Fellow of the IFoA. There are mainly two approaches to face this singular situation: a. To be recognised my Spanish qualification as a Fellow of the IFoA based on 8 years experience in the General Insurance companies, which proof of my overall knowledge of the UK insurance market. b. b. Practising Certificate to be available for EU Qualified Actuaries.
N	no, I don't think it should be a reserved role.
Y	The Fellowship qualification should remain the gold standard qualification.

Question 27: Do you agree that the holder of an IFoA Chief Actuary Practising Certificate should attest to the professional suitability of a first time applicant to fulfil the role of a Practising Certificate?

Answered: 88 / Skipped: 16

Answer Options		Percent	Response Count
Yes		49%	43
No		51%	45
Answered Question		-	88
Agree	Comment		
N	An attestation is a good idea but, as per the transitional arrangement, it makes more sense that any actuary with relevant experience should be able to make this attestation.		
N	The requirement for first time applicants for a PC to gain a suitable attestation from an existing IFoA Chief Actuary PC holder appears onerous. Taking the non-life without Lloyd's		

	<p>PC in particular there will be relatively few individuals from which to gain this attestation. Within a company there is likely to be a single individual at any point in time. This may work for internal succession, but if an external appointment to Chief Actuary is made there could be difficult in gaining the attestation. Candidates for the role may well have some acquaintance with an existing Chief Actuary PC holder e.g. through audit work but this is not certain and even then such a PC holder may be unwilling to attest to competence if they have not had extensive interaction with the candidate. The proposed transitional arrangements for the first year (in which any Fellow with 5 years post qualification experience etc.) are welcome in initially mitigating this. However this should be the ongoing requirement instead of that proposed (i.e. instead of just being a transitional one).</p>
N	It may be too difficult for someone from abroad e.g. the US to gain a certificate if they do not know someone to attest them.
N	n attestation is a good idea but, as per the transitional arrangement, it makes more sense that any actuary with relevant experience should be able to make this attestation.
N	An attestation is a good idea but, as per the transitional arrangements, it makes more sense that any actuary with relevant experience should be able to make this attestation.
N	Surely this is the responsibility of the IFoA and seems an unnecessary step / administrative burden given the applicant is already a Fellow.
N	As noted in 25 I have concerns on the practicalities of only allowing holders of a Chief Actuary PC to attest on the suitability of the applicant to hold the role in the longer term. At the consultation it was suggested that for Chief Actuaries of small companies who may not work closely with other Chief Actuaries, they could ask an actuary from their audit firms. I do though wonder how many consultants will apply for these certificates in practice. Whilst most Lloyd's syndicates ask external actuaries to sign their SAOs, I would not expect this to be the case for the Actuarial Function requirements; rather these would be done internally. I would expect the pool of actuaries holding Chief Actuary Lloyd's PCs to be smaller than the pool holding Lloyd's SAO PCs. I note that the relaxation will be reviewed in a year but I wouldn't be surprised if this needed to become the normal approach. I would also question what value a Board would place on this attestation. In many companies Chief Actuaries will have been at the company for a number of years and they would know the individual far better than another actuary and be better able to judge their "backbone".
N	The relationship is either going to be tenuous (if it is in an external firm) or conflicted (if it is, say, an auditor or a friend). Far better to take references in the usual manner than to narrow it down to the small pool of people with practicing certificates at that time.
Y	The test needs to be both in writing and interview with suitable weights
N	Suggest to widen the circle of qualified people who can reasonably attest to the suitability of the applicant rather than limit to IFoA members only e.g. professional members of other overseas actuarial or non-actuarial bodies
N	This seems onerous on both applicant and person making the attestation. Could this be opened to members of other professional organisations or persons holding PRA regulated functions (e.g. non-executive directors).
N	I think this puts an unnecessary burden on the approval process. The verification of exam passes, relevant CPD, no disciplinary actions, and attestation of relevant work experience from the applicant should be sufficient and pragmatic.
N	I am concerned about this. What are the implications of attesting? Will people be willing to attest to people outside their own companies? This may be fine for people with a number of qualified colleagues, but in a small organisation it may prevent the award of certificates.
N	In many cases there will be people much better placed to attest to the individual's professional (as opposed to technical) suitability than other certificate holders. Senior actuaries in the individual's company are likely to be well placed but would be unlikely to be certificate holders.
N	Must admit found the answer to this at the London consultation very confusing. It suggested

	that auditors might be able to attest because only TPs was important as well as standing up to Mgmt. So, why all the other non-TP criteria and why no criteria about standing up to Mgmt. If I were attesting, I would expect to understand the applicants ability in all the categories identified in 3.3, otherwise I would not consider I have done a professional job.
No	See my answer to Q 25
No	The requirement for attestation by an existing holder of a Chief Actuary PC risks creating a very narrow closed shop. Suggest weakening this to preferred criteria rather than compulsory criteria.
N	Not sure how this would work for non-life as no existing PC holders?
N	I'm not really sure what this achieves. If there is a process for deciding whether someone is qualified to have the PC, what additional value does this attestation add? It looks a bit like passing the buck from the PC committee to this Attestor. Will there be support for this attestor?
N	There are likely to be many senior actuaries who are sufficiently qualified to provide suitability attestations. For instance, the Lloyd's Head Actuary may not be a PC holder, but would have a very good understanding of the capabilities of the Individuals in the market and would be able to attest as to their suitability.
Y	Subject to response 22 comments above.
Y	I think this should be extended to include former holders of certificates, at least for a period.
N	I am a little uncomfortable with the requirement to attest, but I am also unsure why it is restricted to someone holding a Chief Actuary holding a PC. For example would it not be equally appropriate coming from an actuary who was approved as a Director by the PRA?
N	I see a need to be careful here- it would be sensible to have one review any applications but this may rely on the person applying having suitable contacts. May make it very difficult to apply for certificate if based overseas/in a small company.
N	No. What if the person knows no other PC holder? I'm thinking here for people based in large organisations away from major "actuarial hubs"
N	While there is clearly no harm in an existing PC holder opining on the suitability of a candidate – this should not be the route for determining eligibility for first time applicants
N	There will be a maximum of one holder in any company. This would be too small to ensure that any new chief actuary would know someone who can provide the attestation.

Question 28: Do you agree with the proposed transitional arrangements to relax the attestation of suitability so that for the first year this can be given by any Fellow with 5 years post qualification experience (provided that the attestor is not a person over whom the applicant has influence in the workplace)?

Answered: 84 / Skipped: 20

Answer Options		Percent	Response Count
Yes		74%	62
No		26%	22
Answered Question		-	84
Agree	Comment		
Y	As above, it makes more sense for this to be the ongoing rather than the transitional requirement to avoid circumstance where an actuary is not sufficiently close to a current certificate holder.		
Y	See answer to Q27		

N	It may be difficult for someone from abroad e.g. the US to gain a certificate if they do not know someone to attest them. Nevertheless if the PC is required then this is ok.
Y	As above, it makes sense for this to be the ongoing rather than the transitional requirement to avoid circumstance where an actuary is not sufficiently close to a current certificate holder.
Y	As above, it makes more sense for tis to be the ongoing rather than the transitional requirement to avoid circumstance where an actuary is not sufficiently close to a current certificate holder.
N	5 years post qualification experience is too short – the minimum should be 10 years.
Y	See response to 27, I suspect this will need to be the long term solution.
N	For Actuaries who do not hold a practicing certificate, no, attestation should be required. Those with practicing certificates should be not be necessary
N	I think the bar is a little low here
N	Should have relevant experience
Y	If anything it should be even broader (from outside the profession)
Y	This can exceed to three years
N	As mentioned in the comments to Q27, I don't think there is a need for another to attest, particularly if the person attesting has a different specialism experience.
Y	If there has to be attestation it is obvious. Otherwise there is nobody who can attest to the first application and nobody will ever get a certificate.
N	What would be the value of this attestation if the attester doesn't know the candidate well enough?
N	This should be narrower – attestation should be provided by someone who has a knowledge of the work and experience of the applicant.
N	My experience would suggest that a simple criteria off 5 years PQE is not a sufficient benchmark to ensure suitability for the role. A broad range of experience across all Actuarial disciplines is required, which some will meet with 5 years PQE, but may others won't since it is common for Fellows to still be specialised in a narrow range of disciplines or sector of the market at this stage of a career, particularly if a fast qualifier. This needs to be assessed case-by-case based on detailed experience CV.
Y	I assume this is intended to cover the introduction for first time for GI. For life there should not be a material issue getting an attestation from an existing certificate holder from outset. It might be worth considering making this transitional arrangement only for GI
Y	I agree with the pragmatism we need to adopt here
Y	but only for areas where the requirement for a formal actuarial role is new
N	Some Fellows would be unsuitable.
N	It must be longer than just the first year. It may be best that the potential Chief Actuary can supply multiple FIA references instead.
Y	Assuming there would be a Practising Certificate, this seems reasonable.

