



Institute  
and Faculty  
of Actuaries

# Practising Certificates Scheme

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## REQUIREMENTS OF THE PRACTISING CERTIFICATES SCHEME FROM [ ] (the 'PC Scheme')

- 1 Overview
- 1.1 There are specific roles identified in legislative, regulatory requirements and/or guidance which are reserved for actuaries, or which are commonly held by actuaries. IFoA members who hold the following roles must hold the relevant Practising Certificate (PC):
  - Scheme Actuary to a pension scheme;
  - Chief Actuary with accountability for the actuarial function under Article 48 of the Directive on Solvency II;
  - Small Insurer Chief Actuary to a life insurance business;
  - Reviewing Actuary, advising the auditor of a life insurance business;
  - Appropriate Actuary to a life insurance business;
  - With-Profits Actuary to a life insurance business; and
  - The Actuary providing an Actuarial Opinion for a Lloyd's Syndicate.
- 1.2 PCs demonstrate that the actuary who holds them is fit and proper and has the necessary skills and experience to be a PC holder and potentially to carry out reserved work, thereby protecting the public interest.
- 1.3 The [Actuaries' Code](#) requires that members ensure they have 'an appropriate level of relevant knowledge and skill' to perform their professional duties competently and with care. The provision and retention of PCs is subject to the [Charter, Bye-Laws, Rules and Regulations](#) of the Institute and Faculty of Actuaries (IFoA).
- 1.4 A public register of PC holders is maintained by the IFoA.
- 1.5 The Regulation Board of the IFoA has delegated authority from the Council of the IFoA to ensure the effective regulation of the IFoA's members. PCs are issued by the Practising Certificates Committee (PCC) under delegated powers and authorities from the Regulation Board. The PC Scheme and the roles for which a PC is required is subject to periodic review to ensure it remains proportionate and fit for purpose. Details on the governance of the PC Scheme are set out in [Appendix 1](#).
- 1.6 This document is effective for all initial or renewal PC applications received on or after 1 January 2020.

### **A. Criteria to be awarded a PC**

#### 2. Introduction

To award a PC, the PCC must be satisfied that the applicant:

- i) is fit and proper to hold a PC; and
- ii) meets the Criteria set down by the IFoA in force at the date of the application.

The following guidance outlines how the PCC will apply the Criteria for applications made from the date this guidance is current and is designed to assist applicants in making full and complete applications in a timely manner. Applicants are requested to read this document carefully before making either an initial or a renewal application.

### 3. Fellowship

The applicant must be a Fellow of the IFoA<sup>1</sup> who qualified by examination or has been admitted under the terms of a Mutual Recognition Agreement (MRA) with another actuarial organisation.

Details of the IFoA MRAs with other actuarial bodies can be obtained from the IFoA [website](#).

### 4. Practice Modules

All initial applicants who completed the examinations of the IFoA from and including 2005, and all Fellows admitted under the terms of an MRA, are required to have taken and passed the relevant UK Practice Module, unless they have previously completed the relevant IFoA 400 series examination.

Details of the UK Practice Modules (which are multiple choice web-based tests around current UK practice and requirements) can be obtained from the IFoA [website](#).

The following Practice Modules should be passed for each certificate type:

<b>Certificate type</b>	<b>Practice Module</b>
Chief Actuary (Life), Chief Actuary (Life, Non-Directive) and With Profits Actuary	P2 (Life Insurance)*
Chief Actuary (non-Life with Lloyd's), Chief Actuary (non-Life without Lloyd's) and Lloyd's Syndicate Actuary	P3 (General Insurance)
Scheme Actuary	P4 (Pensions)

(\* For cases where the Practising Certificate is limited to health-type companies, P1 (Health and Care) may be acceptable.)

### 5. Recent and relevant experience

All applicants are required to demonstrate that they have gained sufficient and relevant experience of the Technical Experience Criteria of the work reserved for a certificate holder whilst qualified as a Fellow of the IFoA (or as a full member of another actuarial body if admitted more recently under an MRA).

For all PCs, other than Chief Actuary PCs, the applicant must demonstrate to the PCC that the required breadth and depth of technical experience has been gained recently i.e. during a period of:

- at least three years in the last five years, and
- at least three months in the last 18 months.

For Chief Actuary PCs only, the applicant must demonstrate to the PCC:

- breadth in a substantial number of the stated technical areas during a period not exceeding the last 10 years; and
- depth of a number of the technical areas during a period of:
  - at least three years in the last five years, and
  - at least three months in the last 18 months.

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<sup>1</sup> Throughout, the term "Institute and Faculty of Actuaries" includes where relevant either of its two antecedent bodies.

It is not necessary for an applicant to demonstrate sufficient experience in each and every year in the last 10 years, and an applicant may demonstrate sufficient experience during a period of less than 10 years.

The required technical experience for all PCs is set out in Appendices 2 to 5.

#### A. *Recent experience*

At least three years in the last five years, and at least three months in the last 18 months.

It is not necessary for the applicant to have gained exposure to all aspects of the relevant technical experience requirements in each and every year (or part year) of the three year period, just that the applicant has demonstrated sufficient and appropriate experience of relevant work during a period of at least three years (not necessarily consecutive) in the last five years, and during a period of at least three months (not necessarily consecutive) in the last 18 months.

#### *General*

The PCC will not have regard to whether the applicant has worked part-time versus full-time in the area concerned, nor whether the applicant has worked part of their time in relevant work to which the technical experience criteria relate and part of their time on other activities. The PCC will look at the applicant's experience in terms of what relevant work activities they have done or supported, not how many hours they actually worked in doing or supporting those activities. Nevertheless, the level of work carried out in each of the relevant three years does need to be sufficient and material.

If the applicant has been absent from work during the relevant period for whatever reason, they are still required to demonstrate having gained the required experience of relevant work during a period of at least three years in the last five years and during at least three months in the 18 months to the date of application for a certificate<sup>2</sup>. This is, in part, to demonstrate that the applicant is familiar with the latest developments in the field. The experience could be gained before or after (or both) the career break. It is therefore important for applicants to work with their employer or firm to plan a program of reserved work to support future applications. The PCC is happy to provide advice in relation to particular circumstances when members are planning career breaks.

If the applicant cannot demonstrate relevant technical experience during a period of at least three of the last 18 months, the applicant will likely be asked to resubmit their application when they have gained such relevant technical experience. This could, for example, be up to three months later if the applicant focuses the work they do over that time on relevant work activities.

#### B. *Relevant experience*

As well as being recent, the technical experience gained by the applicant also needs to have been gained providing actuarial advice at an appropriately senior level.

For PC holders actually in reserved roles, this should be straightforward in relation to the work reserved to a reserved role holder given the nature of such work.

For technical experience gained by:

- a) initial applicants;
- b) members who hold a PC but do not hold any reserved roles; and
- c) members who are reserved role holders and are also providing support to other reserved role holders<sup>3</sup>

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<sup>2</sup> This applies also to the "during 10 years" breadth of experience requirement for Chief Actuary PCs".

<sup>3</sup> For example, a PC holder who is appointed as Scheme Actuary to one or more pension schemes may also support other actuaries or scheme actuaries on other pension schemes. An insurance consultant may act as Reviewing Actuary for one insurer and may also support the Chief Actuary of another insurance company. A Lloyd's PC holder may sign opinions for one Syndicate and provide critical review of the work of the signing actuary for another Syndicate.

the PCC requires the applicant to demonstrate that such technical experience meets the criteria in i) and ii) below, with iii) potentially providing additional valid experience.

- i) The technical experience gained should demonstrate that the applicant has applied their knowledge to:
- o analyse complex problems in terms of actuarial, economic and financial factors;
  - o integrate the results of such an analysis into a coherent whole;
  - o evaluate critically and interpret the results in a wider context;
  - o draw appropriate conclusions;
  - o make appropriate recommendations; and
  - o draft and deliver that advice to the user.

The PCC requires applicants to demonstrate the utility of the advice given i.e. not just a calculation process but that the actuary has formed conclusions around those calculations, the sensitivity of those calculations to changes in assumptions, and communicated and discussed recommendations to the user on the back of those calculations. The underlying objective may be compliance, risk management and/or economic in nature.

