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| **Trust-Based Pre-Paid Funeral Plans**  New policy proposals  by the Funeral Plans Working Party  of the Regulation Board | |
| Exposure Draft ED34: APS Z1  Consultation paper | |
|  | November 2014 |

**Contents**

|  |  |  |
| --- | --- | --- |
| **1.** | Introduction and background | **3** |
| **2.** | Executive summary | **5** |
| **3.** | Current regulatory framework | **6** |
| **4.** | Analysis of proposals | **7** |
| **5.** | How to respond to this consultation | **12** |
|  | Schedule 1: Questionnaire | **16** |
|  | Appendix 1: APS Z1 | **20** |
|  | Appendix 2: Guide for actuaries | **24** |
|  | Appendix 3: Guide for trustees | **43** |

1. **Introduction and background**

1.1 This Consultation Paper (the **Paper**) proposes the introduction, in the interests of planholders and in the public interest, of new regulatory requirements affecting actuaries working on pre-paid funeral plan trusts. We will use the term “funeral plan” or “funeral plan trusts” throughout this Paper to refer to these particular funeral plans.

1.2 Funeral plans enable people to plan ahead to cover the cost of their funeral, so potentially offering peace of mind to planholders and their relatives. Funeral plan contracts are a specified activity under Article 59 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (the **RAO**). However, plans are excluded from article 59 if the plan provider either uses the pre-payment to purchase a whole-life insurance or uses a trust which meets the requirements of Article 60(1)(b) of the RAO.

1.3 One of the requirements of Article 60(1)(b) is that the assets and liabilities of the trust must be valued by a Fellow of the Institute and Faculty of Actuaries (**IFoA**) at least once every three years. This gives members of the IFoA (**Members**) an important role to play in assessing the financial viability of a trust and in helping plan providers to ensure that the requirements for exemption from regulation by the Financial Conduct Authority (the **FCA**) are met. These responsibilities are also clearly of considerable importance to the interests of holders of these plans.

1.4 In February 2011, the Financial Reporting Council (the **FRC**) issued its Funeral Plans Technical Actuarial Standard[[1]](#footnote-1) (the **Funeral Plans TAS**), which came into effect on 1 October 2011, replacing an earlier Guidance Note to actuaries issued by the IFoA. When commending the new TAS (in the preparation of which it had been consulted) to its Members, the IFoA noted that the prudential regulatory regime relating to trust-based funeral plans is less comprehensive than in other areas; and that it was continuing discussions with the FRC, and other interested parties, about the overall regulatory framework for such plans.

1.5 The IFoA subsequently set up a Working Party, consisting of experienced practitioners and independent lay members, to consider whether the IFoA should take regulatory action concerning the conduct of its Members undertaking work on such plans, within the scope of its responsibility for the ethical regulation of its Members. In this Paper, the Working Party seeks views on a package of measures which it is minded to recommend to the Regulation Board of the IFoA and thus, to implement, to improve regulatory safeguards relating to work by the IFoA’s Members on pre-paid funeral plan trusts. The package – details of which are set out in the following sections of this Paper – consists of a mix of specific regulatory provisions, new guidance for Members and trustees and additional professional support.

1.6 Additionally, the Working Party is aware that incidental changes may need to be made to the IFoA’s regulatory package to take account of the provisions of the Consumer Rights Bill which is currently going through the UK Parliament.[[2]](#footnote-2) We would expect to make any consequent changes when the UK Government's guidance on the Bill which is expected in Spring 2015 is available. However, we do not anticipate that the potential changes would be sufficiently material as to require re-consultation. Nonetheless, we would welcome comments on both the implications of the Bill for funeral plan actuaries and on our proposed approach.

1.7 We shall welcome the help of the public, plan providers, other regulators and Members of the IFoA in developing proposals, which are fundamentally principles-based, and address the issues the Working Party has identified in a clear, proportionate and targeted way. Details of how to respond to the consultation can be found on page 12. We shall also continue to discuss with regulators, and other interested parties, the wider issues relating to the prudential regime for plans touched on in this paper which fall outside the IFoA’s remit.