Question 29: Do you agree that the applicant should be required to undergo credit and criminal record checks as considered necessary to ascertain their fitness and propriety?

Answered: 88 / Skipped: 16

Answer Options	Percent	Response Count
Yes	77%	68
No	23%	20

Answered Question		-	88
Agree	Comment		
N	It should be the responsibility of the hiring company to carry out these checks. However, the extent to their impact in the process should be made clearer if possible and especially that minor offences such as most Road Traffic Act related issues would not normally impact any decision. Ideally they would not be included in the process.		
Y	These checks will also presumably be carried out for the PRA Approved Person (or SIMR) hence it is questionable whether they need to be repeated. In practice then it will be helpful to align the sourcing and reporting of this so the activity does not need to be done twice (see Q13 response).		
Y	However, the extent to their impact in the process should be made clearer if possible.		
N	Unnecessary duplication with presumably what will also be undertaken by the PRA		
N	The proposal for the IFoA to carry out credit checks and criminal record checks is completely inappropriate. A Board already has to do this for PRA-approved roles and, in the absence of a formal outsourcing agreement with the IFoA, would still have to do so whether or not a candidate has a Practising Certificate from the IFoA. If the Practising Certificate is introduced, it should just relate to fitness, not propriety.		
Y	Currently a declaration has to be provided by the applicant, this seems like a sensible starting project.		
Y	Yes if not already covered by practicing certificate scheme		
Y	As long as practical. See comments in Q25		
N	This responsibility should remain with the employer.		
N	That is something that the firm should be assessing for themselves surely		
N	Would this not be part of the Approved Person process?		
N	Companies do their own check and this would be duplicative		
Y	Although since this will be also part of the Approved Person regime I'm not sure whether it helps – and is possibly an example of duplication of the PRA process?		
N	Not unless there are very clear explanations of what would pass and what would fail under this heading. There should be no Subjectivity involved.		
Y	If already an approved person this should not be considered necessary		
Y	In principle, although I would have thought that this was a responsibility of the firm and so appears duplicative.		
Y	Yes to be consistent with the current Practicing Certificate scheme.		
N	This is not something IFoA should undertake – this should be left to an employer's discretion. Moreover if IFoA do undertake such checks those assessing the importance or otherwise of an adverse record would need specialist training in deciding what was pertinent or otherwise to a candidate's suitability.		
N	This should be performed by the PRA (and the company)		

The following questions relate to the proposed technical criteria.

Question 30: Do you agree with the proposed technical criteria for Practising Certificates in general?

Answered: 88 / Skipped: 16

Answer Options		Percent	Response Count
Yes		74%	65
No		26%	23
Answered Question		-	88
Agree	Comment		
N	The technical criteria are in my view most relevant to a Chief Actuary of a small firm, where the role of the Chief Actuary would include carrying out much of the detailed technical work. In a large company, the responsibilities of the Chief Actuary would typically be much broader, focussing more on stakeholder management, good governance, effective review and team management.		
N	See answer to Q32 in particular Where suitable experience is lacking in a particular area but the applicant has access to suitably experienced people then it may still be reasonable for them to carry out the role. Some consideration therefore of not just the experience of the individual but also the circumstances in which they will be working (and hence support they will have) may be helpful.		
N	They are far too broad in terms of breadth of experience. Actuaries in general insurance often specialise in one area and develop and extend their skills within their role as Chief Actuary. The SII AF duties are often carried out as a combination of work produced by actuarial (often involving contributions from various actuarial and non-actuarial departments). The AF Head or Chief Actuary does not necessarily need to have experience or be an expert in all these areas. The breadth of experience criteria is unduly broad and onerous and unnecessary for the company to be able to discharge its solvency II duties. Applying the criteria to one individual in a firm called the "Chief Actuary" performing the solvency II AF duties is potentially gold plating solvency II in my view. Finally the requirement may prevent perfectly good (possibly the best) individuals progressing to the role of Chief Actuary. This may prevent a company hiring what could be a better candidate simply because they have a more narrow experience over a weaker one with broader experience. Clearly not fit for purpose.		
Y	It could be emphasised more that broad experience as well as detailed experience is sufficient. In that regard, all actuaries taking up any role should question themselves that they have the relevant experience and knowledge to fulfil the role.		
Y	Although it could be emphasised more that broad experience as well as detailed experience is sufficient. In that regard, all actuaries taking up any role should question themselves that they have the relevant experience and knowledge to fulfil the role.		
Y	The criteria are suitable for a Chief Actuary, but a practising Certificate is not necessary to demonstrate that they are met.		
N	Meeting the requirements of the Actuarial Function is a team effort. The PC proposal does not recognise this. The requirements of the Actuarial Function are very broad covering Reserving, Capital, Pricing and Reinsurance. For most general insurance companies/Lloyd's syndicates these requirements can only be met by having a strong team of actuaries with specialist skills. It is the technical strength of the team that is key to meeting the requirements rather than one individual. We have already been through a process with Lloyd's and the PRA to demonstrate that we have a team in place capable of meeting the requirements including outlining the skills and experience of the members of the team. The		

	<p>team includes specialists in reserving, pricing, capital and reinsurance modelling. Our Technical Provisions report is signed by our Head of Reserving, the Opinion on Underwriting is signed by our Head of Pricing and the Opinion on Reinsurance is signed by our Head of Capital. This is overseen by me and our CRO. I personally feel this is a very robust process. Under your proposal, whilst these individuals are experts in their respective fields, they wouldn't be able to sign these reports unless they have experience of all areas. This is not always the case. If a practising certificate is needed then I would ask the working party to consider whether it should be for the team rather than an individual or whether there is one for Technical Provisions, one for Capital etc. The proposal mentioned the idea of job sharing but does this go as far as splitting the responsibilities? In addition, it is becoming increasingly common for actuaries in general insurance to specialise in a particular field early on in their career. If they have aspirations to be Chief Actuaries then they will need to manage their careers very carefully to ensure they get the breadth of experience required in the proposal. Whilst this may be viewed by some as a good thing I worry that this will reduce the pool of potential Chief Actuaries unnecessarily. Again my point about the strength of the team is relevant here. I also have concerns about the years of experience requirements (see 30) and the valuation of assets (see 32).</p>
N	<p>There will be very few people who meet all the criteria. Even very experienced actuaries may fall short of some of the requirements – for example pricing of risks if the actuary has specialised in reserving, or vice versa. This may well lead to the appointment of non-actuaries as the Chief Actuary – which is surely counter productive to the principle of the initiative.</p>
N	<p>As previously discussed, I think that limiting the technical experience to the narrow fields proposed is significantly too narrow, as it prevents actuaries from moving between (or into) Chief Actuary roles in insurance firms (e.g. life to non-life) in a way in which they would not be if they were CEO, CRO, CFO etc. More generally, I also believe that the focus on technical criteria focuses on the wrong things. The key criteria for a Chief Actuary should be the ability to understand, communicate, challenge and innovate, not to demonstrate that they can undertake technical work. They need to be credible with the Board and be able to influence from a business perspective, not a narrow technical perspective.</p>
N	<p>I understand the logic, however in the case of giving views on reinsurance arrangements and underwriting, the actuary is unlikely to be close enough to the data as these are typically performed outside of an actuarial dept, and will therefore be very reliant on others. As an example, we use a reinsurance broker to parameterise and run cat models for us and recommend the level of reinsurance we should buy to meet, say, a 1 in 200 year scenario.</p>
N	<p>See comments below in general. I think that very few actuaries will qualify for these certificates if they are honest. There are six areas, and making it compulsory for have experience in “all, or almost all”, of them, which presumably means at least five, means that many will struggle. Most actuaries these days specialise in one or two of pricing, reserving and capital management. To qualify as a fellow one need not pass both the pricing and the reserving exam, and many are being encouraged to take the ERM exam instead of one of these. A chief actuary is likely to have people working for or with him who can assist in various areas. A requirement for experience in more than one area may be reasonable, but not in five out of six. I think that it would be better to be much less specific and to require details of people's experience that would demonstrate their experience in actuarial work in the areas concerned, not expect all to be covered but look for a bank of experience that as a whole establishes the suitability of the person for the role concerned.</p>
N	<p>The technical criteria appear to be written from a Life perspective, and not all are relevant for Non-Life</p>
N	<p>I have been a Chief Actuary (and Approved/Appointed Actuary in Australia) for most of the last 20 years – in fact, except when I was at PRA. I do not think I meet the criteria identified, and yet I think you will find I have stood up and been counted when necessary. I find that concerning, because my approval to continue my current role will be down to some arbitrary</p>

	decision, not based on the technical criteria involved. Much more thought needs to be given to these criteria.
N	It depends on the level of detail required.

