



PROFESSIONAL STANDARDS DIRECTORY - Update 31: APS P2 (Pensions), APS G2 (General Insurance), APS L1 & APS L2 (Life)

For Actuaries involved in Pensions, General Insurance and Life

The Professional Standards Directory can be found [here](#).

It is designed to permit members and others to access the current Institute and Faculty of Actuaries' (IFoA) Actuarial Profession Standards (APSs), together with the current version of the Financial Reporting Council (FRC) Standards.

ACTUARIAL PROFESSION STANDARDS

[APS P2: Compliance Review - Pensions - Version 1.1, effective 1 April 2014](#)

Summary of changes to APS P2

APS P2 Compliance Review: Pensions has undergone a review to ensure that its references remain up to date. Version 1.0 was effective from 1 April 2011. Version 1.1 will be effective from 1 April 2014.

There are no changes to the first five sections of APS P2 – ie the introduction, the attributes of the reviewer, review principles and the two types of review – except for the deletion of an expired transitional provision in 2.2.2. But Section 6, which dealt with the transition to APS P2 from Guidance Note 48, has been removed as, with the passage of time, it is no longer of relevance. Associated references to Guidance Notes set out in the Appendices have also been removed. Other references, including some of the definitions in what is now section 6, have been updated.

Appendix 1 continues to list the work covered by APS P2. There is one potentially material change, which is that the section dealing with PPF entry (now labelled H2) now extends beyond Section 143 valuation to incorporate funding estimates for funding determinations by the PPF under Section 143(2)(a) of the Pensions Act 2004, Section 152 valuations or funding estimates for funding assessments by the PPF under Section 152 and Section 158 (closed scheme) valuations.

A minor adjustment is made at I3 in describing the written report on the actuarial valuation required under Part 3 of the Pensions Act 2004.

A fundamental review of APS P2 is due to commence later in 2014 in the light of responses to APS X2 (the proposed cross-practice standard on Peer Review).

[APS G2: Actuarial Reporting for Lloyd's Syndicates Writing US Business - Version 1.1, effective 1 April 2014](#)

The Actuarial Profession Standard APS G2: Actuarial Reporting for Lloyd's Syndicates Writing US Business (APS G2) was due to be reviewed no later than 1 August 2013. The GI Professional

Standards Committee has reviewed APS G2 and has confirmed that no substantive changes are required. The following minor amendments have been made:

- APS G2 has been updated in accordance with the current style and branding;
- where appropriate the words "must" and "should" have been used to ensure consistency with other APSs. Care has been taken to ensure that these changes do not materially affect the obligations under this APS; and
- the review date has been changed to every 3 years to bring this in line with the other APSs. If there are developments during the three year period which require APS G2 to be amended, an interim review can be carried out.

The changes have been implemented in accordance with the "minor procedural amendments" process. The Standards Approval Process states the following in relation to this process:

"Minor procedural amendments – if the proposed amendments are minor, i.e. do not materially change the meaning, effect or substance of the APS, the SRC may agree to implement the amendments without consultation. Members will be informed of the rationale for this decision."

It is recognised that this was one of the first Guidance Notes that became an APS, and that the style of the APSs has evolved since 2010. In particular, other APSs are much more high level and, where appropriate, are supported by a more discursive guidance. It was thought that the current review should focus on ensuring that the current APS is fit for purpose, therefore a more substantive review of the structure of APS G2 has not been carried out at this time.

[APS L1: Duties and Responsibilities of Life Assurance Actuaries - Version 1.1, effective 1 April 2014, and](#)

[APS L2: The Financial Services and Markets Act 2000 \(Communication by Actuaries\) Regulations 2003 - Version 1.1, effective 1 April 2014](#)

The Life Standards and Consultations Committee (LSCC) has reviewed the life standards APS L1, Version 1.0 and APS L2, Version 1.0 and has updated those standards to reflect changes (1) in the relevant legislation; and (2) to certain organisations named in those APSs.

The changes are intended only to amend the APSs so as to bring them up to date and to correct out of date references. They are not intended to change the substance or scope of the APSs.

The changes have been implemented under the IFoA's Standards Approval Process for minor procedural amendments.

Summary of changes to APS L1 and APS L2

- References to FSA have been changed to PRA, FCA, Bank of England or a combination of those depending on which of those organisations has taken on that power, responsibility or role in terms of changes introduced by the Financial Services Act 2012 (FSA 2012). This includes revision to the Financial Services and Markets Act 2000 and corresponding statutory instruments (including the Financial Services and Markets Act 2000 (Communication by Actuaries) Regulations 2003).

- References to the FSA Handbook have been changed to refer to the PRA or FCA Handbooks, as appropriate.
- References to BAS have been removed and replaced with reference to (and definition of) the FRC.
- For APS L2 only:

The section on Threshold Conditions in the existing APS (section 6) has been removed to refer simply to the relevant legislation.

UPDATING YOUR CONTACT DETAILS

If you need to update your contact details, please contact the Membership Department (<mailto:membership@actuaries.org.uk>) or update them on-line at the members' only section of the IFoA's website at: <https://www.actuaries.org.uk/user>. To log in, please note that your user name is your ARN and your password is your date of birth entered as dd/mm/yyyy (including the separators) unless you have previously changed it.

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