



Financial Reporting Council

Feedback Statement and Impact Assessment

Technical Actuarial Standard 400:
Funeral plans

July 2023

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Executive summary

1. The Financial Reporting Council (FRC) consulted on revisions to TAS 400: Funeral Plan Trusts on 1 February 2023. The FRC received four written responses to our consultation, which were supplemented by stakeholder outreach discussions. The responses were primarily from consultancies and professional service firms but also included a professional body. This executive summary draws out the key areas where feedback was provided and highlights the main changes made to TAS 400 v3.0 in response to that feedback.
2. The responses were positive and stakeholders are in broad agreement with the proposed changes for the majority of the proposals, with a small number of requests for additional clarity or changes to specific areas of text. The FRC has finalised TAS 400 v3.0 with drafting amendments to provide clarity where required.
3. One stakeholder has asked for clarification on how a number of proposed provisions would apply to practitioners when they are advising the trustees to the funeral plan trust, and not the funeral plan provider. In finalising TAS 400 v3.0, amendments to provisions P2.10, P3.4, and P4.5b have been made to provide clarity.
4. The FRC has introduced provision P1.3 to provide clarity to support practitioners advising on best estimate assumptions where there is missing data.
5. The FRC has further amended provisions P3.7, P4.3 and P4.4 to better reflect the FRC's expectation on how practitioners should comply with them.
6. In addition, minor drafting amendments have been made to Section 1 and the glossary of the TAS 400 v3.0 to align, where appropriate, with TAS 100 v2.0 which was published in March 2023.
7. TAS 400 v3.0 will be effective for all technical actuarial work in scope issued on or after 17 July 2023.

Introduction and background

1. The Financial Reporting Council (FRC) is the UK's independent regulator responsible for issuing and maintaining technical actuarial standards.
2. Version 2 of [Technical Actuarial Standard 400: Funeral Plan Trusts](#) (TAS 400) was issued in July 2020, becoming effective 1 December 2020. This replaced version 1 of TAS 400 which was published in December 2016 and version 2 incorporated specific changes to actuarial work in response to amendments to the Funeral Planning Authority Rules.
3. The FRC keeps the Technical Actuarial Standards (TASs) and other actuarial standards under regular review and reconsidered at least once every five years.
4. The FRC published a [Call For Feedback](#) in May 2022 as part of the post implementation review of the sector specific TASs, which includes TAS 400. This was followed by the publication of a [position paper](#) in February 2023 summarising the responses to the Call For Feedback.
5. In February 2023, the FRC issued a [Consultation Paper](#) titled 'Technical Actuarial Standard 400: Funeral Plans' which included an exposure draft of the proposed revised standard. The consultation closed on 12 April 2023 and was supplemented by extensive outreach activities. This paper provides a summary of the feedback received and sets out the FRC's response, summarising amendments to the exposure draft in response to the consultation. The final version of TAS 400 v3.0 is issued alongside this paper.

Explanation of key changes

1. The key changes to TAS 400, as set out in the consultation paper, relate to the revision of provisions to allow for the change of regime. A review of the pre-paid funeral market by HM Treasury in 2018 and 2019 resulted in legislation to require that all funeral plan providers would be regulated by the Financial Conduct Authority (FCA). Following a period of assessing funeral plan providers to grant authorisation in the new regime, FCA regulation of the funeral plan market commenced on 29 July 2022. The rules which determine how funeral plan providers must operate under FCA authorisation are set out in the FCA's Funeral Plans: Conduct of Business Sourcebook ([FPCOB](#)).
2. Central to the work which actuaries carry out under FCA supervision of funeral plans is the Solvency Assessment Report (SAR) which is likely to replace (but may differ from) the previous annual funding valuations carried out for funeral plan trusts under the FPA supervision of its members. In addition, FPCOB requires the Actuary to approve or sign off on Remediation Plans and Withdrawals following the completion of the SAR (depending on the funding level revealed by the SAR) and certifying transfers of parts of funeral plan business from one funeral plan provider to another.
3. The changes to TAS 400 relate mainly to:
 - Revision to existing provisions in relation to risk identification and valuations carried out under the new FCA regime rather than the Funeral Planning Authority (FPA) rules.
 - Introducing new provisions in relation to new responsibilities such as approvals and transfers as required under the new FCA regime.
4. In addition, the FRC revised TAS 400 in relation to syntax in line with TAS 100.
5. Following the consultation, the FRC made drafting amendments to the final standard TAS 400 v3.0 to provide clarity to address feedback received and to align with TAS 100 v2.0 published in March 2023.

Summary of responses

Responses to the public consultation

1. In total the FRC received four written responses, three of which were not confidential and have been published on the FRC website. The respondents included consultancies/professional service firms and third-sector organisations.
2. In addition, during and following the consultation we held eight meetings with stakeholders individually to discuss their responses to the consultation in more detail. These comprised of seven consultancies and one professional body.
3. In this section we summarise the points raised in the written submission responses and provide comment on the FRC position.

Question 1: What are your views on the revised scope of TAS 400? Do you envisage any significant actuarial work on funeral plans which are not adequately covered by the revised scope and which should be included?

4. Three of the four respondents answered this question and were unanimously in support of the revised scope of TAS 400.

FRC response

5. In addition to the support from written respondents, there was broad support from the participants of the outreach exercise. The FRC has finalised TAS 400 v3.0 with the proposed scope as set out in the exposure draft.