Question 31: Do you agree that, all applicants should demonstrate that they have experienced sufficient breadth of recent work in insurance (with recent being defined as not more than 10 years ago) and that they have relevant experience, post qualification, in 3 of the last 4 years and in 3 of the last 12 months which will enable them to fulfil the requirements of the role as detailed in Article 48?

Answered: 92 / Skipped: 12

Answer Options		Percent	Response Count
Yes		66%	61
No		34%	31
Answered Question		-	92
Agree	Comment		
Y	I think 10 years is an arbitrary cut off. In practice it would make little difference if someone had experience e.g. in using GLMs for motor-pricing 9 years ago or 15 years ago. In either case they would have to re-familiarise themselves with new software, if they were to do it themselves, but they would still be able to review someone else's pricing work. Given the discussions on leave such a maternity, could there be scope to move the 3 out of the last 12 months to 3 out of the last 15 months.		
Y	Whilst agreeing with the proposal the IFoA should carefully consider how these very specific experience criteria will affect members taking time off for activities such as having children. Whilst the person wishing to carry out the role of Chief Actuary should have the right level of experience and ensure this is kept up to date, there may be ways to ensure that this current knowledge is maintained even if not working for a recent period of time.		
Y	BUT only if the breadth of experience criteria is not amended (see my answer to 30 above) which I believe it should. In my view the Head of the Actuarial Function should be able to access skills possessed by other individuals in the firm (including those without practising certificates) – they need to be able to understand the analysis, limitations and conclusions which does not necessarily involve having experience of those areas.		
Y	Given the discussions on leave such as maternity, could there be scope to move the 3 out of the last 12 months to 3 out of the last 15 months.		
Y	Given the discussions on leave such as maternity, could there be scope to move the 3 out of the last 12 months to 3 out of the last 15 months.		
Y	Yes, in the normal course of events. However, we would encourage the IFoA to consider adopting a flexible and accommodative approach to these requirements (in particular the "3 of the last 12 months" requirements) for members whose skills and experience would generally be sufficient to qualify for a practising certificate but who would not pass the "3 of the last 12 months" requirement to current or recent parental leave or involuntary absence.		
N	The requirement for very recent experience: "three of the last four years" and "three of the last twelve months" is inappropriate. It would unnecessarily rule out very experienced actuaries who had, for example, taken a year out or moved into wider fields for a period. As intimated previously, it is for the Board of an insurer to decide if a candidate has appropriate experience for the role, not the IFoA.		
N	This last part of the requirement sounds as though it could exclude women returning from maternity leave.		
N	See 30 I worry about the 3 out of the last 12 months rule. I noted the reluctance at the		

	consultation to discuss the issue of maternity leave but I would urge the Institute to consider this very carefully. I do question what you think people will have forgotten in a year. I also thought the point made at the consultation about what this means for companies who want their actuaries to take on non-actuarial roles to broaden their experience was very pertinent. Again I refer back to the importance of ensuring you have the technical knowledge within the team rather than one individual. Do we really believe that someone who has been a Chief Actuary and then takes a different role for a couple of years can't then go back and perform the role without building up their experience again.
N	We feel these requirements are quite restrictive for individuals that have, in the past, gained sufficient breadth/depth of experience but then spent time working in other actuarial roles.
N	I think the focus on time is inappropriate. Many of the skills and much of the experience necessary to be a Chief Actuary are enduring. Some of them also transfer across domains. I think it makes more sense for people to have skills, experience and a knowledge of the Solvency II world they are going into – and that would be a different emphasis than recent historic knowledge.
N	This is confusing.
N	I think that these requirements demonstrate narrowness, not breadth. I think that actuaries are generally stronger where they have seen a variety of business, not just one narrow set of experience. The rules around recent experience means that it rewards people who stay within their own narrow field, rather than moving around. This could prevent progression within an individual firm, never mind moving between firms within the profession. If the requirements stopped as “suitable breadth over the past 10 years” then that would be acceptable. It is the requirement for 3 years in the past 4 which effectively makes it impossible for a firm to appoint someone from a different insurance discipline to lead their actuarial function. A senior actuary should have sufficient transferrable skills and leadership skills to take on a Chief Actuary in any field. In reality they will be managing and challenging a department who will have experience in that area, and bringing a fresh perspective may well be more valuable than repeating what has gone before.
N	Post qualification – for fast qualifiers (say within 5 years), would question whether such members will realistically have sufficient breadth and depth in experience and maturity to meet the requirements.
Y	I agree that relevant experience is necessary. I do not agree, however, that only Fellows would be able to meet the requirements.
N	Without an exception for maternity leave this requirement would not be appropriate
Y	It is a bit complex, but seems reasonably fair.
N	3 out of 4 is too demanding for some cases – I think 3 from 5 is better personally
N	3 of the last 12 months does not seem necessary given the 3 of the last 4 years requirement
N	I qualified in 2004 and have worked in general insurance since 2002. I joined Beazley in 2006 and remain employed by Beazley. I have had two maternity leaves – firstly from approximately June 2011 to April 2012 and the second from February 2013 to Jan 2013. In June 2014 (6 months after returning from my second maternity leave), I was promoted to Group Actuary at Beazley. At no point during my Beazley career, to my knowledge, has my maternity leave ever led to questions being raised about my competence. It is with great surprise that I now learn that, under the current proposal, I would not have the relevant experience in 3 of the last 4 years until Feb/March 2016 (approximately) in order to obtain a practicing certificate. In addition, one of my direct reports who I would see as a natural understudy would also not fit the criteria, as she is well in to her second maternity leave. I estimate that she would be able to apply for her certificate circa September 2017 (she qualified in 2004 and joined Beazley in 2006). There are other examples about the effect on my team. Whilst I am disappointed about the impact on my position, as my company will

	now need be told that my own Institute deems me unfit to serve as Chief Actuary under SII. Furthermore, and much more importantly, the message that this creates for more junior actuaries. People who previously aspired to be chief actuary will now see this as less obtainable if they plan to have a family. Employers will automatically be subject to unconscious bias (something which sadly many fellows suffer in their already) when recruiting, and parents will feel they need to reduce their parental leave in order not to affect their career prospects.
N	I think this is rather open and much discretion of the adjudicating panel will be required. We seem to be saying that a Chief Reserving Actuary cannot be a Chief Actuary, because they may not have experience in capital, pricing, reinsurance, asset valuation in the 3/12 months; ¾ years. If these rules stand, much more clarification is required. I am also concerned that PRA are pushing separation of pricing and reserving, so to expect much knowledge of pricing bases may not happen in real GI companies, if PRA guidance has previously been followed
N	The “3 of the last 4 years and in 3 of the last 12 months” seems exceptionally prescriptive. I suggest weakening this to ‘should ordinarily have’ rather than ‘must have’.
Y	The time frames seem helpful to cover the variety of careers that people can go through – while still ensuring core skills are still there.
N	Experience as long as 10 years ago is not ‘recent’. I would just require on 3 of the last 4 post qualification. It is also important that the candidate has adequate knowledge and experience of the Solvency II regime. Initially this should typically consist of material time spent on development and implementation work, especially the completion and approval of trial valuations and regulatory submissions. After several years, it should generally consist of support work for an existing certificate holder or equivalent consultancy work.
Y	Why is there no mention of the CERA qualification at all in relation to the CRO role?
Y	However, it may be difficult to ensure that the person is involved in all the activities in last 3 years period post qualification. The person may not be involved in all the activities but may have knowledge of all the fields.
N	I think the ranges should be broadened, e.g. to 3 of 5 and 6m in 24m to allow greater flexibility for sabbaticals, illness or alternative career periods, otherwise no chief actuary could take more than a 9m gap at any point.
N	Insurance regulation does not change that quickly and such restrictions would be prejudicial to actuaries becoming involved in wider fields and those of career breaks (e.g. maternity leave or between roles). Indeed if a senior actuary is on a 12 months notice and on leaving they are placed on garden leave does that mean they couldn’t then take a new role as a Chief Actuary? Surely this depends on the nature of the role and the experience of the individual rather than something that can be appropriately restricted in this way.
N	I agree with the principles of this but am concerned about whether and how it would be applied on an ongoing basis. I believe these criteria are appropriate for initial applicants but then might be relaxed to say 15 years and 2/4 years and 3/15months once achieved- otherwise there could be problems if the actuary in question wishes to take maternity/paternity leave at any point.
N	What about people who’ve had a break (e.g. a parent) and are re-entering the workforce?
N	I agree some criteria is needed, but the above seems harsh. For example, what if a Chief Actuary takes a year out for maternity leave? The above implies they cannot return to their Chief Actuary role upon return to work
N	The candidate either has the knowledge and experience to perform the role or not. A candidate that lacks some of the criteria mentioned here MAY be less likely to be suitable and MAY need further scrutiny but should not be precluded. Moreover who decides on “relevant”? Who decides that experience outside insurance is not relevant