The Working Party looks forward to your response.



**Desmond Hudson**

**Chair of the Regulation Board of the Institute and Faculty of Actuaries**

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**Penny Shepherd MBE**

**Chair of the Funeral Plans Working Party of the Institute and Faculty of Actuaries**

1. **Executive Summary**

2.1 The Working Party proposes a package of measures designed to address concerns regarding actuaries’ involvement with pre-paid funeral plan trusts. The package is intended to help ensure that:

1. actuaries working in this specialist area are sufficiently experienced for the task;
2. they are aware of their particular responsibilities, not least to planholders; and
3. they are adequately supported and assisted by the IFoA in undertaking their work.

The proposed package comprises the following elements:

2.2 **New regulatory provision**: The Working Party proposes the introduction of a new, short, ethical standard applying to Members working on funeral plan trusts to supplement the provisions of the Actuaries’ Code and to sit alongside the TAS issued by the FRC. The new Actuarial Profession Standard (**APS**), which can be found at **Appendix 1**, is likely to be called APS Z1, “Duties and Responsibilities of Actuaries Working For Pre-Paid Funeral Plan Trusts” (**APS Z1**).

2.3 **New guidance**: To assist Members (and trustees) working with funeral plan trusts and to supplement APS Z1, the Working Party has produced two new sets of non-mandatory guidance:

* + 1. A guide for actuaries working with, or advising on, pre-paid funeral plan trusts – included as **Appendix 2** to this Paper. This is intended to provide substantial non-mandatory guidance material on pre-paid funeral plan trusts for Members. The guide contains descriptions of relevant regulatory provisions and practical advice concerning trust-based pre-paid funeral plans. It also covers both ethical and technical matters which Members should be aware of when working on these plans.
    2. A guide for trustees of funeral plan trusts, which seeks to set out for trustees’ benefit the professional obligations falling on actuaries, with a view to stimulate discussion and scrutiny of actuarial work and to improve trustees’ understanding of relevant issues, in particular, the role of the actuary advising them – included as **Appendix 3** to this Paper.

2.4 **Additional professional support**: To complement the regulatory provisions of the package, the IFoA will be providing additional continuing professional development (**CPD**) and training in relation to trust-based pre-paid funeral plans. The IFoA will be taking these measures forward in 2015. A new Member Interest Group (**MIG**) has already been created to support Members and interested non-members, for example, trustees, working in this area.[[3]](#footnote-3)

2.5 **Structure of this consultation paper**: Section 3 sets out the current regulatory framework for pre-paid funeral plan trusts. Section 4 sets out a more detailed analysis of the Working Party’s proposals. Section 5 provides information about how to respond to this consultation. Schedule 1 sets out the consultation questions.

2.6 Responses: these are invited, in the form of either general comments or completed questionnaires, by 13 February 2015. Members may be entitled to claim CPD hours for reading this Paper and completing the relevant questionnaire. Please check the CPD scheme for your particular category recording and eligibility requirements.

1. **Current regulatory framework**

3.1 Pre-paid funeral plan contracts are a specified activity under Article 59 of the RAO. However, plans are excluded from Article 59 if the plan provider either uses the pre-payment to purchase a whole-life insurance or uses a trust which meets the requirements of Article 60(1)(b) of the RAO. If provided through a trust, the requirements of article 60(1)(b) require that:

* + 1. the trust must be established by a written instrument (trust deed);
    2. more than half of the trustees must be unconnected with the provider;
    3. the assets of the trust must be managed by an independent, authorised fund manager;
    4. annual accounts must be prepared and audited, with respect to the assets and liabilities of the trust; and
    5. the assets and liabilities of the trust must be determined, calculated and valued by a Fellow of the IFoA at least once every three years.