- ii) The applicant should either:
- a. be responsible to the user for the work underlying the specific technical experience; or
  - b. to have worked closely with the reserved role holder who was responsible. This may include preparing, drafting and delivering advice and recommendations.

The PCC require the applicant to demonstrate the seniority of the level of work that the applicant has done, specifically whether the applicant has:

- o been personally responsible to the user for the advice; or
- o has substantially developed (prepared, drafted etc.) that advice to be signed off by another actuary.

The PCC will also be looking for the applicant to demonstrate that they have delivered or participated substantially in the delivery of that advice, either face to face in meetings or on conference calls, to the user, including situations where the advice has been challenged and defended.

Delivering advice to the user or client is part of the professional 'backbone' expected of PC holders, not just in terms of developed communication skills but also in the actuary explaining and reviewing or defending their advice to challenge as appropriate. The applicant needs to state clearly in the application form what experience they have had in delivering advice to users and clients.

It is important that new applicants for a PC, and renewal applicants who may have had little recent client facing experience, work with their employers and firms to build up that experience in support of their PC application.

- iii) For all applicants, the PCC may also have regard to technical experience gained through:
- peer review work (prior to the introduction of APS X2); or
  - work review or independent review (since the introduction of APS X2).
- where that work involved critical appraisal of the work of the first actuary.

Although review work would be considered by the PCC as a contribution towards meeting the required recent and relevant technical experience criteria, it would not in itself be sufficient to be awarded a PC.

In practice, review work can cover a variety of scenarios only some of which the PCC may consider as relevant experience for an applicant. Review work could:

- describe acting as a sounding board for a piece of work and involve discussions only of high level principles; or
- involve a formal (or even statutory) and detailed technical review of work undertaken by another actuary on which the reviewer would produce a formal opinion.

The PCC would not normally consider the first example to be relevant technical experience but may consider the second to be.

It is not possible to set a clear rule when there are different practices around review work in the market. Where an applicant has undertaken review work they should be clear on the scope, extent and deliverables of that work in the application form to enable the PCC to consider if the work is suitable to be deemed a contribution to relevant technical experience.

## 6. Technical Experience Criteria

### 6.1 The Technical Experience Criteria are set by the relevant Boards in consultation with the PCC to reflect expectations of a reserved role holder. They will be updated from time to time.

The technical experience criteria by Practice Area, and Guidance from the PCC as to how the PCC will apply the technical experience criteria, and where the PCC may have discretion around the criteria, are set out in appendices 2-5 for the following certificates:

- [Scheme Actuary Certificate](#)
- [Chief Actuary \(Life\), Chief Actuary \(non-Life without Lloyd's\) and Chief Actuary \(non-Life with Lloyd's\) Certificate](#)
- [Chief Actuary \(Life, Non-Directive\)-Certificate](#)
- [With Profits Actuary Certificate \(WPA Certificate\)](#)
- [Lloyd's Syndicate Actuary Certificate](#)

#### 6.1.1 Further clarity on the types of Life and non-Life certificates required is below:

- The Chief Actuary for a life insurance company/business will need to obtain a Chief Actuary (Life) Certificate.
- A Chief Actuary for a non-life insurer/business that does not conduct Lloyd's business will need to obtain either a Chief Actuary (non-Life without Lloyd's) Certificate or a Chief Actuary (non-Life with Lloyd's) Certificate.
- A Chief Actuary for a non-life insurer/business that conducts Lloyd's business will need to obtain a Chief Actuary (non-Life with Lloyd's) Certificate.
- The Chief Actuary to a large non-directive insurer will need to obtain either a Chief Actuary (Life) Certificate or a Chief Actuary (Life, Non-Directive) Certificate.
- The Small Insurer Chief Actuary will need to obtain either a Chief Actuary (Life) Certificate or a Chief Actuary (Life, Non-Directive) Certificate.
- The Appropriate Actuary will need to obtain a Chief Actuary (Life, Non-Directive) Certificate.
- The Reviewing Actuary of a Solvency II Firm will need to obtain a Chief Actuary (Life) Certificate and the Reviewing Actuary of any other firm will need to obtain either a Chief Actuary (Life) Certificate or a Chief Actuary (Life, Non-Directive) Certificate.

If an insurer/business conducts a combination of Life, non-Life or non-Life with Lloyd's business then more than one Certificate will need to be obtained. However, where an organisation has a Life focus for their business but may write a very small amount of Non-Life business, or vice versa, it may be considered to be disproportionate to require the Chief Actuary in such an organisation to hold both Chief Actuary (Life) and Chief Actuary (Non-Life) Certificates. Exceptionally, the PCC may use discretion to award one Practising Certificate to cover all of the Chief Actuary's business in such circumstances.

It is understood that the Chief Actuary function may on occasion be performed by more than one person (such as in a job share situation) and 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 Chief Actuary certificate.

- 6.2 The PCC may, at its discretion, determine that alternative relevant technical experience is an acceptable substitute to reserved work experience. However such experience will only be considered where the applicant can already demonstrate substantive adherence to the technical experience criteria. The PCC will not usually apply its discretion for more than one year and will expect the applicant to demonstrate that they have met the recent and relevant technical criteria in the year following the application of discretion.
- 6.3 Where an applicant does not meet the technical criteria to be awarded a full PC, the PCC may grant a restricted certificate. Examples of where a restricted certificate may be granted include certificates to cover:
- specific types or circumstances of pension schemes (e.g. those being wound up);
  - specific types or circumstances of insurance companies or insurance business (e.g. health insurance);
  - specific roles (e.g. Chief Actuary (Life) but limited to Reviewing Actuary roles).

## 7. Validation and Verification of Data

- 7.1 The PCC, assisted by the IFoA's Membership Team, will seek to validate information presented with an application. In particular:
- a. that the applicant has confirmed compliance with the additional CPD requirements set out in section 8 below, and
  - b. that the applicant has confirmed they have met their Professional Skills Training requirements as set out in the CPD Scheme;
- or,
- c. that the applicant has confirmed compliance with their employer's policies and procedures in relation to the IFoA's QAS CPD Scheme for outcomes based CPD;

and that the applicant's experience meets the technical criteria.

The PCC may waive any, or all of the first three above requirements in exceptional circumstances where it is considered, in the PCC's sole discretion, that the public interest is not served by the refusal of the applicant's PC.

An Identity and Basic Criminal Record Check is required for all initial applications and for all renewal applications every five years. Where an applicant can evidence that they have met the PRA or FCA fit and proper requirements within the last five years, then (subject to satisfactory evidence of this being provided with the application), no further checks will be needed until five years after meeting the PRA or FCA requirements.

For initial applications, the PCC may contact the PC holder who signs the attestation. The role of the attester is an important one. Attesters should retain evidence to support the basis of their attestation.

- 7.2 The IFoA reserves the right to carry out further validation checks on a sample basis.



## 8. CPD requirements

- 8.1 All PC Holders must, in addition to the requirements of the CPD Scheme, carry out an extra 15 hours of CPD Activities during each CPD Period. This means that PC Holders will be required to carry out a total of 30 hours of CPD Activities during a single CPD Period.
- 8.2 The additional 15 hours of CPD Activities must relate to skills which are technical in nature and relevant to the role (or roles) covered by the PC that they hold.
- 8.3 These additional requirements apply from the date upon which the PC is effective, whether an initial or renewed PC.
- 8.4 Where a PC Holder is granted a new PC, has their PC withdrawn or resigns their PC during the course of a CPD Period, these additional requirements will apply on a pro-rata basis using the dates from when their PC is effective (if granted) or no longer in place (if withdrawn or resigned). Those dates can be confirmed by the Membership Team if there is any uncertainty.
- 8.5 PC holders who are on maternity, paternity, shared parental leave or adoption leave, or suffer from an illness and who are away from work are exempt from the additional CPD requirement for the duration of that absence. They should refer to the CPD Scheme [Absence from Work Policy](#) and notify the [Membership Team](#) of their circumstances.
- 8.6 PC holders who are away from work for any other reason, for a period of no less than five weeks, may apply for an exemption from the additional CPD requirement. PC holders should complete the [Application for Non-Practising Status](#).
- 8.7 PC holders who are granted an exemption under 8.5 and 8.6 must complete CPD activities described at 8.2, on a pro rata basis according to the number of weeks worked during the CPD period 1 September – 31 August.
- 8.8 PC Holders included in the IFoA's QAS CPD Scheme for outcomes based CPD are exempt from the additional requirements set out in paragraphs 8.1 to 8.4 above. Such PC Holders must follow the terms of their employer's policies and procedures in relation to the QAS CPD Scheme.
- 8.9 Where a PC Holder is no longer included in the IFoA's QAS CPD Scheme during the course of a CPD Period, for example due to a change in employer, the additional requirements will apply on a pro-rata basis using the date from which the PC Holder is no longer subject to the QAS CPD Scheme.
- 8.10 Applicants who are included in the IFoA's QAS CPD Scheme should indicate this on their application form.