Question 32: Do you agree with the requirement to demonstrate breadth of experience in valuing the assets and liabilities of insurers?

Answered: 91 / Skipped: 13

Answer Options		Percent	Response Count
Yes		65%	59
No		35%	32
Answered Question		-	91
Agree	Comment		
N	In general insurance, actuaries normally do not get involved in the valuation of financial assets. The reference to assets should be clarified.		
N	It is unclear why valuing the assets is given the same prominence as the liabilities and indeed promoted in the text above that noted in the following points (Q33-37). For a general insurance company the valuation of assets is usually very straightforward. Demonstrating a suitable breadth of experience on this will be problematic unless 'suitable' is taken in this context to be fairly limited.		
N	Definitely no. See my answer to 30 above.		
N	In general insurance, actuaries normally do not get involved in the valuation of financial assets. The reference to assets should be clarified.		
N	In general insurance, actuaries normally do not get involved in the valuation of financial assets. The reference to assets should be clarified.		
N	The valuation of assets is not a core responsibility of the Chief Actuary in fulfilling the requirements of the role as detailed in Article 48, and we therefore question the appropriateness of its inclusion. In addition, "breadth of experience in valuing the assets of insurers" is probably outside the demonstrable experience of many actuaries.		
N	It is for the Board to decide if the candidate's experience is appropriate for the role.		
N	See 30, yes to liabilities for the team but not an individual. No to assets. Assets I would think very few Lloyd's actuaries will have actual experience of valuing assets and if there is to be a Lloyd's certificate then I would personally drop this requirement. I would certainly suggest that it is not given the same weight as valuing liabilities which is how the proposal reads. I noted the response to this question in the consultation and was surprised at the suggestion that we could simply read the rules for valuing assets. If it is that simple then why include it as a requirement. Also I was surprised that this would constitute experience. I would describe this as demonstrating a knowledge but not experience.		
N	It is important to be able to demonstrate a breadth of experience in valuing the liabilities of insurers but we believe such a detailed level of experience in valuing assets is not required.		
N	The valuing of assets is not central to the actuarial function. I emphasize that each criterion separately is desirable but it unreasonable to expect even the most experienced actuary to have the complete set.		
N	Is asset valuation necessary? (Apart from those directly relation to liabilities).		
N	Non-life actuaries sometime don't need to do that work		
N	I think that few actuaries have experience of valuing assets. Assets are generally valued these days at market value and doing so is not an actuarial task. Valuing assets is not mentioned in Article 48.		
N	For Non-Life, experience in valuing assets should not be required and this would not normally be an actuarial responsibility in Non-Life		
N	I am not sure valuing assets for GI companies is that important. Unless all this means is knowing that assets are valued at market value. Might be different for Life Companies where		

	assets tend to be more complex.
N	OK for life, not for non-life
N	Why assets?
Y	Although, by nature, most Non-Life actuaries will have limited exposure to asset-side modelling unless directly involved in building and managing the Capital Modelling process. The asset requirement should either be made applicable only to Life Actuaries or expectations defined more clearly in relation to Non-Life.
Yes	The method of demonstration should be more objective and knowledge based rather than experience based as the person may not directly involved in all the functions during last 10 years.
N	Liabilities absolutely – for most general insurance entities primary responsibility for asset valuation sits with the CFO not Chief Actuary
Y	It is important to demonstrate breadth but it may be too higher standard to show experience in every single area listed.
N	Demonstrate understanding and ability

Do you agree with the requirement to demonstrate breadth of experience in the following areas (Q33-37)?

Question 33: Considering the appropriateness of the pricing bases for insurance contracts?

Answered: 89 / Skipped: 15

Answer Options		Percent	Response Count
Yes		76%	68
No		24%	21
Answered Question		-	89
Agree	Comment		
Y	As for all of the experience that a broad understanding should suffice.		
Y	This is necessary in order to provide an opinion on the overall underwriting policy. However the required breadth of experience should therefore be assessed with this particular need in mind.		
Y	They need only be able to understand the analysis and outputs not have to have done them.		
Y	A broad understanding should be suffice.		
Y	As for all the experience that a broad understanding should suffice.		
N	It is for the Board to decide if the candidate's experience is appropriate for the role.		
N	See 30, Yes to within the team but not an individual		
Y	Not all areas are necessary		
Y	As a background it is fine, but this should be read in the context of my comment about it being unreasonable to expect experience in all, or almost all areas. This applies also to the other answers on this page.		
Y	BUT depends on to what level of detail (should be reasonable overview level).		
N	It is not the suitability of this as a preparation that I question, but its being a requirement. See		

	my answer to question 30 above.
N	I assume that this requirement is intended to be relevant to the requirement for the actuarial function to opine on underwriting policy, but my understanding is that this requirement is related to underwriting policy and governance, and does not relate just to pricing. I think this requirement should therefore be reassessed.
N	For the next few questions my answers are No. My concerns are not to do with each separately, but all of these requirements. I would expect some knowledge of some of these (as well as reserving) but not all
N	Depends on the level required
N	This seems to me to go much further (and is more prescriptive) than the Directive's Article 48 "express an opinion on the overall underwriting policy". I would prefer these two ideas to be more closer aligned (to Article 48's language).
Y	Non-Life London Market/Commercial & Specialty lines Actuaries are rarely involved with the pricing of all contracts. More definition required here as to the level at which such responsibilities and opinions are expected to apply e.g. can a sign-off be on a rating tool or framework when the underwriter has the primary responsibility for the price, or to expected achievability of business plan loss ratio targets etc.
Y	As the pricing basis should reflect the historic experience i.e. best estimate plus margins and hence has experience of experience analysis but the person may not involve in pricing of product.
N	Chief Actuaries may not be signing-off on the actual premium charged, but should have insight over the base price. Some chief actuaries in non-life typically have experience in 2 of the 3 of reserving, pricing, capital but may not have a breadth of experience in all three.

Question 34: Considering appropriate reinsurance arrangements?

Answered: 89 / Skipped: 15

Answer Options		Percent	Response Count
Yes		74%	66
No		26%	23
Answered Question		-	89
Agree	Comment		
Y	As for all of the experience that a broad understanding should suffice.		
Y	This is necessary in order to provide an opinion on the adequacy of reinsurance arrangements. However the required breadth of experience should therefore be assessed with this particular need in mind.		
N	They need only be able to understand the analysis and outputs not have to have done them.		
Y	A broad understanding should be suffice.		
Y	As for all of the experience that a broad understanding should suffice		
N	It is for the Board to decide if the candidate's experience is appropriate for the role. This, in particular, is an area that credible candidate might not have experience of but might clearly have the capability to do, if required.		
N	See 30, Yes to within the team but not an individual		
Y	Not all areas are necessary		
N	There are areas where reinsurance is not applicable/available (particularly in the health cash plan/private medical insurance market) and therefore this is unlikely to be a key part of		

	experience.
N	Please see comments from Q30. It depends on how much of an understanding and look-through of others' work would be sufficient to meet the requirements of giving an opinion.
N	See answer to question 33.
N	Depends on the level required
Y	As per response to 33 above – unlikely to be wholly under control of the Actuary so more clarity of an acceptable nature and scope of opinions provided.
N	I feel this can be niche work and may only carried out by the chief actuary- it may be hard to gain experience here before a practising certificate is required. Some experience of modelling the capital effect of reinsurance should be enough.
N	Depending on the firm, reinsurance may be outside the remit of the chief actuary, though they should be able to opine on whether or not the reinsurance is suitable.