3.2 There is a self-regulatory body, the Funeral Planning Authority (the **FPA**), which, according to its rules, checks that its accredited plan providers and funeral plan trustees are fit and proper persons and ensures that its Registered Providers (**RPs**) comply with the RAO, its rules and code of practice. The FPA, with which the Working Party has held discussions during its pre-consultation process, estimates that some 95% of UK funeral plans are provided by its RPs.

3.3 The requirements of membership of the FPA include those set out in article 60(1)(b) of the RAO, and, in some respects, the FPA goes further, for example, in requiring its RPs to have a procedure in place to resolve disputes with their customers, to typically undertake an annual actuarial review of the trust funds and in relation to the arrangements for making good any shortfalls in trust assets.

3.4 The FPA’s Code includes a “Pledge to Customers”, under which all its RPs are required to:

*“co-operate in the delivery of the Authority’s “Pledge to Customers” by which, in the event of the insolvency of a Plan Provider, the other Plan Providers will examine ways in which the Authority might assist in arranging delivery of the funeral of the customers of the insolvent Plan Provider*. *The extent of this co-operation will be at the discretion of the individual Plan Provider*.”[[4]](#footnote-4)

3.5 Actuaries are also required to comply with the provisions of the FRC’s Funeral Plans TAS and its Generic TASs on Data, Modelling and Reporting in undertaking work which involves the determination, calculation and verification of the assets and liabilities of a funeral plan trust. This includes work required by:

3.5.1 Article 60(1)(b)(v) of the RAO to be carried out at least once every three years; or

3.5.2 rules of the FPA to be carried out annually (or at such other intervals as the FPA may determine).

1. **Analysis of proposals**

4.1The reasons for introducing this proposed standard and guidance are as follows:

4.1.1 To ensure that actuaries working in this specialist area are sufficiently experienced and supported for this particular task; and to ensure that actuaries are aware of their particular responsibilities in this area, including to planholders.

The Working Party believes that, although it has similarities with other areas of actuarial practice, work on trust-based funeral plans is a specialised area and involves consideration of actuaries’ wider responsibilities and obligations, such as to planholders, rather than just to plan providers and trustees (or ‘clients’ as they may be more generically known). The IFoA wants to ensure that those actuaries experienced to work on such plans are appropriately guided and supported in their work. This, in turn, means that they can better support funeral plan providers and trustees for the benefit of planholders.

4.1.2 To ensure that actuarieshave the right information gathering and escalation mechanisms available to them to undertake the calculation of the assets and liabilities of the funeral plan trust appropriately.

The guide for trustees and the guide for actuaries set out the key risks regarding trust-based funeral plans in more detail but, in short, the key risk to members of the public, who purchase a funeral plan, is that the plan will fail to meet the costs of their funeral, with consequent distress to their relatives. The marketing literature surrounding trust-based funeral plans has often suggested that taking out a plan guarantees that the costs of the specified funeral will be met in full. Generally, the guarantee comes from the funeral director or plan provider; the trust itself does not provide the guarantee. In practice, however, there can be no absolute guarantee that the funds in the trust supporting the plan will increase at a rate sufficient to cover all costs associated with the funeral of the planholder. This can happen with any pre-payment plan, in which actual costs may prove to be higher, or asset returns lower, than expected at the time the plan is taken out.

The risk of such a shortfall falls immediately on the plan provider or the participating funeral director. If, however, they have insufficient resources to meet the costs of the promised funeral, and other funeral directors or plan providers do not step in to meet the shortfall, there is a risk that the planholder’s family, or estate, will have to make up the difference or accept a lower quality funeral.[[5]](#footnote-5) The failure of a plan would create a considerable degree of distress. There is no statutory ombudsman or compensation scheme applying to prepaid trust-based funeral plans.

When valuing the assets and liabilities of a trust-based plan, an actuary is guided by the terms of the trust deed. However, there is no necessary direct link between the trust deed and the contractual entitlements of the planholders. Those entitlements are governed legally by the terms of the contract between the planholder and the plan provider, but may be influenced by other documents, such as marketing material.