## 9. Attestation from an existing PC holder

### 9.1 A. *General*

The attestation is included as part of the application form for an initial application. It must be completed by a PC holder with the same type of PC as the applicant is applying for, subject to the following additional possibilities:

- A WPA certificate holder may attest an applicant for a Chief Actuary (Life) or a Chief Actuary (Life, Non-Directive) certificate.
- A Chief Actuary (Non-Life) certificate holder (with or without Lloyd's) may attest an applicant for a Chief Actuary (Non-Life) certificate (with or without Lloyd's), i.e. the with or without Lloyd's aspect is disregarded for attestation purposes.

The attester may not report to the applicant.

The attestation is an important part of the overall application process and the role of the PC holder making the attestation (i.e. the attester) is an important one. The attester does so in a personal capacity. The attester is reminded that their conduct in providing the attestation is covered by the Actuaries' Code and the Disciplinary and Capacity for Membership Schemes.

It is not the role of the attester to assess the suitability or the extent of the applicant's technical expertise, as this task falls to the PCC itself. The two key roles of the attester are:

- To satisfy themselves that the experience set out on the application form has been accurately and reasonably described, and the attester may wish to discuss the experience with the applicant to ensure that this is the case.
- To confirm that, in the attester's opinion and to the best of the attester's knowledge, the applicant has the self-assurance, influencing skills and ethical standards to behave professionally, exercise sound judgement and meet regulatory requirements when faced with the pressures which may arise in executing the reserved work for which the certificate is required, and that the applicant is a fit, proper and suitable person to hold a practising certificate.

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. However, the attester will need to have or have had reasonable professional contact with the applicant in order to give the second attestation referred above.

If the attester wishes to bring specific points to the attention of the PCC, the attester may do so in the space provided on the attestation form. The PCC will then consider this additional information when reviewing the application.

A PC holder who is asked to make an attestation is recommended to keep a record or audit trail which evidences the reasoning they employed in making that attestation and should retain this evidence until the outcome of the application is known. This is because the PCC may contact the attester to discuss the basis of their attestation.

If a PC holder has concerns that an applicant does not have the relevant experience or suitability to attest to an applicant's relevant experience and suitability, the PC holder should make enquiries until they are satisfied. The attester should document the steps that they have taken to satisfy themselves that the applicant meets the conditions set out on the attestation form. That is:

- the attester has reviewed and discussed the experience set out in the application with the applicant and is satisfied that the examples of work provided have been accurately and reasonably described; and
- in their opinion and to the best of their knowledge, the applicant has the self-assurance, influencing skills and ethical standards to behave professionally, exercise sound judgement and meet regulatory requirements when faced with the pressures which may arise in executing the reserved work for which the certificate is required, and that the applicant is a fit, proper and suitable person to hold a practising certificate.

Although the attester is not responsible for the future actions of the applicant they attested to, a PC holder considered to have made attestations in a reckless fashion may be referred under the Disciplinary and Capacity for Membership Schemes. If the attester is not satisfied as to the relevance of the experience or as to the suitability of the applicant, then no attestation should be provided.

If an applicant does not have sufficient professional contact with a PC holder who holds the same type of PC that they are applying for, they should contact the [Membership Team](#) who will work with the applicant to find a suitable alternative.

*B. Additional considerations for initial applications for Chief Actuary PCs*

The attester must not, at the date of the application, be, or have otherwise committed to become, the CEO or CFO of the entity to which the applicant will be the Chief Actuary.

*C. Applicants who let a previous PC lapse*

If a former PC holder who did not renew their PC at the date their previous PC expired subsequently wishes to apply for a new PC, then that application should be made using the relevant renewal application form provided the application is made (with all relevant information provided and complete) within 18 months of the date of expiry of the previous PC. In particular, the applicant will not in these circumstances be required to obtain an attestation from an existing PC holder.

Former PC holders who make an application to hold a PC 18 months or more after the date their previous PC expired, must do so using the initial application form including obtaining an attestation from an existing PC holder.

10. Declarations and disclosures

- 10.1 Applicants are required to answer a number of questions and make a number of declarations and disclosures focussed on assessing if the applicant is fit and proper to hold a PC and potentially, therefore, to carry out work reserved to a reserved role holder.

The applicant must disclose any and all matters applicable to these questions, declarations and disclosures. If the applicant is unsure whether to disclose something, they are advised to err on the side of transparency and disclose it.

Applicants are not required to provide previously disclosed offences at each renewal. It is sufficient to note on the application form "see previous declaration" to assist the Membership Team in processing the application efficiently.

For all PC applications, the applicant must also attest to compliance with [APS X2](#).

10.2 Experience and knowledge to carry out a reserved role

PC holders are reminded of the requirements of the Actuaries' Code. In particular, that a PC holder must ensure they have and maintain an appropriate level of relevant knowledge and skills to carry out a particular reserved role with competence and care and if, for whatever reason, they do not, that they take the necessary steps to obtain that level of relevant knowledge and skills.

10.3 Time and resources

All applicants are required to make a declaration, as part of the application form, that they have the necessary time and resources to carry out work reserved to a PC holder that they expect to do over the 12 months that the PC covers. This declaration demonstrates that the applicant has reflected on their work commitments, as they stand at the date of the application, as and against the time and resources which they have at their disposal to carry out work in the reserved role and plan accordingly.

11. Identity and Basic Criminal Record Checks

- 11.1 The IFoA will action Identity and Basic Criminal Record Checks through Experian to validate the declarations made by the applicant in the application form. Identity and Basic Criminal record checks will apply:

- automatically to each initial applicant; and
- to all renewal applicants every five years. PC holders will be advised 12 weeks in advance of their renewal date if an Identity and Basic Criminal Record Check will be carried out as part of their application that year.

Once the checks have been carried out, they will normally be refreshed on a five year cycle.

The PCC will use the information from these checks and other information in the application to assess if the applicant is fit and proper to hold a PC. The information may also be used by the Disciplinary and Capacity for Membership Schemes if the PCC refer the applicant under the Disciplinary and Capacity for Membership Schemes, or under the Appeals Process, if the applicant appeals the decision of the PCC.

Where the required data may not exist, or only partially exist, for example where the applicant has been overseas for a significant period, the PCC will consider the data available but in the process reserve the right to consider other data that may come to its attention in the future which would verify the declarations made by the applicant.

The information will not be used for any other purpose and access to the files will be strictly controlled in accordance with GDPR.

If you have any queries regarding how your data may be used or retained by third parties such as Experian please contact the Membership Team.

- 11.2 The IFoA will not otherwise conduct an Identity and Basic Criminal Record Check where the applicant has demonstrated that they meet the PRA's or FCA's fit and proper requirements. This may include, in due course, evidence that the applicant has undergone regular criminal checks since the date their PC was first awarded and, if they have not, that they participate in the IFoA's checks every five years.

## 12. Withdrawal or suspension of PC

- 12.1 The PCC reserves the right at its discretion to withdraw or suspend a PC holder's certificate and in taking this decision may have regard to relevant information obtained by the IFoA in the exercise of its regulatory functions. Such information would ordinarily be such as to raise material concern as to the quality of a member's work. Such decision will be supported by written reasons and will only be taken after giving the PC holder in question opportunity to present and/or explain their perspective.

Additionally, the PCC may otherwise not renew or grant a PC if it considers that this is necessary in the furtherance of the public interest. In such circumstances, the PCC will communicate to the applicant its reasoning, and what actions the member should take in order to address the situation.