Question 35: Measuring, managing and mitigating issues and risks to which an insurer is exposed?

Answered: 86 / Skipped: 18

Answer Options		Percent	Response Count
Yes		76%	65
No		24%	21
Answered Question		-	86
Agree	Comment		
N	This definition is too broad and could be reworded or clarified. Measuring and managing risk is also possibly a duplication with the below question (36) on capital assessment.		
Y	Again the required breadth of experience should be assessed with reference to what is required to fulfil the role of an effective Actuarial Function.		
-	They need only be able to understand the analysis and outputs not have to have done them.		
N	This definition is too broad and could be reworded or clarified.		
N	This definition is too broad and could be reworded or clarified. Measuring and managing risk is also possibly a duplication with the below question (36) on capital assessment.		
N	It is for the Board to decide if the candidate's experience is appropriate for the role. Whilst all actuaries will have at least narrow experience in this regard, wider risk management experience is not a pre-requisite for a Chief Actuary, and this requirement implies that it is.		
Y	However obvious overlap with the CRO poses organisational complications for an insurer		
N	See 30, Yes to within the team but not an individual		
N	We would expect the Chief Actuary to be able to demonstrate a degree of understanding of the issues/risks to which an insurer is exposed but feel the standard implied here is too great. Consideration should be given to the overlap with the Chief Risk Officer in respect of this.		
Y	Not all areas are necessary		
N	This is very vague.		
Y	But again should be reasonable overview level, especially for areas not directly actuarial.		
N	This criteria is rather wide and needs to be put into context to avoid potential duplication with CRO responsibilities. For example ensure all relevant issues and risks being included when conducting a reserving exercise?		

N	This seems to be so vague that I cannot imagine anyone failing it.
Y	However, could be some overlap with the Risk Function here
-	Depends on the level required
Y	Although this can be a “how long is a piece of string” topic !
N	Too vague a remit here and would seem to sit more naturally with the CRO or Internal Audit/Risk Management functions within an organisation, and noting that the Consultation Paper specifically excludes Internal Audit fro the PC requirements under the assumption that this will largely sit outside of Actuarial Function responsibility.
N	This may be carried out by the risk management function.

Question 36: Assessing the requirements of capital for insurers?

Answered: 88 / Skipped: 16

Answer Options		Percent	Response Count
Yes		77%	68
No		23%	20
Answered Question		-	88
Agree	Comment		
Y	This is preferable given the links to risk management and assessment but not technically required for the Actuarial Function to have this knowledge.		
Y	Again the required breadth of experience should be assessed with reference to what is required to fulfil the role of an effective Actuarial Function.		
N	They need only be able to understand the analysis and outputs not have to have done them.		
Y	This is preferable given the links to risk management and assessment but not technically required for the Actuarial Function to have this knowledge.		
N	It is for the Board to decide if the candidate’s experience is appropriate for the role.		
N	See 30, Yes to within the team but not an individual		
Y	Not all areas are necessary		
Y	BUT – see comments for 33 and 35.		
N	See answer to question 33.		
N	Depends on the level required		
Y	Subject to response 14 above – Increasingly common for Capital Management functions to report through CRO or CFO rather than Actuarial channels. Whereas parameterisation sign-off can and should remain with the Actuarial Function, the model build, operation and calculation of overall Capital doesn’t sit easily within this requirement under such a structure. It should be considered whether this opinion should rest with the relevant CRO or CFO in such instances.		
N	This may be outside the scope of the Chief Actuary and may be carried out by the Chief Risk Officer. Will the role of the Chief Actuary need to be deformed?		

Question 37: For Chief Actuary Life Certificates: analysing the matching of assets and liabilities and advising on investment strategy?

Answered: 64 / Skipped: 40

Answer Options		Percent	Response Count
Yes		87%	56
No		13%	8
Answered Question		-	64
Agree	Comment		
N	No view on this aspect given area of practice is general insurance only		
N	Centrewrite does not hold life reserves and so consequently does not consider it appropriate to respond to this question.		
N	It is for the Board to decide if the candidate's experience is appropriate for the role.		
-	I have no view on the life side		
N	We would expect the Chief Actuary to be able to demonstrate a degree of understanding in analysing the matching of assets and liabilities and the investment strategy but feel the standard implied here is too great. Consideration should be given to the overlap with the Chief Risk Officer in respect of this.		
-	Outside our area of work.		
N	I don't believe there should be a separate Life certificate therefore there should not be separate requirements. Matching assets and liabilities and investment strategies are relevant in different ways for all forms of insurance and therefore I struggle to see the differentiation.		
Y	For life actuary		
Y	But some non-life actuaries are also on investment and/or risk committees and one of the uses of an internal model is as a tool to assess appropriateness of investment policy		
-	Outside my area of expertise.		
-	Not relevant to my practice area		

Question 38: Do you agree that we should review the above criteria within the next three years to ensure that they remain fit for purpose as our experience of the Chief Actuary role and of the PRA's approval regime evolves?

Answered: 87 / Skipped: 17

Answer Options		Percent	Response Count
Yes		87%	76
No		13%	11
Answered Question		-	87
Agree	Comment		
Y	We are in favour of a complete review in 3 years to allow possible amendments to all areas of the scheme given there will no doubt be some adjustments necessary are requirements become clearer.		
Y	If a practicing certificate regime is put in place then it should be reviewed. The 3 year point proposed looks sensible.		

N	Needs to be reassessed within 3 years
Y	We are in favour of a complete review in 3 years to allow possible amendments to all areas of the scheme given there will no doubt be some adjustments necessary as requirements become clearer.
N	It is for the Board to decide if the candidate's experience is appropriate for the role.
N	A review within the next year seems more reasonable, to ensure that any issues are dealt with promptly.
N	I would suggested a longer time period before review
N	Review is necessary but triennial may be too inflexible.
Y	As I do not think they are fit for purpose today, I think this will be necessary/vital.
N	I agree with reviewing the criteria, however, I think a three year timeline is too long.
N	Again, I think that these things should be kept under continuous light review rather than schedule a formal review, with all the resource commitments that implies, long before time.
Y	I think that the Chief Actuary role is much wider than Solvency II compliance and would suggest that all reviews recognise this.
Y	and as S2 beds in and evolves

Question 39: Do you agree that the technical criteria for a Lloyd's syndicate Chief Actuary role should be the same as for the other practice areas except that experience must be materially gained in the Lloyd's or London Market environment?

Answered: 81 / Skipped: 23

Answer Options		Percent	Response Count
Yes		64%	52
No		36%	29
Answered Question		-	81
Agree	Comment		
N	I think experience gained at one of the large European insurers or reinsurers would be equally relevant. Egg the business written by AGCS or Munich Re is very similar to London Market business.		
Y	As it is proposed that the requirements for Lloyd's are sufficiently different so as to require a separate practicing certificate then it would appear to follow that the technical requirements should be materially gained in Lloyd's. However the timing requirement (as outlined in Q31) may need to be relaxed in order not to prevent an otherwise suitable applicant who may have been working outside the Lloyd's market in recent time but have suitable historic experience and can quickly meet any shortfall with appropriate CPD activity.		
Y	This is the case for SAO practising certificates		
Y	This is very important given the significant differences in business, approaches, regulation and roles surrounding Lloyd's.		
Y	This is very important given the significant differences in business, approaches, regulation and rules surround Lloyd's.		
N	It is for the Board to decide if the candidate's experience is appropriate for the role. In particular, candidates with experience materially gained in Bermuda or Zurich might be perfectly capable.		
N	I think the difference between Lloyd's/London Market and other general insurance companies is somewhat overstated. Again this will limit individuals' ability to move jobs. For example		