Whilst the actuary appointed by the trustees may seek to have regard to planholders’ contractual entitlements in carrying out his/her assessment of the assets and liabilities of the funeral plan trust, there is no clear guidance laid down beyond the trust deed’s terms, as to the basis on which the actuary is expected to conduct that assessment. Furthermore, there is no requirement that the trustees act on the results of their assessment of the assets and liabilities of the trust or the actuary’s advice; or that the actuary should take any further action once he/she has produced his/her assessment, regardless of its conclusions. However, information gathering powers which can assist an actuary in producing their assessment – and may include reviewing relevant promotional material or the relevant trust documents – will be helpful in ensuring that actuaries can produce an appropriate assessment.

Likewise, ensuring that the actuary has appropriate escalation procedures built into their appointment to raise concerns, with either the trustees/plan providers and/or regulators /other professionals (for example the trust’s or plan provider’s auditors), is also an important mechanism for the actuary to be able to exercise, in order to properly protect planholders and to ensure that the trust-based funeral plan has been properly valued.

4.1.9 To ensure actuaries report their concerns to the most appropriate regulator and/or other professionals who may be involved in advising the funeral plan trustees and/or plan providers.

4.1.10 To set out, for the trustees’ benefit, the professional obligations falling on actuaries, with a view to stimulate discussion and scrutiny of actuarial work and to improve trustees’ understanding of relevant issues, in particular, the role of the actuary advising them – which helps to ensure that planholders’ interests are appropriately protected.

4.1.11 To seek to address any risks to the public, particularly given that actuaries have been specifically named in the relevant legislation by Parliament as the professionals who are appropriately qualified and ethically sound enough to undertake an assessment of the funeral plan trust’s assets and liabilities.

A number of the potential risks to the public interest fall well outside the IFoA’s remit and the Working Party is in the process of taking steps to draw these to the attention of the responsible authorities. However, the Working Party believes that there are a number of steps the IFoA can, and should, take to ensure that, in carrying out their role in relation to such plans, actuaries ascertain (and subsequently take into account) the contractual expectations of planholders. Furthermore, the IFoA can help to ensure that its Members report any concerns they may have about a developing shortfall in the trust measured against these expectations to the trustees. The Working Party believes that the measures it is proposing will complement the relevant provisions of the FRC’s TASs.

4.1.13 The Working Party’s detailed package of proposals to meet these ends is set out in the following sections of this paper. The first element in the package is a new APS.

* 1. **APS Z1**
     1. The Working Party proposes to introduce a new APS to be known as APS Z1: “Duties and Responsibilities of Actuaries Working For Trust-Based Pre-Paid Funeral Plans. The full text of APS Z1 is included at **Appendix 1**. The Working Party is aware that it is proposing to introduce ethical requirements which go beyond what the RAO requires. This has been done as an appropriate step, by an ethical profession, conscious of its duties to the wider public and in the context of the current regulatory environment in this area, where actuaries have been tasked by Parliament to conduct the appropriate assessment of funeral plan trusts’ assets and liabilities.