If a PC holder or applicant does not accept the PCC's decision in either of the above situations, or indeed on any other aspect of an application, such as whether the applicant meets the technical experience criteria, the applicant may take the matter to [appeal](#) (see section 19 of this document).

If the Disciplinary and Capacity for Membership Schemes determines that a PC is to be suspended for a period of time, or that a PC holder may not apply or reapply for a PC for a period of time, then the PCC will comply with that finding.

## 13. Fit and Proper and the Disciplinary and Capacity for Membership Schemes

- 13.1 Fit and proper is a requirement that many professions require of their members. In particular, the FCA and PRA have regard to whether an actuary working in certain insurance roles is fit and proper to carry out that role. The IFoA looks in a similar way at whether an actuary is fit and proper to carry out a reserved role.

The PCC needs to be satisfied, based on the evidence of the information declared by applicants and the results of checks on that information carried out by the PCC that the applicant is in particular:

- honest and trustworthy;
- willing to comply with regulatory requirements; and
- able responsibly to manage financial affairs for themselves

and that there is no evident risk that granting the applicant a practising certificate will diminish the public's confidence in the IFoA.

In considering whether an applicant is fit and proper to hold a PC, the PCC will take into account any adverse Disciplinary Tribunal finding, court or regulatory authority judgment or other adverse finding against the applicant. In doing so, the PCC recognises that its role is not to 'punish' but to make appropriate judgements whether an applicant is fit and proper to hold a PC in the light of the IFoA's public interest role.

For the avoidance of doubt, the PCC will not take into account the existence of any disciplinary proceedings against a PC applicant or PC holder (if it becomes aware of such proceedings) unless and until any adverse disciplinary finding emerges. If an adverse disciplinary finding emerges, the PCC may in the circumstances of the case and the other information available, nevertheless be satisfied that the actuary is still a suitable person to hold a PC despite the adverse disciplinary finding (unless, as referred to in section 12 above, it is a specific finding of the disciplinary process that the PC is withdrawn or suspended).

If the PCC identify information, at any time, through an Identity and Basic Criminal Record Check or otherwise, which appears to contradict any of the information presented or declarations made by the applicant in their application, or made by the attester to an initial application, then in the first instance the applicant, or the attester, will be asked to explain the apparent anomaly. This could include information presented that seems incorrect (e.g. the applicant claimed experience that they did not have or the attester attested that the applicant had experience that they did not have) or incomplete (e.g. the applicant did not disclose a prior offence).

If the PCC consider that the application contains false declarations, or where the member is acting in a capacity for which a PC is required but the member does not hold a PC at the time, the PCC may refer the matter under the terms of the IFoA's Disciplinary and Capacity for Membership Schemes.

If an applicant does not accept the PCC's decision on fit and proper, or indeed on any other aspect of the application, such as whether the applicant meets the technical experience criteria, the applicant may take the matter to [appeal](#) (see section 19 of this document).

#### 14. Duration of the PC

- 14.1 Unless withdrawn or suspended for any reason referred to above in this document, each PC lasts for a fixed period of 12 months from the date it is granted. Extensions are not permitted, and it is the responsibility of the PC holder to apply for a renewal certificate comfortably in advance of the date the current certificate expires. Where a PC has previously been granted using discretion, it will be particularly important that the renewal application is submitted in good time to allow consideration of the experience by the PCC.

## B. The application process

### 15. Application forms

The application forms are contained on the IFoA's [website](#).

Completed forms should be returned to

The Membership Team  
Institute and Faculty of Actuaries  
Level 2 Exchange Crescent  
7 Conference Square  
Edinburgh  
EH3 8RA

Email: [practising.certs@actuaries.org.uk](mailto:practising.certs@actuaries.org.uk)

Applications must be typed and can be made by post or email (pdf). The application must be on the correct form, signed and the information provided clearly legible. Applications will be returned otherwise.

### 16. Timeline to process applications

16.1 All **renewal** applicants are encouraged to make their applications as soon as possible. Applications will be processed within 21 days. The 21 days is measured from the date the fully complete application is received and has been checked by the Membership Team. Where the PCC has concerns about whether the applicant meets the criteria, further investigation and discussion with the applicant may be necessary.

If there are any complications with the application, the 21 day period can be extended once by the IFoA. Applicants will be notified of the extension, the duration of the extension and the justification for it.

16.2 For applicants planning a career break, renewal applications can be submitted up to three months in advance of the renewal date. Applications received earlier than this will be treated as if it had been made three months before the date the renewal certificate is due.

16.3 A renewal applicant who wishes to renew their PC concurrent with the date of expiry of their current PC must do so by the renewal date. If they do not, even by one day, the current PC expires and the member will not be able to act as a reserved role holder until a new PC is granted. PCs cannot be backdated. All PC holders are reminded that they must, under the relevant [actuarial professional standards](#), hold a current PC relevant to their role. If a renewal application is not processed before the expiry date of a current certificate, the member will be required to resign any appointments held until a certificate can be granted.

16.4 For renewal applications where an Identity and Basic Criminal record check will be made that year, the renewal will not be delayed in order to complete the check. However, if the check identifies that the application for a PC may not have been correctly presented, the PCC may refer the matter under the Disciplinary and Capacity for Membership Schemes (see 11 above).

16.5 In relation to section 8, above, applicants will not be required to submit a record of CPD Activities. Applicants will be required to consider the CPD Activities carried out to meet the additional requirements under section 8 at any 'Reflective Practice Discussion' mandated under section 3 of the CPD Scheme.

16.6 For **initial applicants**, in addition to the same checks that apply to a renewal applicant, an Identity and Basic Criminal Record Check will be made before a PC is granted. Initial applications will be

processed within 30 days, which includes time to review and discuss with the applicant any findings identified in an Identity and Basic Criminal Record check. The 30 days is measured from the date the fully complete application is received and has been checked by the Membership Team. Where the PCC has concerns about whether the applicant meets the criteria, further investigation and discussion with the applicant may be necessary.

If there are any complications with the application, the 30 day period can be extended once by the IFoA. Applicants will be notified of the extension, the duration of the extension and the justification for it. Initial applicants are encouraged to make their application well in advance of any date when they wish to take up an appointment that requires a PC.

17. Renewal applications received after the 21 day processing timeline

- 17.1 If a renewal application is received after the 21 day processing deadline and the renewal is requested to be effective on the date the current PC expires, then the PCC will try to fast track the application. However there is no guarantee that the application will be processed in time, particularly if the application is incomplete, contains errors or further information or clarification is needed to ascertain whether the applicant has met the criteria. **The PC holder makes a late application at their own risk**, and the PC holder is responsible for making the necessary professional arrangements if their PC expires before the new PC is granted (if it is granted).

**An administrative surcharge of 25% of the cost of a PC will be incurred by any renewal applicant whose application is received less than 21 days before the renewal date and who wants their new certificate to run concurrently from the date of expiry of the current certificate.** Any certificate renewed will not be issued until the administrative surcharge has been paid in full.

- 17.2 For practical reasons associated with the work cycle of actuaries signing Actuarial Opinions for a Lloyd's syndicate, a **Lloyd's PC** applies to calendar year-end opinions due within one year of the date of issue of the PC. Applicants for a PC to provide an Actuarial Opinion for a Lloyd's Syndicate must make their application to the PCC on or by:

- i) 25 October for a renewal application; and
- ii) 14 October for an initial application.

**Applications made after the 25 October will carry an administrative surcharge of 25% of the current fee**, and such late applications are still made at the applicant's own risk.

If an application is received after 15 November of the calendar year-end to which the opinion relates it would not normally be accepted unless the PCC considers in its sole discretion that the application arises for reason of an unexpected emergency.

- 17.3 If an existing PC holder applies to renew a certificate and the application is received less than 21 days before the renewal date but the PC holder does not require that the new certificate runs concurrently from the date of expiry of the current certificate (see clause 16.2) then no administrative surcharge will be applied.

- 17.4 If an application is declined, the applicant will be informed in writing as quickly as possible.

18. Cost of a PC

- 18.1 The current cost of any PC is £910. This will be reviewed by Council annually with any increase applying from 1 September.

Payment can be made by credit card (by telephone or online), cheque and also by BACS, as indicated on the application form.

Certificates will not be issued before full payment is made.