	once you are a Chief Actuary in Lloyd's/London Market you will be restricted from taking up roles outside of this market unless you took a demotion to build up the experience. Is this really desirable?
N	Should be targeted to needs of role within Lloyds
N	We have made the point that a separate Lloyd's certificate is disproportionate. However, it would be just as inappropriate for an actuary whose entire experience was in Lloyd's to become chief actuary of a motor insurer as vice versa. If London market knowledge is necessary for Lloyd's then it should also be necessary for an LM company, but that sort of logic would lead to a proliferation of certificates.
Y	(But not my area)
N	I think this means that there is a significant risk of group think, whereby if only actuaries from within the narrow confines of the Lloyds market can be chief actuaries for Lloyds syndicates it is very likely that a potential risk could be overlooked.
Y	Part experience should count too, with no time limit
Y	This criteria will help to safeguard the jobs of UK experienced actuaries (from a selfish perspective)
N	This precludes highly competent actuaries who may not have worked at Lloyd's.
Y	I agree in principle, although I am concerned about barriers to entry.
N	I personally think this is over the top but know Lloyd's want it
N	I am concerned about 2 classifications for GI. This implies that London Mkt business is fundamentally different to retail insurance. So, professional indemnity is different ? I think this should be covered by the Actuaries Code, not this certification. Certainly I would have been disappointed not to have been a Lloyd's signing Actuary when moving from Travellers In Reigate to Travellers at Lloyd's, which is the implication of this proposal – and since those days, firms allocate their business much more arbitrarily between companies and syndicates – and these are not necessarily London Mkt companies. Feels like retail will be a 2 nd tier categorisation.
N	I remain unconvinced a separate Lloyds versus non-Lloyds Chief Actuary PC is necessary.
-	I don't feel competent to comment
N	Without greater clarity on "Material" I am uncomfortable with this, particularly if applied to the recent experience element. I think it appropriate that any prospective chief actuary should have some experience in Lloyd's at some point in their career. As currently drafted however, it suggests that any senior actuary who leaves Lloyd's to work in the company market for a period may be unable to come back in to the market other than by taking a more junior role. This would be extremely damaging to the quality and breadth of the talent pool available to Lloyd's and would prevent sharing of best practice between Lloyd's and other markets.
N	I don't think the Lloyd's PC should be limited to Cas that have London Market experience only
N	I do not think Lloyd's specific experience should be required.
N	No strong view.
Y	Need to have an understanding of specific rules for Lloyd's.
N	This would prohibit someone moving into Lloyd's, essentially creating a closed shop. Whilst Lloyd's has it's own regulation it is not that different from the company market that an intelligent person could not understand it very quickly
N	An actuary for a motor syndicate actuary would need Motor experience and this would be better than commercial insurance from the London Market

N	As stated above, I think the Practice Module is nearly useless for those working in Lloyd's.
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Question 40: Do you agree there will remain a need for a Lloyd's Practising Certificate for members signing the formal Statement of Actuarial Opinion on technical provisions for solvency and that the technical criteria should be unchanged from the current certificate?

Answered: 75 / Skipped: 29

Answer Options		Percent	Response Count
Yes		80%	60
No		20%	15
Answered Question		-	75
Agree	Comment		
Y	For now this seems helpful. In the long run it may be that the new Chief Actuary (non-life with Lloyd's) PC could become all that is required and hence the separate Lloyd's PC would cease. This could be part of the review mentioned in Q38.		
Y	Given the need for a SAO will continue as part of the PRA handbook then the requirement has effectively not changed and there is no need to amend the current requirement. However, anyone holding a Chief Actuary (non-life including Lloyd's) would be able to provide the SAO (but not vice versa)		
Y	Given the need for a SAO will continue as part of the PRA handbook then the requirement has effectively not changed and there is no need to amend the current requirement. However, anyone holding a Chief Actuary (non-life including Lloyd's) would be able to provide the SAO (but not vice versa).		
Y	I would expect most syndicates who currently use external actuaries to sign their SAO to continue with this process, regardless of whether the Actuarial Function requirements are met internally. This does though depend on how Lloyd's align the SAO with SII TPs and whether more syndicates move the SAO in-house. For now I would not see a reason to change the requirements.		
Y	However, I think this is really a question for Lloyd's!		
Y	Unless Lloyd's dispenses with the requirement		
-	I don't feel competent to comment		
Y	In order that the SAO can continue to be provided by an external party rather than being part of an internal Actuarial sign-off.		
-	No idea		
Y	It would be good if holding the chief actuary (with Lloyds) certificate would exempt the fellow from requiring this certificate to stop duplication, but there may be cases where an actuary does without needing the breadth of experience required for the chief actuary certificate.		
-	No strong view.		
N	Yes and no; not necessary if every Syndicate has a Chief Actuary and the Chief Actuary can provide? Will ensure consistency in experience for all non-life actuarial elements.		
N	See previous comments regarding CPD being too onerous		

Question 41: Do you have any other comments on the proposals or wish to add anything to inform our thinking?

Answered: 80 / Skipped: 24

Answer Options		Percent	Response Count
Yes		37%	30
No		63%	50
Answered Question		-	80
Agree	Comment		
Y	<p>If the PC were to come in as currently worded, then it would require very different career planning. Currently many non-life actuaries with some years post qualification experience will have specialised either in pricing or capital and reserving. For a senior actuary it would be difficult to switch into a role outside their specialism. Therefore only the people who deliberately switched roles early in their career to cover pricing, reserving and capital would later be eligible for a Chief Actuary role, even though (in a large company) they would not need detailed technical experience in everything. Thus the PC requirements would unnecessarily restrict the pool of potential candidates.</p>		
Y	<p>Given the Life PC regime already exists it does seem difficult to justify not having a level playing field between life and non-life. Therefore whilst being resistant to the idea for general insurance it is understandable why the profession is seeking to progress the introduction of a PC. The consultation does not state whether it is necessary for someone to have passed the relevant UK Practice Module in order to gain the proposed Chief Actuary PC. Currently this is a requirement for anyone wishing to practice in a reserved role. As such a role does not currently exist in non-life (outside of Lloyd's) this will be a problem for some prospective applicants in this field if it is to be a requirement. Given the experience requirements and therefore likely period that potential Chief Actuaries will have been qualified, many will not have sat this exam as it was not in existence when they qualified. It therefore needs to be clarified whether this is a requirement and if so whether this will also be waived as part of the first year of transition. Does the fact that the consultation is silent on this point mean that it is not a requirement or has it simply not been thought about?</p>		
N	<p>Please define clearly what a "Chief Actuary" means. Is it the person signing the reports that go to the Board in relation to the strict solvency II requirements of the Actuarial Function or is it the individual (perhaps also called a Chief Actuary) who is responsible for managing and mentoring the actuarial team – and possibly sits in the Board and receives reports from the AF Heads? I believe the control function role should be renamed "Actuarial Function Head" and not Chief Actuary. I believe the regime should allow individuals with different experience and skills sets to pool their expertise into a combined effort form a collective Actuarial Function. I do not believe a practising certificate regime is necessary therefore.</p>		
Y	<p>From our own experience we would re-emphasise the importance of allowing the actuary to choose the most appropriate practising certificate taking into account the circumstances specific to the appointment. As mentioned above Centrewrite is a composite pure reinsurer, where the life syndicate reinsured is more akin in its claims development to general reinsurance than life insurance. Further to this, the current claim provisions at a best estimate are nil and therefore an element of proportionality should apply. To overcome this we would suggest using language of "should normally" rather than "must" when defining which certificates are required. Centrewrite supports a requirement for the Chief Actuary to hold a practising certificate and at the time of appointment to a pure composite reinsurer, the actuary may need to explain to the board of directors the factors taken into account in assessing the appropriateness of accepting the appointment. In addition given the tight timescales involved it might be more realistic to look to have the regime in place from, say</p>		