* + 1. An analysis of the elements of APS Z1 now follows:
       1. Paragraph 1 sets out the requirement that a Member must, when accepting an appointment to value a funeral plan trust, meet the requisite qualification requirements prescribed by the RAO and must comply with the relevant provisions of the Actuaries’ Code.
       2. Paragraph 2.1.1 requires that a Member must, when accepting an appointment, ensure that he or she has the right personally to present a report to the Trustees should he or she deem the report sufficiently important.
       3. This provision is designed to ensure that the actuary’s professional obligations to speak up and address matters of significant importance concerning the funeral plan trust are not fettered by the trustees or the existing scheme rules. This will hopefully encourage open and frank discussion between trustees and the actuary, especially if the actuary has serious concerns about the plan.
       4. Paragraphs 2.1.2 to 2.1.7 and paragraphs 2.2.1 to 2.2.3 are intended to ensure that, working with the trustees, in carrying out his or her work in relation to a funeral plan trust, an actuary is aware of the planholders’ contractual entitlements; draws to the attention of the trustees any change of circumstance bearing on those entitlements; and is satisfied that systems of control are in place intended to ensure that planholders are not misled as to their expectations, also drawing any concerns he or she may have about this to the attention of the trustees. These provisions are designed to stimulate discussion and scrutiny of actuarial work and to improve trustees’ understanding of relevant issues, in particular, the role of the actuary advising them for the benefit of planholders and providers.
       5. The Working Party believes that an actuary should be clear, in their dealings with the trustees in relation to the assessment of the trust’s assets and liabilities, as to what is the actuary’s understanding of the planholders’ contractual entitlements. They should make themselves aware of all relevant material bearing on those entitlements, including that made available by the plan provider to plan purchasers (both the marketing literature and the contract between plan provider and planholder) as well as the governing documents of the plan (the trust deed).
       6. The actuary should also notify the trustees if any changes within the plan’s operations or circumstances might mean that there are implications for the policyholders’ contractual entitlements which need to be addressed. This is a crucial aspect of the actuary’s function in advising the trustees and helping the trustees to fulfil their responsibility to both the planholders and the plan provider. Additionally, paragraph 2.1.2 tries to ensure that the burden of notifying planholders of changes to their entitlement falls on the trustees, rather than on the actuary or not at all.
       7. Finally, paragraph 2.2.4 is designed to ensure that the actuary is satisfied that there are systems of control in place intended to ensure that the planholders are not misled as to their entitlements. If the Member has doubts about the adequacy of these systems, he or she should draw them to the trustees’ attention.
       8. Paragraph 2.3 addresses the situation where an actuary has produced an assessment of the trust’s assets and liabilities but believes that there is a material shortfall in the assets held by the trustees to cover the liabilities or that the plan provider’s contractual obligations are significantly higher than the liabilities of the trust (the RAO does not currently set out what the actuary should do if this occurs). The provision envisages that, as a first step, the actuary, having drawn the position to the attention of the trustees and the plan provider, should try to encourage the trustees to take appropriate action to alleviate the shortfall. If, however, appropriate remedial arrangements have not been made within a reasonable period of time, the provision envisages that the actuary would report the position to the plan provider.
       9. As a secondary measure, if the trustees and the plan provider have not put in place appropriate remedial arrangements within a sensible period of time, it is proposed that actuaries should report their concerns to the auditors of the trust or the plan provider and, if the plan provider, is a FPA RP, also to the FPA.
       10. The Working Party does not envisage that an actuary would report in anything other than extreme circumstances, where, for example, following protracted discussion, no attempt has been made by trustees and/or the plan provider to remedy a shortfall. In any case in which a report had been made, the actuary would be required by paragraph 1.2.3 of the APS and clause 3.6 of the Actuaries’ Code to speak to any successor actuary regarding what had happened.
       11. The Working Party is aware that, due to deficiencies in the wording of the relevant legislation i.e. Articles 59 and 60 of the RAO, and the fact that the IFoA has been accorded the ability to set professional standards related to the assessment of the assets and liabilities of the funeral plan trust by the RAO because it requires that the assessment be conducted by an IFoA Fellow, the IFoA is in a position to set the boundaries of actuaries' ethical responsibilities in this area.
       12. As described above, the policy proposal currently taken in APS Z1 is that the obligation to whistleblow is positioned so that the auditors and the FPA (in the case of an FPA RP) or the auditors (in the case of a non-FPA RP) are informed of the actuary's concerns. That being said, the Working Party has concerns about the ability of the FPA to intervene in a trust should the actuary raise whistleblowing concerns – particularly, of course, if the entity complained of is not a FPA RP. Furthermore, the Working Party has considered other possible solutions than the auditor suggestion, e.g. advertising restrictions or requiring compulsory FPA membership. These areas are clearly outside the scope of the IFoA's responsibilities but we will raise these suggestions in our discussions with appropriate stakeholders - in the context of the wider regulatory and compensation regime associated with these types of funeral plans.
       13. In any event, the Working Party seeks Members’ and interested stakeholders’ views regarding the policy proposals set out in APS Z1.
    2. **Review of work** 
       1. The IFoA is currently considering introducing a new proposed standard, APS X2: Review of Actuarial Work, which would set out requirements for all Members in relation to the review of actuarial work. This would include the work of actuaries involved with funeral plan trusts.