If a member applies at the same time for any two or more certificates, the cost will be £910 for all certificates. Otherwise the cost will be £910 for each certificate applied for.

19. Appeals Process

- 19.1 An applicant who has had their application (initial or renewal) for a PC turned down by the PCC, or where the PCC has withdrawn or suspended a PC (other than following a direction from an adverse disciplinary finding), has the right to take the matter to [appeal](#) under the IFoA's Practising Certificates regime appeals process.

It is hoped that the applicant can in the first instance find reason to accept the PCC's decision, after supply of all information requested by the PCC. The PCC will provide written reasons for the refusal of every application for any withdrawal/suspension.

Before entering the appeals process, the applicant may first want to speak with either the Chair or the Secretary of the PCC to better understand the reasons that the application has been refused or the PC withdrawn/suspended. If the applicant believes that there are grounds for appeal then they should contact the [Judicial Committee's Secretary](#) at the IFoA in writing within 30 days from the date the application was refused (or the PC withdrawn/suspended) to enact the IFoA's appeals process. A body will be formed to hear the appeal within the terms of the PC Scheme independent of the PCC, with no overlap of membership with the PCC.

20. Communications

- 20.1 Communications with PC holders and applicants will normally be by email. You are reminded of your obligation to keep your email address up to date and monitor your email regularly.

If you wish to contact the Membership Team please do so on 0131 240 1325 or email [practising.certs@actuaries.org.uk](mailto:practising.certs@actuaries.org.uk).



## Appendix 1

### GOVERNANCE OF THE PC SCHEME

- A.1 The PC Scheme provides a method of indication to users of actuarial services that PC holders act in the public interest in demonstration that the actuary is fit and proper and has the necessary skills and experiences to be a PC holder and potentially to carry out reserved work.

The PC Scheme is set by the Regulation Board under delegated authority from Council of the IFoA. A PC is issued by the IFoA in accordance with the PC Scheme.

- A.2 Practising Certificates Committee

The PC Scheme is operated on a day to day basis by the Practising Certificates Committee (PCC) under delegated authority and powers by the Regulation Board. The PCC reports to Regulation Board.

The PCC comprises four Panels, one each for Pensions, Life, non-Life and Lloyd's, which consider PC applications. The work of the PCC, and the staff at the IFoA which supports it, is subject to regular review and oversight by a lay member of the PCC and by the Regulation Board.

The IFoA is a small profession and the PCC recognises the potential for biases or conflicts of interest to arise, or to be perceived to arise, in the course of its work. This is managed by ensuring each Panel is comprised of members who have different work backgrounds and experiences and work for different employers. Where a Panel member has personal knowledge of the applicant, as a close friend or a work colleague or otherwise works for the same organisation or an organisation in the same group of companies, then the Panel member will disclose this. If the Panel member's background knowledge of the applicant is such that a conflict of interest may exist, or be perceived to exist, the Panel member will absent themselves from a decision whether the applicant be awarded a PC or not. The PCC Chair will assist panel members in considering potential conflicts of interest where necessary.

If you would be interested in becoming a member of one of the Panels please contact the Membership Team at the IFoA.

- A.3 Awarding a Practising Certificate

In awarding a PC, the PCC assesses whether an applicant has satisfied the criteria set down in the PC Scheme to hold a PC. The PC Scheme acts in the public interest to provide assurance that actuaries in reserved roles, carrying out reserved work, have met the criteria set down by Regulation Board to carry out those roles.

In awarding a PC, the PCC is not making a statement as to whether the applicant is competent to carry out a particular reserved role e.g. be appointed as the Scheme Actuary to the ABC Pension Scheme, the Chief Actuary for XYZ Insurance Company, or sign opinions for Lloyd's Syndicate Z. A PC is awarded to an individual - not to a particular role. The appointment (or re-appointment) of a PC holder to a particular reserved role is a matter for the relevant parties (the trustees of the pension scheme, the directors of the insurance company, in some circumstances the PRA and FCA, the managing agent of a Lloyd's syndicate etc.) having made their own enquiries of the capability and suitability of the experience of the PC holder for that particular appointment. PC holders are reminded that under clause 2.1 of the Actuaries' Code they should not put themselves forward for roles they do not consider they have the competence to fulfil.

#### A.4 Ongoing Review of the PC Scheme

The PC Scheme is subject to review from time to time to ensure it remains proportionate and fit for purpose.

Changes will not be made without appropriate notice. Normally, the PCC would expect to provide at least three months' notice but there may be circumstances where a change is not significant or is significant but needs to be made in a tighter timeline e.g. regulatory change. A longer period will apply if the nature of the change would have a significant adverse impact on PC holders. Widespread or fundamental changes would be put to a formal Consultation process.

Notice will be provided through newsletters, emails or letters, as appropriate, as well as on the IFoA's website. All changes will be version controlled and a log of changes made will be maintained on the IFoA's website.

Changes require approval from the relevant parties as summarised in the chart below:

Changes to	Accountable party
The PC Scheme itself	Regulation Board
Guidance on the technical experience criteria (Appendices)	PCC in consultation with the relevant Practice Board(s)
Administration procedures including application forms	PCC

#### A.5 Contacting the Practising Certificates Committee

If you wish to contact the Chair or Secretary of the PCC, please contact the Membership Team in the first instance on 0131 240 1325 or email [practising.certs@actuaries.org.uk](mailto:practising.certs@actuaries.org.uk).

## Appendix 2

### Technical Experience Criteria: Chief Actuary

1. For a Chief Actuary (Life) or a Chief Actuary (non-Life without Lloyd's) Certificate: Applicants are required to demonstrate that they have a sufficient breadth and depth of recent work experience within Life or non-Life insurance, as applicable, to enable them to fulfil the requirements of the Chief Actuary role for Life or non-Life insurance, as applicable, for a PRA regulated entity as detailed in Article 48 of the Directive on Solvency II.

The breadth of experience should include experience in a substantial number of the technical areas below:

- 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)

during a period not exceeding the last 10 years.

The depth of experience should include recent and relevant experience in a number of the technical areas below:

- 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)

during a period of at least three out of the last five years, and at least three months in the last 18 months.

2. For a Chief Actuary (non-Life with Lloyd's) Certificate: in addition to meeting the requirements in 1 above, applicants must have had a material period of relevant experience of working in Lloyd's or the London market during the last five years.
3. The PCC may, at its discretion, determine that alternative relevant technical experience can be used to support any gaps in the experience set out in 1 above.

## Guidance on application of Technical Experience criteria: Chief Actuary

The PCC will look to apply the technical experience criteria as follows. Discretion may be applied in the areas noted.

Applicants should read the guidance below in conjunction with the criteria and in particular criterion 5 on recent and relevant experience. Example experience sections of the application forms can be found on the [website](#).

Criterion	Guidance
1	<p>Under the PRA Senior Manager regime the Chief Actuary has responsibility for the actuarial function which covers the areas listed in Article 48 of the Solvency II Directive. The technical experience criteria identify the areas relevant for application for a Chief Actuary (Life) or Chief Actuary (non-Life without Lloyd's) Certificate. For a Chief Actuary (non-Life with Lloyd's) Certificate, both the technical experience criteria in 1 and 2 must be met.</p> <p>The PCC do not expect an applicant to have deep knowledge in all technical areas relevant to the role. Life/GI Board and the PCC normally would expect an applicant to demonstrate recent deep experience of at least two of the technical areas in Criterion 1 during a three year period, with some experience being adequate in the other areas.</p> <p>Applicants should demonstrate on the application form that they have gained:</p> <p>a) Breadth of experience in a substantial number of the technical criteria set out in 1 during a period not exceeding the last 10 years.</p> <p>Breadth of experience will be considered to be sufficient if the applicant has a general understanding of the technical areas such that they are able to review or critique actuarial work put to the Chief Actuary by others.</p> <p>Examples of breadth of experience may include the applicant's contribution to key deliverables in past roles or assignments and how those deliverables relate to the technical criteria. Such as:</p> <ul style="list-style-type: none"> <li>• for a Life actuary, producing or signing off premium pricing decisions, or for a non-Life actuary, recommending a technical price to an underwriter</li> <li>• review of actuarial work produced by others.</li> </ul> <p>The experience will need to be gained in a period not exceeding the last 10 years but it is not necessary for an applicant to demonstrate sufficient experience in each and every year in the last 10 years.</p> <p>The sufficient breadth requirement is a rolling test and will need to be met at each renewal. Experience in the role of a Chief Actuary would be considered towards meeting the rolling requirement where the applicant demonstrates that they have carried out review or critique as part of the Chief Actuary role across a substantial number of the technical areas.</p> <p>and</p> <p>b) Recent deep experience in a number of the technical criteria.</p> <p>Depth of experience will be considered to be sufficient if the candidate has developed a detailed understanding of the area concerned, and has maintained and applied that understanding in practical situations in the period concerned. Reviewing the work of others may not qualify as sufficiently deep; that would depend upon the level of detail involved. Also, understanding technical detail will not be sufficient if the applicant cannot demonstrate the ability to communicate the wider context of the work to both users and other team members.</p>