	July 2016, to give both members and the profession at least 1 year to prepare appropriately (e.g. to gain enough CPD).
Y	Given the tight timescales involved, it might be more realistic to look to have the regime in place from, say July 2016, to give both members and the profession at least 1 year to prepare appropriately (e.g. to gain enough CPD). Also from our experience with life syndicates at Lloyd's we would re-emphasise the importance of allowing the actuary to choose the most appropriate practising certificate in circumstances. For example if just writing very short duration term assurance contracts or some inwards Life reinsurance contracts then General Insurance techniques may be more appropriate and the business would be (rightly) managed by general insurance actuaries. To overcome this we would suggest using language of "should normally" rather than "must" when defining which certificates are required. It still should be emphasised that a PC is needed and the actuary may need to explain any deviations from the "normal" expectation if challenged by either regulators or the profession.
Y	The wording of section 2.1 of the consultation implies that the Chief Actuary role and the external actuary role as described in para 2.1 of the PRA's consultation CP24/14 Solvency II: further measures for implementation are seen by the IFoA as different roles. Our interpretation of the PRA consultations is that, where appointed, the external actuary will be the Chief Actuary. In our opinion more appropriate wording for section 2.1 of the consultation would have been "Any IFoA member fulfilling a Chief Actuary role, including any external actuary appointed in that role, would be required to obtain a practising certificate from the IFoA." We ask the IFoA to clarify the position as soon as practicable. For the avoidance of doubt, it would be helpful if the IFoA could state that the current practising certificate regime will remain for non-directive firms.
Y	General insurance has been the biggest growth area for actuarial employment over the last two decades because actuaries have been able to add significant commercial value to businesses. The creeping regulation of actuaries being driven by the IFoA and the FRC can only act to reduce the commercial relevance and hence, usefulness of actuaries employed by general insurance companies. This can only have adverse consequences for the profession in the long run.
Y	I have responded to most sections in the negative as I do not support the proposal but I have included comments on the basis that this will go ahead. Overall I do not think we should be linking the need to meet the requirements of the Actuarial Function to the role of a Chief Actuary which is much broader and requires skills not covered by the PC. I would find it confusing to have actuaries holding Chief Actuary PCs who may not be the Chief Actuary and I would think Boards would as well. The proposal does not recognise that the requirements of the Actuarial Function can only be met by a strong team with experts in the key areas, if this is to help Boards then this should be the focus. I fear the proposals will unnecessarily limit individuals progression to Chief Actuary and will limit senior actuaries abilities to change roles in some cases moving outside of the actuarial area.
Y	Comments: Overall, we support the proposals to introduce PCs for those holding the Chief Actuary role and believe that such a regime will also be recognised and valued by companies/regulators outside the UK. However, we have a few additional comments/queries about the proposed regime: <ul style="list-style-type: none"> • Would the requirement to have passed the relevant Practice Module still exist? This could be an issue for some General Insurance actuaries who may not have thought they needed to sit this exam as they would not be applying for a PC but now wish to. • Could the regime be adjusted for composites where one book of business (either the life or non-life) is non-material? Under the proposed regime separate life and non-life certificates will have to be held and, since it is likely that there will be very few IFoA members who will have a sufficient breadth/depth of experience to hold both PCs, this could mean that two Chief Actuaries will need to be appointed. For smaller composites, in particular, this could be burdensome. For those composites where one portion of the business is non-material, could

	<p>an individual be required to possess a “full” Chief Actuary PC in respect of the material business but a “restricted” Chief Actuary PC in respect of the non-material business. By “restricted” we mean that the individual is able to demonstrate sufficient breadth/depth of expertise in respect of the non-material business but is restricted to holding the Chief Actuary role for that particular entity or similar entities.</p>
N	<p>I think the practising certificate, especially for GI is restrictive for actuaries and for small insurers. I don't believe practising certificates are necessary in larger organisations where internal actuaries are appointed to a Chief Actuary role and the employer has a better assessment of capability than the profession does. For small GI insurers who (I believe) have often had little or no actuarial advice in running their business, Solvency II is bringing a significant change in requiring a Chief Actuary. I don't believe that the market for external GI actuaries is fully developed on either the supply or demand side. I think introducing practising certificates now will restrict supply and distort the market price of external actuaries to the detriment of users of actuarial services. I provide actuarial services to a small GI firm through a sub-contracting arrangement with a larger actuarial consultancy for whom I have also carried out life consulting. I also do risk consulting through the same firm, through another risk consultancy and directly through my own firm to Life, GI and Health insurers. What is clear to me is that a combination of skills and experience over many years in different domains but allied with professional responsibilities to only act where one is competent and capable is much more relevant than a strait-jacket of set criteria that I might struggle to squeeze into on a strict interpretation of the draft published rules. I cannot be alone. I believe the input of actuarial skills to these small GI firms will be the greatest benefit. How and when those skills have been tested, hosted and tempered is actually a secondary consideration at present. I think the profession would do better to give itself and its members some breathing space and see how things develop without certification before imposing something that I believe will (at least in the short term) be detrimental to clients with the greatest need and the members who can help them.</p>
Y	<p>We are concerned that if the criteria are applied strictly then few actuaries will qualify. All companies and managing agents will need chief actuaries, and smaller ones may struggle to find one if the criteria as drafted are enforced and the supply is restricted.</p>
Y	<p>I think you stand on the precipice of restraint of trade legislation. The criteria as written allow only a very limited pool of people to undertake these roles, and appear focused on keeping that pool of people small. I think this is bad for the profession as a whole, and also for members who wish to undertake a broad rather than a narrow career. It effectively encourages people who have a broader interest not to aspire to a Chief Actuary position, but to other roles within an insurance company (and eventually to stopping being actuaries). This will harm the reputation of the profession rather than enhance it. Generally, I remain against the regulation of any actuarial roles in this way. However, if you felt it important to do so then I would recommend a far more generic regime with just one general “Chief Actuary” practicing certificate that could apply across all roles where this may be required. This should assess the professionalism and communication skills of the applicant, their ability to maintain independence and breadth of thinking skills. It should then be for the board to assess if they understand the business that is being managed well enough. Both the PRA and the FRC have disciplinary schemes should an actuary do something inappropriate, so I think you need to rely more on the professionalism of the individual and the decision-making of the firm rather than imposing narrow restrictions in this way.</p>
-	<p>Suggest to independently test out the proposed regime and apply the proposed criteria on a sample of firms/actuaries.</p>
Y	<p>In general, I think there should be a class of certificate allowing Chief Actuaries conduct work at both Lloyd and company markets. This is a common business model. There should be no cost of application for a PC (there is no cost of application for a PRA approved position).</p>
Y	<p>The Institute seems to be distancing itself from the norm of other professional financial services that the concept of Associate is the default acceptable platform for qualification. In</p>

	Nicholas Dumbreck's Presidential Address on 25 Sept 2006, which was largely responding to efforts made to address the issues identified in the Morris report, he wrote: "I believe that focusing on the Associateship as a qualification in its own right will help considerably in this regard... It is compatible with the minimum education requirements of the International Actuarial Association (IAA), and is therefore suitable as a starting point for an international actuarial career." As long as it is coupled with several years of relevant experience, it does not make sense that Associates are excluded from a Chief Actuary role (nor the CRO role), particularly as other many European Actuarial bodies do not have the Fellowship standard.
Y	The current proposal seems ill thought through. – if it is applicable to IFoA members, it should apply regardless of which EU regulator their firm is supervised by - for general insurance, the certificate will either be so general in scope as to be useless to firms, or so specific that it would be a nightmare to define and issue - enforcing this proposal will be yet another reason practitioners in the UK may prefer to come under the professional oversight of the C.A.S. rather than the IFoA - it will put IFoA members in the UK at a competitive disadvantage compared to actuaries who are members of any other overseas professional bodies, due to the additional cost, inconvenience and potentially lack of meeting a specific requirement - Solvency II is meant to be a maximum harmonising regime – if such an initiative is desirable then it should be implemented on a European basis with a common standard being applied (in a similar way to CERA) - it is illogical that a student with say 30 years highly relevant experience would be excluded from this regime (and potentially their job as a result), only to be replaced by a recently qualified actuary with the minimum relevant experience. This is not helping boards in the least.
Y	I realise that we could not have a system in which certificates for particular insurers were issued. However, problems may arise from the fact that a certificate must entitle the holder to be chief actuary for the smallest, simplest insurer or for a large composite. It may be that those who are really capable of doing the latter would not want to do the former, but smaller insurers will need chief actuaries too. I see this as a problem but cannot see how to get around it.
Y	I would urge the institute to consider the wider impacts of their proposal. Thanks you
Y	I am concerned that this seems to be heading towards a Closed Shop environment, and also severely restricting freedom of movement between Retail and London Market firms. Generally, I was very disappointed at the consultation session in London, to the extent of not daring to speak - seemed to be focussed on larger companies e.g. having the next 1 or 2 Chief Actuaries lined up!
Y	The Principles are appropriate – however, there are many details that need to be considered – the carving out of Lloyd's as a separate category is not wholly intuitive. There are many other London market entities that have the same or similar complications to Lloyd's. If the intention is to differentiate London market from non-London market then this should be clarified.
-	Consideration needs to be given revision of APSL1 and APSL2 and whether equivalents for the non-life Chief Actuary are required. With regard to the APSL2, it needs to be confirmed whether the Chief Actuary Function is an actuarial appointment subject to the requirements and protections of The Financial Services and Markets Act 2000 (Communications by Actuaries) Regulations 2003.
Y	If the CERA qualification is to be valued at all, it should be a requirement that the CRO has this qualification.
Y	The definition of an actuary will need to be defined; individuals who are neither associates or fellows of the IFoA and similar have been defining themselves as actuaries for many years so the introduction of such consultation may cause some surprises. In general, IFoA would need to consider whether other senior positions e.g. 'head of reserving', 'head of pricing', 'head of capital' need to be carried out by Fellows and Associates of the IFoA and similar only, since these are usually stepping stones to the Chief Actuary roles. I am also