* + - 1. Nevertheless, the Working Party has also considered whether specific, additional review of work requirements should apply to actuaries involved with funeral plan trusts. However, the Working Party has come to the conclusion that it is not appropriate to mandate specific review requirements in APS Z1 at this time for the following reasons:

1. many Members working in this area are likely to already have review regimes in place in circumstances where the work is truly risky or of high value because of the internal control arrangements in their own firms;
2. there is already strong recognition amongst Members of the need to invite review by an external reviewer in particularly difficult circumstances;
3. adding a requirement for mandatory, formal review in all circumstances would add significantly (and disproportionately) to the cost of the assessment of the trust’s assets and liabilities;
4. the small size of the Member community dealing with these matters means that a mandatory review regime would lead to significant problems with respect to resourcing a comprehensive system of review, as well as raising issues of client confidentiality;
5. the FPA performs, in respect of its Members, a “cold” external review and reviews the assessment of the trust’s assets and liabilities undertaken, so that there is already an additional built in layer of protection for the majority of schemes; and
6. Members are subject to whistleblowing obligations under the Actuaries’ Code, which would oblige them to make a report to the IFoA if it was thought that another practitioner was falling below the standard expected of a Member engaging in such work.
   1. **Guide for actuaries**

4.3.1. The Working Party has prepared a draft guide for actuaries to assist all actuaries working with or advising on pre-paid funeral plan trusts. The text of this can be found at **Appendix 2**. This is intended to constitute substantial guidance material for Members working in this area.

4.3.2. The guide, which contains both ethical and technical guidance, covers the operation of trust-based pre-paid funeral plans and identifies some of the risk areas of which Members should be aware before accepting an appointment as adviser to a plan, or providing an opinion on the adequacy of the trust fund assets to cover the promised future funerals. Recognising that there are a variety of different structures and approaches in the way trust-based pre-paid funeral plans can be constituted, the guide is designed to encourage Members to understand thoroughly the establishment and operation of any such plan, in order to ensure he or she is aware of the issues he or she should be taking into account in framing the advice to be given.

4.3.3 The Working Party is interested in receiving comments on the guide.

* 1. **Guide for trustees of funeral plan trusts**

4.4.1 The Working Party has also drafted a short guide for actuaries to offer the trustees of funeral plan trusts. This seeks to set out for the benefit of trustees the professional obligations falling on funeral plan actuaries and, thus, to help trustees manage relations with their actuary. The draft of this guide is at **Appendix** **3**. The Working Party has been helpfully assisted by an experienced independent trustee in preparing the draft guidance, to ensure that it is practically useful and, it hopes, pitched at an appropriate level.

* 1. **Additional Professional Support**
     1. The Working Party has encountered a very clear demand by Members involved in work on trust-based funeral plans for additional CPD and training provision on this topic, and on related professional issues. Meeting this demand, therefore, forms an important part of the package of measures being put forward by the Working Party.
     2. The Working Party proposes that the existing provision be improved and will be encouraging the IFoA to prepare relevant material, including case studies, to complement the regulatory changes and guidance it has proposed. Additionally, the IFoA has established a MIG for Members and non-actuaries, for example, trustees working in this field, to facilitate discussion amongst practitioners and to enable those concerned to assist one another, particularly when difficult matters arise.
     3. The Working Party would welcome specific comment and suggestions on what additional resource material and/or training Members working in this area would find useful.
  2. **Conclusion**
     1. We would welcome general comments on the overall package of measures, including in relation to the practical implications of the proposals.