	<p>The PCC do not expect an applicant to have gained recent deep experience in a large number of the technical areas. Life Board, GI Board and the PCC normally would expect an applicant to demonstrate recent deep experience of at least two of the technical areas set out in Criterion 1 during a three year period.</p> <p>It is important to include on the application form:</p> <ul style="list-style-type: none"> <li>▪ description of the work undertaken and the applicant's role in producing the deliverable of that work (for example: overseeing the calculation of the capital requirements including impact of stressed conditions; producing the Board report on capital requirements vs undertaking the calculation of the market risk component to feed into the report on capital requirements; providing an opinion on adequacy of reinsurance arrangements; setting pricing bases)</li> <li>▪ the responsibilities undertaken (role on, or in making recommendations to, relevant decision making bodies, committees or Boards; whether work was carried out by the applicant direct or the applicant reviewed the work carried out by others and whether this differed by task, class, geography or volume of business as appropriate)</li> <li>▪ any regulatory/statutory role undertaken and/or direct interaction with the FCA or PRA.</li> </ul> <p>The PCC is looking for breadth/variety of experience in the application of advice in the relevant technical areas as well as depth of technical knowledge.</p> <p>Experience can be provided as an actuary internal to the company and its life or non-life business, as an external consultant or as a Reviewing Actuary advising the audit partner. It is sufficient for the applicant to demonstrate their role in recommending and communicating the advice themselves, or in support of, the Chief Actuary, a Small Insurer Chief Actuary, Reviewing Actuary or Appropriate Actuary.</p>
2	<p>For a Chief Actuary (non-Life with Lloyd's) PC, in addition to meeting the technical criteria in Criterion 1, all applicants must have had a material period of relevant experience of working in Lloyd's or the London market during the last five years. For this purpose, a period of between 6 and 12 months would normally be considered sufficient provided the member gained that experience carrying out relevant actuarial work at a senior level.</p>
3	<p>If applicants do not meet the recent and relevant technical experience criteria set out in Criterion1 above, they need to demonstrate to the PCC that the gaps in their experience are covered by alternative relevant technical experience that the PCC may determine to be equivalent.</p> <p>In particular, the PCC may in special circumstances accept knowledge and experience gained from work done in areas other than those listed as equivalent. This could come in a number of forms:</p> <p>For example, the applicant hasn't met the recent deep experience requirements of the criteria but has otherwise developed and delivered advice that meets those requirements during the last five years that a PC holder would otherwise be expected to demonstrate. Examples might include:</p> <ul style="list-style-type: none"> <li>▪ the applicant does not have sufficient relevant technical experience with a PRA regulated entity but can demonstrate equivalent experience in similarly regulated non-UK jurisdictions;</li> <li>▪ the applicant has considerable longer term relevant experience but more recently has only been involved in work that doesn't involve duties reserved for the actuarial function under the Directive.</li> </ul> <p>This list is not meant to be exhaustive; rather it is designed to illustrate the discretion delegated to the PCC by the Regulation Board. It should however be noted that that the PCC will not usually apply its discretion for more than one year and will expect the applicant to demonstrate that they have met the recent and relevant technical criteria in the year following the application of discretion.</p>

## Appendix 3

### Technical Experience Criteria: Chief Actuary (Life, Non-Directive) and With Profits Actuary

1. For a Chief Actuary (Life, Non-Directive) Certificate: Applicants are required to demonstrate that they have gained recent experience in a number of the technical areas below:
  - advising on appropriate methodologies and assumptions for valuing assets and technical provisions;
  - advising on the requirements for capital and the determination of capital requirements;
  - advising on the measurement, management and mitigation of issues and risks to which a life insurer is exposed, including through use of reinsurance;
  - advising on the appropriate pricing basis for long-term insurance contracts;
  - analysing the matching of assets and liabilities and advising on investment strategy.
  
2. For a With Profits Actuary (WPA) Certificate: All applicants are required to demonstrate recent experience in a number of the technical areas below relating to with-profits business:
  - advising on the management and mitigation of issues and risks, and commenting on the appropriateness of the measurement basis, that may affect the development of the with-profits fund or the interests of the with-profits policyholders;
  - analysing, and advising on, appropriate ways of determining bonus distribution policy and of achieving equity between different groups of with-profits policyholders;
  - advising on the fair treatment of policyholders and compliance with, and recommending changes to, the PPFM;
  - advising on bases for calculating surrender values and the terms for other policy alterations in so far as they may affect the interests of with-profits policyholders;
  - understanding the derivation of the SCR and the technical provision results, and advising on whether the valuation of with-profits business within these is consistent with the PPFM.
  
3. The PCC may, at its discretion, determine that alternative relevant technical experience can be used to support any gaps in the experience set out in 1 or 2 above.

## Guidance on application of Technical Experience criteria: Chief Actuary (Life, Non-Directive) and With Profits Actuary

The PCC will look to apply the technical experience criteria as follows. Discretion may be applied in the areas noted.

Applicants should read the guidance below in conjunction with the criteria and in particular Criterion 5 on recent and relevant experience. Example experience sections of the application forms can be found on the [website](#).

Criterion	Guidance
1	<p>Life Insurance actuaries are involved in many aspects of the underlying business. The technical experience in Criterion 1 identify the areas relevant for application for a Chief Actuary (Life, Non-Directive) Certificate.</p> <p>Applicants should demonstrate on the application form that they have gained recent experience in a number of these relevant areas.</p> <p>The PCC do not expect an applicant to have deep knowledge in all technical areas relevant to the role. Life Board and the PCC normally would expect an applicant to demonstrate recent deep experience of at least two of the technical areas in Criterion 1 during a three year period, with some experience being adequate in the other areas.</p> <p>It is important to include on the application form:</p> <ul style="list-style-type: none"> <li>▪ description of the role(s) the applicant undertook (for example overseeing the whole Individual Capital Assessment (ICA) including impact of stressed conditions, and producing the Board report vs undertaking the calculation of the market risk component to feed into an overall ICA report);</li> <li>▪ the responsibilities of the role(s) undertaken (especially to outline the work the applicant was directly responsible for and the communication thereof to the relevant Board or committee);</li> <li>▪ description of the types/classes/volumes of business covered;</li> <li>▪ any regulatory/statutory role undertaken and/or direct interaction with the FCA or PRA.</li> </ul> <p>The PCC is looking for breadth/variety of experience in the application of advice in the relevant technical areas as well as depth of technical knowledge.</p> <p>Experience can be provided as an actuary internal to the company/its life business, as an external consultant or as the Reviewing Actuary advising the audit partner. It is sufficient for the applicant to demonstrate their role in drawing up and communicating the advice in support of a Small Insurer Chief Actuary, Reviewing Actuary or Appropriate Actuary.</p>
2	<p>The technical experience in Criterion 2 identify the areas relevant for application for a WPA Certificate. Applicants should demonstrate on the application form that they have gained recent experience in a number of these relevant areas.</p> <p>Life Board and the PCC normally would expect an applicant to demonstrate recent deep experience of most of the technical areas noted in two during a three year period.</p> <p>It is important to include on the application form:</p> <ul style="list-style-type: none"> <li>▪ description of the role(s) the applicant undertook (for example contributing towards the determination of asset shares; advising on run off plans for the with-profits business or advising on the use of the free estate; consideration of management actions that might be incorporated in capital projections, particularly in stressed scenarios);</li> <li>▪ the responsibilities of the role(s) undertaken (especially to outline the work the applicant was directly responsible for and the communication thereof);</li> <li>▪ description of the types/classes/volumes of business covered;</li> </ul>