	concerned that individuals whom these rules may impact (non-members of the IFoA) may not be able to provide feedback.
-	One of the factors contributing to the last financial crisis was that regulators were often drawn from the industry itself and arrived with a flawed view of the institutions they had to monitor. We are in danger of replicating this error by assuming current practice is necessarily best or aspirational practice and then self-regulating our members by requiring them to adhere to current thinking on best practice. Equally, we are in danger of undermining our members by proscribing how they act rather than providing a support framework – this may also lead to members neglecting their personal responsibility and (over)relying on practice certificates as being sufficient in themselves.
Y	A bit more EU standardisation of requirements, because even if the regulation is common for all EU countries, every country have different approach in the regulation of the actuarial roles.
Y	I believe that the IFoA is introducing too many certificates and overarching rule
Y	I think there is a very real danger of a) putting Senior actuaries off Chief Actuary roles because of the increased levels of bureaucracy involved (I know of real-life examples who would pursue other roles rather than conform to these plans) and b) creating a two-tier system for Fellows, those with and those without Practising certificates.

Additional comments	
<p>I welcome the opportunity to comment on the two consultation documents recently issued by the IFoA. I have worked as a Chief Risk Officer at a FTSE 100 insurer for 6 years between 2007 and 2013 and was also previously the Chief Actuary at the same organisation. I am currently in the process of establishing a new consultancy business, Argyle Chalmers.</p> <p>My comments relate primarily to the Chief Risk Officer consultation but I think the changes I recommend are also relevant to the Chief Actuaries consultation. In summary, I believe that many aspects of the proposed practising certificate regime are flawed and have the potential to damage the future development of the actuarial profession in the field of risk management and will create risks for the profession itself.</p> <p>I have prepared these comments on the expectation that the practising certificate whilst initially voluntary would in due course become compulsory and that it is important to get the details of the regime right from inception.</p> <p>How competent are Insurance Company Boards?</p> <p>A key rationale for introducing the Practising Certificate is that “it can be difficult for those who are not actuaries to assess the benefit and quality of actuarial skills”. All insurance companies are subject to regulation by the PRA and there are expectations about the skills and capabilities of directors. An appointment of a CRO is likely to involve assessment by an Executive Search organisation, in depth interviews of potential candidates and a thorough examination of the candidate’s professional skills and background. The appointment will also be subject to regulatory approval. I find it very difficult to see how the IFoA practising certificate process is more rigorous or effective than the process that Boards will go through in making such an appointment. There is also a risk to the profession should it hold out the practising certificate to be a sufficient criteria that Boards could rely upon rather than expecting them to conduct their own in depth due diligence.</p> <p>Ideal CRO Profile</p> <p>The IFoA requirements are focused on technical skills and experience. A key hurdle for any actuary seeking a CRO role and practising certificate will be recent in depth risk management experience. The reality, however, is that the Boards are often looking for wider business and communication skills from their CRO rather than the technical nitty gritty of risk management process. Technical risk management</p>	

skills can be learned by a new CRO and are often delivered by the members of their team. This is an area where there is no firm consensus on the ideal profile for a CRO but there is certainly a significant body of opinion that wider business skills are more important than technical capability.

Career Paths

Building on this, consider some hypothetical scenarios where an actuary would struggle to get a practising certificate and might be unable to take up a CRO role. In each case there would be no such impediment from someone from a different professional background.

1. Mary is a high flying actuary who has developed her career in product development and marketing. She is seen as a potential candidate for Chief Executive in 3 to 5 years time. In reviewing their succession plans the Board would like her to broaden her experience with a period in risk and would like to appoint her as Chief Risk Officer. They recognise that she doesn't have any risk management experience but are confident in her ability to learn given her strong academic background. They are also enthusiastic about her potential capability to communicate complex risk topics in an accessible and engaging manner.

2. Judith is an actuary who has worked in risk management for the last 15 years at a large insurance business. Her ambition is to become the CRO of the business. Her Chief Executive suggests that she needs to broaden her experience if she wishes to reach the CRO role by gaining experience and credibility in different aspects of the business. The CEO suggests that she should take a 3 year secondment to the sales function to broaden her skills and to enhance her communication capabilities. Judith is worried, however, that if she takes this role she wouldn't qualify for a practising certificate just at the time when she would hope to take up the CRO role.

3. Mo is an experienced actuary who was previously the Chief Risk Officer at a large insurance company. After 10 years as CRO he moved to an alternative role in the IT function where he worked for 2 years. After that time, however, he decided he wished to return to a risk role and seek out CRO opportunities. As an actuary however he fails to meet the experience requirements for a practising certificate having worked in risk for only 2 years in the last 4 and not all in the last 12 months.

Jobs for the boys

A key requirement of the practising certificate regime is that a current holder of an IFoA Chief Risk Officer PC attest to the professional suitability of the applicant. I'm surprised by this in an age where much greater transparency and diversity is the norm and expectation. I would question how meaningful any such attestation might be. How is the applicant for a CRO role that has spent her career working for a CRO from another profession to meet this requirement? How much value will there be in an attestation from an IFoA CRO at another firm who may have some knowledge of the candidate but not in the depth of knowledge gained from working closely with the candidate over many years. Could this requirement be seen as creating a closed clique of actuarial CROs to the exclusion of valid candidates from different backgrounds?

CPD

A key area where I support the practising certificate requirements is CPD. Any actuary holding a CRO role needs to continue to develop professionally and they must seek wide and varying external inputs to challenge their thinking and broaden their perspective.

Conclusion – What needs to Change?

- The experience requirements for a practising certificate need to be much more flexible. The profession should put the onus upon the candidate to demonstrate that they are appropriate to hold the PC and give enough flexibility for those without deep risk experience, but with other relevant attributes, to demonstrate that they will develop this in role and have access to the necessary support and assistance as they gain experience in the role.

- The requirement for an attestation by an IFoA CRO should be replaced by a requirement that the candidate provide two referees who the IFoA can speak to about the candidates. These referees need not be members of the profession.

- The IFoA should emphasise that it is the responsibility of Boards to conduct a detailed and appropriate assessment of candidates for the role of CRO. Candidates being a member of the actuarial profession or holding a practising certificate should be seen as hugely positive in terms of the ethical and professional requirements placed upon actuaries but can never provide complete assurance that any given actuary is the right person for the role they are seeking to fill. This is an assessment that only the company can make.

My remarks have focused on the Chief Risk Officer consultation. There are important differences with regard to Chief Actuaries. In the case of Chief actuaries the technical element of the role is a more central requirement and in almost all cases the role holder will be a fellow of the IFoA. Whilst much of my preceding commentary is less relevant in the case of Chief Actuaries I believe the three suggestions above would be positive enhancements to the proposed regime.

I hope that the above comments are helpful and I would be very happy to discuss in more detail.

6. LIST OF RESPONDENTS TO THE CONSULTATION*

Individual respondents to the consultation

Stephen Ainsworth	Bernhard Klinger
Kim Arif	Sally Lake
Chris Barnard	Colin Ledlie
Roger Bou Harb	Julian Leigh
Paul Caprez	Brett McWilliam
Andrew Chamberlain	Cameron Mills
Graeme Charters	Douglas Morrison
Neil Christie	Nick Parry
Alastair Clarkson	Chris Price
Mark Cockcroft	Abhishek Singh
Nick Dumbreck	Peter Taylor
Paul Grimsey	James Toller
David Gulland	Keith Tomkins
Derren Hughes	Phillip Towell
Helen Jenkins	Ed Tredger
Paul Jolly	Nico van der Colff
Mike Kipling	Cynthia Yuan
Raj Kishor Chaurasia	

Organisations which responded to the consultation

A C Actuarial Ltd	Lloyd's
Allianz Insurance	S A Meacock & Co Ltd
Antares Managing Agency Ltd	The Analytical Cooperative
Aviva plc	Towers Watson Ltd
Barnett Waddingham LLP	

Other

* *Only those who indicated that they did not wish to keep their name, organisation or comments confidential are listed*