1. **How to respond to this consultation**
   1. The aim of this consultation is to gather views on the package of measures relating to pre-paid funeral plan trusts recommended by the Working Party, and summarised at section 2 above. The questionnaire can be found at Schedule 1 below. The deadline for responses to be received is Friday, 13 February 2015.
   2. **An online version of the questionnaire can be found on the IFoA’s website at** <http://www.actuaries.org.uk/regulation/pages/consultations-and-discussion-papers>. In order to more efficiently analyse the results, survey respondents are encouraged to complete the online survey – even if you do need to leave some fields blank. We appreciate that some respondents will wish to respond in an alternative format. If you do choose to respond in that way, we may contact you to request an electronic version of your response. Our email address is [**funeral.plans@actuaries.org.uk**](mailto:funeral.plans@actuaries.org.uk)

Our postal address is:

Funeral Plans Consultation

Institute and Faculty of Actuaries

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**Consultation meetings**

* 1. We would encourage Members and interested stakeholders to attend one or other ofthe following two consultation meetings to discuss and comment on these proposals.
* The first will be held at de Vere Venues. Holborn Bars, 138-142 Holborn, London EC1W 2NQ at 17:00 hours on 8 January 2015. Refreshments will be served from 16:30 hours; and
* The second will be held at Level 2, Exchange Crescent, 7 Conference Square, EH3 8RA from 17:00 hours on 13 January 2015. Refreshments will be served from 16:30 hours.
  1. In order to gauge participant numbers, we should be grateful if you would please contact us at: <http://www.actuaries.org.uk/events> if you are planning to attend either of these meetings.
  2. Members may be entitled to claim CPD hours for reading this consultation paper and completing the relevant questionnaire. Please check the CPD scheme for your particular category recording and eligibility requirements.

**Collation of results, analysis and publication**

* 1. The survey responses will be collated by the IFoA Executive and then shared with the Working Party and/or the Regulation Board, who will keep the responses confidential. A list of respondents and responses may be published by the IFoA in its feedback document. Please set out clearly if you do not wish your name and/or response to be published. Responses will not be personally attributed to any particular respondent. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure.
  2. Once responses have been considered, a decision will be taken by the Regulation Board of the IFoA regarding the extent to which the Working Party’s recommendations will be implemented. A further and final feedback report will then be issued.
  3. Thank you for your time and interest.

**Schedule 1: Questionnaire**

1. About You

|  |  |
| --- | --- |
| Name: |  |
| Name of firm/self-employed/retired? |  |
| Position held: |  |

1. Are you a Member of the Institute and Faculty of Actuaries?

|  |  |  |  |
| --- | --- | --- | --- |
| Yes |  | No |  |

1. If yes, which category of membership?

|  |  |  |  |
| --- | --- | --- | --- |
| Student |  | Fellow |  |
| Affiliate |  | Honorary Fellow |  |
| Associate |  |  |  |

1. What is your primary practice area? (Answer one option only)

|  |  |  |  |
| --- | --- | --- | --- |
| Education |  | Health and Care |  |
| Enterprise Risk Management |  | Life Assurance |  |
| General Insurance |  | Pensions |  |
| Finance and Investment |  | Other |  |

1. Do you want your name to remain confidential?

|  |  |  |  |
| --- | --- | --- | --- |
| Yes |  | No |  |

1. Do you want the name of your organisation/employer to remain confidential?

|  |  |  |  |
| --- | --- | --- | --- |
| Yes |  | No |  |

1. Do you want your comments to remain confidential?

|  |  |  |  |
| --- | --- | --- | --- |
| Yes |  | No |  |

1. Do these comments represent your own personal views or your organisation’s views?

|  |  |  |  |
| --- | --- | --- | --- |
| Personal |  | Organisation |  |
| Both |  |  |  |

1. Do you work on funeral plans and, if so, in what capacity?

|  |  |  |  |
| --- | --- | --- | --- |
| Actuary |  | Auditor |  |
| Legal Adviser |  | Financial Adviser |  |
| Trustee |  | Other (please describe) |  |