	<ul style="list-style-type: none"> <li>▪ any regulatory/statutory role undertaken and/or direct interaction with the FCA or PRA.</li> </ul> <p>The PCC is looking for breadth/variety of experience in the application of advice in the relevant technical areas as well as depth of technical knowledge.</p> <p>Experience can be provided as an actuary internal to the company/its life business or as an external consultant. It is sufficient for the applicant to demonstrate their role in drawing up and communicating the advice in support of a With-Profits Actuary or Appropriate Actuary acting in relation to with-profits business.</p> <p>It should be noted that an applicant with little or no with-profits experience should not expect to be awarded a WPA Certificate just because the life insurance business they work for has a small with-profits business and it is operationally convenient for that business if the applicant is awarded a WPA Certificate. A WPA Certificate will only be awarded to those applicants who demonstrate the required experience of relevant technical areas.</p>
3	<p>If applicants do not meet the recent and relevant technical experience criteria set out in 1 or 2, above, they need to demonstrate to the PCC that the gaps in their experience are covered by alternative relevant technical experience that the PCC may determine to be equivalent.</p> <p>In particular, the PCC may in special circumstances accept knowledge and experience gained from work done in areas other than those listed as equivalent. This could come in a number of forms:</p> <p>For example, the applicant hasn't met the recent deep experience requirements of the criteria but has otherwise developed and delivered advice that meets those requirements during the last five years that a PC holder would otherwise be expected to demonstrate. Examples might include:</p> <ul style="list-style-type: none"> <li>▪ the applicant does not have sufficient relevant technical experience in a UK Life insurance market but can demonstrate equivalent in similarly regulated non-UK jurisdictions;</li> <li>▪ the applicant has considerable longer term relevant experience but more recently has been involved in work that doesn't involve WPA duties.</li> </ul> <p>This list is not meant to be exhaustive; rather it is designed to illustrate the discretion delegated to the PCC by the Regulation Board. It should however be noted that the PCC will not usually apply its discretion for more than one year and will expect the applicant to demonstrate that they have met the recent and relevant technical criteria in the year following the application of discretion.</p>



## Appendix 4

### Technical Experience Criteria: Lloyd's

1. All applicants are required to be working in the field of general insurance providing actuarial work:
  - this should include at least one of the following core actuarial functions: reserving, pricing, capital setting or reinsurance (purchasing or pricing);
  - this should include significant exposure to the Lloyd's or London Market over that period.
  
2. Further, the applicant should normally have carried out reserving work for a Lloyd's Syndicate or the Corporation of Lloyd's within the last 18 months that involved:
  - carrying out calculation of claim and premium projections;
  - taking responsibility for selections of key assumptions and methodologies used in the calculation;
  - presenting results to senior management, and responding to challenge from senior management.
  
3. The PCC may, at its discretion, determine that alternative relevant technical experience can be used to support any gaps in the experience set out in 1 or 2 above.

### Guidance on application of Technical Experience criteria: Lloyd's

The PCC will look to apply the technical experience criteria as follows. Discretion may be applied in the areas noted.

Applicants should read the guidance below in conjunction with the criteria and in particular Criterion 5 on recent and relevant experience. Example experience sections of the application forms can be found on the [website](#).

Criterion	Guidance
1.	<p>General Insurance actuaries are involved in many aspects of the underlying business. There are four areas the General Insurance Board and PCC see as core actuarial functions:</p> <ul style="list-style-type: none"> <li>- Reserving</li> <li>- Pricing</li> <li>- Capital setting</li> <li>- Reinsurance (purchasing or pricing)</li> </ul> <p>Applicants should demonstrate on the application form that they have gained experience in at least one of these areas.</p> <p>It is important to include on the application form:</p> <ul style="list-style-type: none"> <li>▪ description of the role(s) the applicant undertook (for example design and running models assessing capital needs vs undertaking the calculation of market risk to feed into those models);</li> <li>▪ the responsibilities of the role(s) undertaken (especially to outline the work the applicant was directly responsible for and the communication thereof);</li> <li>▪ description of the types/classes/volumes of business covered;</li> <li>▪ any regulatory/statutory role undertaken and/or direct interaction with either the PRA or Lloyd's.</li> </ul> <p>The PCC is looking for breadth/variety of experience in the application of advice in the core technical areas as well as technical knowledge.</p>

	<p>Experience can be provided as an actuary internal to the company/syndicate or as an external consultant. It is sufficient for the applicant to demonstrate their role in drawing up and communicating the advice in support of a reserved role holder.</p>
2.	<p>The experience expressed on the application form must include reserving work over the last year, where 'reserving' is the estimation of quantum and timing of:</p> <p>(a) future gross claim payments and reinsurance recoveries (and costs associated with the claim payments and reinsurance recoveries) and, where appropriate,</p> <p>(b) future premium income and reinsurance premium outgo (and costs associated with these cash flow items).</p> <p>Reserving risk or other reserving work may meet technical criteria 2 if the member demonstrates that the work done is of the same depth as that required to determine the reserve estimate itself.</p>
1 & 2	<p>Lloyd's and London Market business tends to demonstrate different characteristics to other General Insurance areas and as such the PCC is looking for the applicant to demonstrate significant recent exposure to Lloyd's and London Market business.</p> <p>Lloyd's itself is unique with characteristics and/or requirements that differ to the wider London Market and as such the PCC is looking for the applicant to have gained some experience relating to at least one or more syndicates or the Corporation of Lloyd's over the last 18 months to demonstrate an up to date understanding of the Lloyd's environment.</p>
3.	<p>If applicants do not meet the recent and relevant technical experience criteria set out in Criterion 1, above, they need to demonstrate to the PCC that the gaps in their experience are covered by alternative relevant technical experience that the PCC may determine to be equivalent.</p> <p>In particular, the PCC may in special circumstances accept knowledge and experience gained from work done other than those listed as equivalent. This could come in a number of forms:</p> <p>For example, the applicant hasn't met the recent deep experience requirements of the criteria but has otherwise developed and delivered advice that meets those requirements during the last five years that a PC holder would otherwise be expected to demonstrate. Examples might include:</p> <ul style="list-style-type: none"> <li>▪ the applicant has met the 18 month reserving experience at Lloyd's requirement but does not have sufficient relevant technical experience in the London or Lloyd's market, but can demonstrate equivalent experience of having provided reserving opinions in non-Lloyd's jurisdictions;</li> <li>▪ the applicant has considerable longer term relevant experience acting as a syndicate actuary, providing opinions, but more recently has not undertaken reserving work as they have been advising syndicates on capital issues.</li> </ul> <p>This list is not meant to be exhaustive; rather it is designed to illustrate the discretion delegated to the PCC by the Regulation Board. It should however be noted that the PCC will not usually apply its discretion for more than one year and will expect the applicant to demonstrate that they have met the recent and relevant technical criteria in the year following the application of discretion.</p>

## Appendix 5

### Technical Experience Criteria: Pensions

1. All applicants must have recent experience of **both** of the following:
  - Providing funding advice to trustees of defined benefit pension schemes;
  - Advising trustees on setting and calculating cash equivalents.
2. Together with recent experience of **some** of the following:
  - Acting as a Scheme Actuary to one or more pension schemes and complying with [APS P1](#);
  - Providing advice to trustees, and liaising with other professional advisers, the Pensions Regulator and the Pension Protection Fund in providing that advice, in some of the other aspects of reserved work (see further below);
  - Analysing the issues affecting the risks undertaken by a pension scheme, including working with other professional advisers, in advising the trustees how the trustees can manage and mitigate those risks.
3. The PCC may, at its discretion, determine that alternative relevant technical experience can be used to support any gaps in the experience set out in 1 or 2 above.

### Guidance on application of Technical Experience criteria: Pensions

The PCC will look to apply the technical experience criteria as follows. Discretion may be applied in the areas noted.

Applicants should read the guidance below in conjunction with the criteria and in particular Criterion 5 on recent and relevant experience. Example experience sections of the application forms can be found on the [website](#).

