



APS G1: THE CHIEF ACTUARY IN NON-LIFE INSURANCE

Version: 2.0 effective 1st September 2017

Purpose: This **APS** sets out the requirements for **Members** carrying out the statutory role of **Chief Actuary** for UK authorised general insurance companies and Lloyd's syndicates and the relationship between them and the **Members** who support those role holders.

Target Audience: **Chief Actuaries** appointed by or in respect of UK authorised general insurance companies.
Chief Actuaries for Lloyd's syndicates
Members who support those role holders.

1. General Obligations

- 1.1 Before taking up an appointment as a **Chief Actuary**, **Members** must consider whether it is necessary to have a discussion with their immediate predecessor, if any, regarding the role and must, to the extent it is appropriate and proportionate, ensure that such a discussion takes place.
- 1.2 **Members** must communicate clearly the standpoint from which they are acting. Further, **Members** must indicate clearly whether they are acting to comply with statutory or regulatory obligations and/ or as an employee, director or external adviser.
- 1.3 **Members** who support a **Chief Actuary** must ensure that they are aware of the **Chief Actuary's** responsibilities when providing such support.
- 1.4 A **Chief Actuary** should pay due regard to generally accepted actuarial practice. A **Chief Actuary** who adopts a practice which is significantly different from non-mandatory, generally accepted actuarial practice must disclose the reasons for adopting that practice. In this context, "significantly different", refers to the effect of the practice on the results. A major difference in practice on an item which is trivial in its effect is not significant for this purpose.

2 Chief Actuaries

- 2.1 **Chief Actuaries** must hold either a **Chief Actuary (non-Life with Lloyd's) Practising Certificate** or a **Chief Actuary (non-Life without Lloyd's) Practising Certificate**. If performing this function within the Society of Lloyd's or a Lloyd's managing agent, **Chief Actuaries** must hold a **Chief Actuary (non-Life with Lloyd's) Practising Certificate**.

2.2 **Chief Actuaries** must ensure that they have the right to present a report to the **Firm's Governing Body** in person, whenever they deem the report sufficiently important.

2.3 **Chief Actuaries** must take all reasonable steps to ensure that they have sufficient information and resources to discharge the **Actuarial Function** both at the time of the appointment and thereafter.

3 Interpretation and application

3.1 This **APS** uses the word "must" to mean a specific mandatory requirement. It uses the word "should" to indicate that, while the presumption is that **Members** will comply with the provision in question, there may be some circumstances in which **Members** are able to justify non-compliance.

3.2 In the event of any inconsistency between this **APS** and the **Actuaries' Code**, the **Actuaries' Code** prevails.

3.3 A failure to comply with this **APS** may result in a finding of misconduct under the terms of the IFoA's Disciplinary Scheme.

4. Definitions

Unless the context otherwise requires, definitions in the singular shall include the plural.

Term	Definition
Actuarial Function	The function described in Article 48 of the Solvency II Directive 2009/138/EC of the European Parliament and of the Council.
Actuaries' Code	The ethical professional code for Members issued by the Institute and Faculty of Actuaries.
APS	Actuarial Profession Standard issued by the Institute and Faculty of Actuaries.
Chief Actuary	A Member appointed to have responsibility for the Actuarial Function , including any Member to whom the Actuarial Function is outsourced, in any of: <ol style="list-style-type: none">1. the Society of Lloyd's, or a Lloyd's managing agent;2. a non-Life UK Solvency II Firm;3. third country branch undertakings which are required by the PRA to appoint a Chief Actuary;4. insurance special purpose vehicles which are required by the PRA to appoint a Chief Actuary.

Chief Actuary (non-Life with Lloyd's) Practising Certificate	A certificate issued by the Institute and Faculty of Actuaries on application by a Member who wishes to hold a Chief Actuary (non-Life with Lloyd's) position.
Chief Actuary (non-Life without Lloyd's) Practising Certificate	A certificate issued by the Institute and Faculty of Actuaries on application by a Member who wishes to hold a Chief Actuary (non-Life without Lloyd's) position.
Firm	An insurance company or Friendly Society in respect of which an actuary is appointed.
Governing Body	The Board of Directors or Committee of Management of a Firm .
IFoA's Disciplinary Scheme	The Disciplinary Scheme of the Institute and Faculty of Actuaries in force at the time of the relevant action.
Member	A member of the Institute and Faculty of Actuaries.
PRA	The Prudential Regulation Authority (or its successor).
PRA Rulebook	The rules issued by the PRA under powers conferred by the Financial Services and Markets Act 2000
Senior Insurance Managers Regime	The regime brought into force by the PRA Rulebook : Solvency II Firms: Senior Insurance Managers Regime (No 2) Instrument 2015.
Solvency II Firm	A Firm as described in the PRA Rulebook : Solvency II Firms Non Solvency II Firms: Insurance General Application Instrument 2015 Rule 2.1