We would be particularly interested in hearing your views on the following:

**APS Z1**

1. Do you agree with the Working Party’s proposals in APS Z1?

|  |  |  |  |
| --- | --- | --- | --- |
| Yes |  | No |  |
| If not, why not? | | | |
| If yes, is there anything you would like to say about the proposals? | | | |

1. What, if anything, should be included in APS Z1 which is not currently included?

|  |
| --- |
|  |

1. Are you content with the proposed escalation provisions in light of the current regulatory regime applicable to funeral plan trusts?

|  |  |  |  |
| --- | --- | --- | --- |
| Yes |  | No |  |
| If not, why not? |  |  |  |

1. Do you agree with the Working Party’s initial conclusion that it is not appropriate or proportionate to include a formal, mandatory work review obligation in APS Z1?

|  |  |  |  |
| --- | --- | --- | --- |
| Yes |  | No |  |
| If not, why not? | | | |

**Guide for Actuaries On Trust-Based Pre-Paid Funeral Plans**

1. Should any other areas of guidance relating to the operation of pre-paid funeral plan trusts be addressed in the guide for actuaries?

|  |  |  |  |
| --- | --- | --- | --- |
| Yes |  | No |  |
| If yes, please provide further comments. | | | |

1. Section 4, paragraph 4.37, “General Governance” of the guide for actuaries is intended to set out the reasons why actuaries need to ensure that they understand the underlying governing arrangements of the trust. Does this paragraph adequately set out that rationale?

|  |  |  |  |
| --- | --- | --- | --- |
| Yes |  | No |  |
| Please provide further comments or drafting suggestions. | | | |

1. Is the guide for actuaries too detailed in its content? For example, are there too many references to specific regulatory requirements or is this helpful?

|  |  |  |  |
| --- | --- | --- | --- |
| Yes |  | No |  |
| If no, please provide further comments or drafting suggestions. | | | |

1. Do you have any other comments on the draft guide for actuaries?

|  |  |  |  |
| --- | --- | --- | --- |
| Yes |  | No |  |
| If yes, please provide further comments. | | | |

**Guide for Trustees On Trust-Based Pre-Paid Funeral Plans**

1. Do you have any comments on the guide for trustees?

|  |  |  |  |
| --- | --- | --- | --- |
| Yes |  | No |  |
| If yes, please provide further comments. | | | |

**Additional Professional Support**

1. What further resource material and/or training would you find helpful in relation to pre-paid funeral plan trusts?

|  |
| --- |
|  |

**General**

1. Do you have any comments on the implications of the Consumer Rights Bill for funeral plan actuaries and on the Working Party’s current approach to dealing with proposed amendments to the consultation package in light of that Bill?

|  |  |  |  |
| --- | --- | --- | --- |
| Yes |  | No |  |
| If yes, please provide further comments. | | | |

1. Do you have any comments on the practical impact of the proposals or have any further comments about anything in the consultation package?

|  |  |  |  |
| --- | --- | --- | --- |
| Yes |  | No |  |
| If yes, please provide further comments. | | | |

Thank you for your time.

1. <https://www.frc.org.uk/Our-Work/Publications/BAS/Funeral-Plans-TAS-version-1-Feb-2011-File.pdf> [↑](#footnote-ref-1)
2. <http://services.parliament.uk/bills/2014-15/consumerrights.html> [↑](#footnote-ref-2)
3. <http://www.actuaries.org.uk/communities/communities/funeral-plans-member-interest-group> [↑](#footnote-ref-3)
4. <http://www.funeralplanningauthority.com/CodeOfPractice.html#Pledge> [↑](#footnote-ref-4)
5. Plans provided by RPs of the FPA are subject to the FPA’s Pledge to Customers (quoted in full in paragraph 3.4 above) although the Pledge is about delivering the funeral, rather than plugging any shortfalls in the funding of the trust. [↑](#footnote-ref-5)