Why did we agree to speak?

To make us think properly about TASs!
Contents

• What we do in our Actuarial team
• A recipe for TAS compliance
• Some observations about the real world

What we do in our Actuarial team

• Reserving - In-house SAOs
• Pricing – Risks, Models, Reinsurance
• Capital modelling
• Catastrophe Modelling
• Commutations
• A Company and a Syndicate
Our recipe for TAS compliance – Step 0

Summarise each TAS into bullets (a “1-pager”)

- Not that many: D, M, R, Ins...
- Reasonably straightforward
- Don’t make a cake without first reading and understanding the recipe!

© 2010 The Actuarial Profession
www.actuaries.org.uk

Our recipe for TAS compliance – Step 1

Make a list of all department output
- Reports
- Emails
- Powerpoints etc

- Anything with any Actuarial input, even if co-authored
- All functions within the team
- Nothing excluded to start with

Aggregate vs Component reports?

Users and decision making?
**Our recipe for TAS compliance – Step 2**

Compare list items to Scope of each TAS

- Scope and Authority
- Insurance TAS – 1st October 2011
- TAS R – 1st April 2010
- TAS M – 1st April 2011
- TAS D – 1st July 2010

- Which supermarket can I buy my ingredients from?

**Our recipe for TAS compliance – Step 3**

Decide which pieces of work in the list fall into Scope

- Hopefully a shorter list than the one you started with
- We discovered that if one TAS was needed, they all were
- Cross check with Alex Marcuson’s list:
  - Reserving
  - Audit support
  - SAOs
  - AF Opinions for S2
  - Regulatory Capital
  - Pricing frameworks
  - Transformations
Our recipe for TAS compliance – Step 4

Check each “piece of work” satisfies each bullet of your one-pager
• See where the gaps are
• Look for common elements

Then FILL THE GAPS!
Bear in mind:
• Materiality
• Knowledge and experience of users
• Use of standing documents

Some observations about the real world 1

• Overlap with Solvency 2 in many places
• Overlap with Sarbanes-Oxley
• Reports and outputs might serve:
  • Genuine business use
  • A TAS requirement
  • A Solvency 2 requirement

Must consolidate these as much as possible otherwise you will drown in paper!
Some observations about the real world 2

- Pensions Trustee with little experience *versus*
- Director of a Managing Agent underwriting for 20 years.
- Communication must start at an appropriate level
- However, also remember that almost all users of actuarial work would dearly love to ignore:
  - How you did your work
  - What methods you used and how unreliable they are
  - The assumptions you used and how heroic they are
  - Where your data came from and how grubby it is
  - How wildly uncertain your results are