The term 'reserved work' means work reserved for a Scheme Actuary Practising Certificate holder. When assessing the relevant experience of an applicant for a Scheme Actuary PC, the PCC will have regard to the list of reserved work items as set out in the Annex to this guidance.

Criterion	Guidance
1.	<p>Advice to trustees on funding and setting cash equivalent transfer values are core reserved type work for a Scheme Actuary. The PCC in consultation with the Pensions Board expect that all PC holders have a material amount of relevant experience in both these areas.</p> <p>Applicants should demonstrate on the application form their experience in these areas and, for funding advice, whether that experience addressed matters such as:</p> <ul style="list-style-type: none"><li>▪ the impact of the sponsor covenant (but not the assessment of the strength of the sponsor covenant itself), investment strategy and other factors on funding advice given, or</li><li>▪ preparing and communicating funding advice to the trustees, or,</li><li>▪ preparing or certifying schedules of contributions.</li></ul> <p>The PCC is looking for breadth/variety of experience in the application of funding and cash equivalent advice to trustees as well as technical knowledge in these areas. Breadth/variety of experience may arise from work across a number of schemes or from work on one or more large schemes with particularly broad or challenging issues.</p> <p>This experience need not be founded as (or solely as) a Scheme Actuary of one or more pension schemes. It is sufficient for the applicant to demonstrate their role in</p>

	<p>drawing up and communicating the advice in support of one or more Scheme Actuaries.</p> <p>A relevant consideration is the quantum of Scheme Actuary or Scheme Actuary related work that a PC applicant (either initial or renewal) is undertaking. The PCC will normally regard exposure to four schemes to be the minimum requirement, but this could reduce if the schemes are very large and require a significant amount of work in the reserved role areas. However, the PCC is unlikely to grant a certificate for a prolonged period to someone working on only one or two schemes unless those schemes are highly complex in nature, and give rise to a wide range of actuarial issues.</p>
2.	<p>The additional areas of reserved type work the PCC is looking for the applicant to demonstrate include some of:</p> <ul style="list-style-type: none"> <li>▪ bulk transfers, section 67, PPF measures, advice in relation to debt on the employer regulations and winding up;</li> <li>▪ or any other reserved work listed in this guidance.</li> </ul>
3	<p>If applicants do not meet the recent and relevant technical criteria set out in Criterion 1, above, they need to demonstrate to the PCC that the gaps in their experience are covered by alternative relevant technical experience that the PCC may determine to be equivalent.</p> <p>In particular, the PCC may in special circumstances accept knowledge and experience gained from work done for parties other than trustees of private sector pension schemes – for example, where the applicant has changed career from another field of pensions work into reserved work for trustees. This could come in a number of forms, for example:</p> <ul style="list-style-type: none"> <li>▪ the applicant hasn't met the recent deep experience requirements of the criteria but has otherwise developed and delivered advice that meets those requirements during the last five years that a PC holder would otherwise be expected to demonstrate;</li> <li>▪ the applicant has experience of the technical criteria but in a capacity other than reserved work for trustees. In this respect, the PCC may have regard to public sector reserving work, corporate pensions advisory or other work in relation to matters reserved to a reserved role holder. However, such experience will only be considered where the applicant can already demonstrate substantive adherence to the technical experience criteria for work reserved to a reserved role holder.</li> </ul> <p>This list is not meant to be exhaustive; rather it is designed to illustrate the discretion delegated to the PCC by the Regulation Board. It should however be noted that the PCC will not usually apply its discretion for more than one year and will expect the applicant to demonstrate that they have met the recent and relevant technical criteria in the year following the application of discretion.</p>

## **Annex: Reserved work in relation to Scheme Actuary PC applications**

The following work is a comprehensive list of the work considered to fall within the ambit of 'reserved work' for the purposes of Scheme Actuary PC applications.

### **A Bulk transfers without consent**

*Section 73 of the Pension Schemes Act 1993 and Regulation 12(3) of The Occupational Pension Schemes (Preservation of Benefit) Regulations 1991 (SI 1991/167)*

- A1 The certificate required under Regulation 12(3)
- A2 In connection with the certificate in A1, drawing the trustees' attention to any other matters as required by paragraph 4.4 of **APS P1**

### **B Cash equivalent transfer values and cash transfer sums**

*The Occupational Pension Schemes (Transfer Values) Regulations 1996 (SI 1996/1847)*

*The Occupational Pension Schemes (Early Leavers: Cash Transfer Sums and Contribution Refunds) Regulations 2006 (SI 2006/33)*

- B1 Advice to trustees on economic, financial and demographic assumptions
- B2 Provision of an insufficiency report (including taking certain decisions in relation to the calculations, such as the sub-division of liabilities)

### **C Employer debt**

*Sections 75 and 75A of the Pensions Act 1995 and the Occupational Pension Schemes (Employer Debt) Regulations 2005 (SI 2005/678)*

- C1 Provision of the certificates set out in Schedules 1, 1C and 1D of the above Regulations

### **D GMP conversion**

*Section 24C of the Pension Schemes Act 1993 and Regulation 69A of the Occupational Pension Schemes (Contracting-out) Regulations 1996 (SI 1996/1172)*

- D1 Providing advice on appropriate assumptions to test actuarial equivalence
- D2 The calculation of pre and post conversion benefits and the provision of the actuarial certificate confirming actuarial equivalence

### **E Modification of subsisting rights**

*Section 67C of the Pensions Act 1995 and Regulation 5 of The Occupational Pension Schemes (Modification of Schemes) Regulations 2006 (SI 2006/759)*

- E1 Providing the actuarial equivalence statement
- E2 In connection with the statement in F1, drawing the trustees' attention to any other matters as required by paragraph 4.4 of **APS P1**

### **F Payment of surplus to the employer in an ongoing scheme**

*Section 37 of the Pensions Act 1995 and The Occupational Pension Schemes (Payments to Employer) Regulations 2006 (SI 2006/802)*

- F1 The calculation and certification of liabilities

### **G Pension Protection Fund**

*Sections 143, 152, 158 and 179 of the Pensions Act 2004  
The Pension Protection Fund (Valuation) Regulations 2005 (SI 2005/672)*

G1 PPF levy – Section 179 valuations, actuarial certification of deficit reduction contributions, block transfer certification, confirmation in relation to planned deficit reduction contributions when seeking acceptance of a type C (ii) Contingent Asset.

G2 PPF entry – Section 143 valuations or funding estimates for funding determinations by the PPF under Section 143(2)(a), Section 152 valuations or funding estimates for funding assessments by the PPF under Section 152, Section 158 (closed scheme) valuations.

## **H Scheme funding**

*Part 3 of the Pensions Act 2004 and The Occupational Pension Schemes (Scheme Funding) Regulations 2005 (SI 2005/3377)*

H1 Actuarial valuations subject to Part 3 or revisions to funding documentation between valuations, including provision of advice on:

- methods and assumptions;
- preparing or revising the statement of funding principles;
- preparing or revising a recovery plan;
- preparing or revising a schedule of contributions; and
- modification of future accrual.

H2 Setting the assumptions and methodology for the solvency estimate and delivering this estimate

H3 Producing the formal written report of the actuarial valuation required by Section 224

H4 Certification of the technical provisions

H5 Certification of the schedule of contributions

H6 Producing the annual actuarial report

## **I Winding-up**

*Section 73 of the Pensions Act 1995 and The Occupational Pension Schemes (Winding Up) Regulations 1996 (SI 1996/3126) and The Occupational Pension Schemes (Winding Up etc.) Regulations 2005 (SI 2005/706)*

*Regulation 18 of The Occupational Pension Schemes (Scheme Funding) Regulations 2005 (SI 2005/3377)*

I1 The calculation and certification of liabilities of different categories of member to determine how assets must be apportioned

I2 The actuary's annual estimate of solvency required for a scheme that started to wind up on or after 30 December 2005

In addition to the above, the following work will also be classed as relevant experience for the purposes of Scheme Actuary PC applications:

## **J Actuarial Factors**

J1 Providing advice in relation to and updating various actuarial factors

## **K Auto-enrolment**

K1 Providing advice and certification with regard to compliance with auto-enrolment requirements via the 'cost of accruals' test

K2 Providing advice and certification with regard to compliance with auto-enrolment requirements via the Test Scheme Standard