Question 2: Should burial societies remain outside the scope of TAS 400? Please provide your reasoning and any evidence to support your views?

6. The responses to this question were all null, either unanswered or expressing no experience in the field of burial societies.

FRC response

7. The lack of written responses was unsurprising given the small number of practitioners in the (itself small) industry who carry out work for burial societies.
8. A small number of stakeholders suggested during outreach sessions that TAS 400 could include wording to encourage practitioners working on burial societies to operate to the relevant principles of TAS 400 voluntarily although the work itself would not be in scope (though would be in the scope of TAS 100).

9. The FRC considers that technical actuarial work in relation to burial societies are in scope of TAS 100, and there are no barriers to practitioners working on burial societies to apply principles of TAS 400 where relevant.

10. The FRC proposes to retain the scope of TAS 400 v3.0 as set out in the exposure draft.

Question 3: What are your views on the proposed changes to the provisions under Assumptions? Would you find further FRC technical guidance beneficial? If so, please provide details on what guidance you would like to see.

11. Three of the four respondents answered this question and expressed broad agreement with the provisions included in the draft standard regarding assumptions.

12. One respondent queried whether the provisions on best estimate assumptions should be refined to reflect the situation where data is missing. Another respondent suggested additional guidance in respect of the depth of experience analysis to be carried out for less material assumptions would be beneficial.

FRC response

13. The FRC has added provision P1.3 to the final version of TAS 400 v3.0 to clarify our expectations of practitioners in this area. The new provision expects practitioners' allowances for missing data to reflect their best estimate of that missing data as any margins or allowance for prudence in such estimates would not be consistent with a best estimate approach.

14. The FRC notes the broad support for the provisions in this section of the standard and has finalised the remainder of this section of TAS 400 v3.0 as set out in the exposure draft.

15. The FRC considers the [TAS guidance: Proportionality](#) published in March 2023 to be sufficient in providing guidance to practitioners on the application of materiality and proportionality.

Question 4: Would you find further FRC technical guidance beneficial in relation to communicating the obligations of funeral plan trusts under their trust deed? If so, please provide details on what guidance you would like to see?

16. Three of the four respondents answered this question. The responses were positive regarding the provisions in the draft standard. The responses did not provide any compelling arguments for introducing guidance in relation to communicating the trust's obligations.

17. One respondent expressed concern that the trust deed may not always be clear on the obligations of the trust and requested additional guidance as to how the trusts' obligations can be expressed in this situation.

FRC response

18. The FRC has not issued guidance in relation to communicating the obligations of the trust under the trust deed.

19. In relation to the uncertainty around the trust deeds in setting out its obligations, practitioners will typically obtain the necessary legal opinion to resolve such uncertainty in order to provide advice in relation to the liabilities of a funeral plan trust. The FRC expects practitioners to apply the relevant communication provisions of TAS 100¹ to ensure intended users understand any assumptions made, the possible risks related to these assumptions and the potential impact on results.

Question 5: Do the proposed changes to TAS 400 provide sufficient support to allow a practitioner to understand how to handle and justify assumptions, data or methodologies driven by third party opinions? Would you find further FRC technical guidance beneficial? If so, please provide details on what guidance you would like to see.

20. Three of the four respondents answered this question with the majority expressing the view that the provisions did provide sufficient support for practitioners in handling information from third parties.

21. One respondent requested further guidance as to how actuaries should consider the reasonableness of the third-party information used. They suggested that provisions P2.2 and P2.13 contradicted the FRC view expressed in the consultation paper that actuaries should have sufficient knowledge and expertise in relation to third party information.

FRC response

22. To expand on what is set out in the consultation paper, the FRC expects practitioners to have sufficient knowledge and expertise of the funeral plan market or have access to resources to enable them to critically assess third party information or opinions, so that the practitioners can decide whether they consider such information reasonable. As such the FRC does not agree with the inconsistency as described in the response.

¹ A7.5 e) from TAS 100 v2.0 that communications should "include an explanation of any material limitations in actuarial information resulting from the use of assumptions based on limited information and provide an indication of their impact on actuarial information".

23. The FRC considers that the drafting of provisions P2.2 and P2.13 is clear and have finalised TAS 400 v3.0 as set out in the exposure draft. The FRC does not intend to introduce guidance in this area.

Question 6: What are your views on the proposed changes to TAS 400 in relation to the valuation of the assets and liabilities in respect of the provider's corporate accounts and in respect of trustees?

24. Two respondents answered this question. One of the respondents raised concerns related to the clarity of the provisions and unintended consequences.

25. Concerns were raised that the provisions P2.5 and P2.6 relating to the calculation of assets and liabilities for the funeral plan provider's accounts did not adequately reflect the possibility that practitioners could be appointed by the trustees of the funeral plan trust rather than the funeral plan provider itself.

26. A further concern was raised by the same respondent that there could be conflicts between accounting standards (IFRS17) and the best estimate SAR valuation assumptions. Central to this query was the perceived lack of clarity as to what the term 'consistent' means (as set out in P2.5) when the standard says that the accounting assumptions should be consistent with those adopted for the SAR.

FRC response

27. P2.5 sets out requirement for practitioners in relation to the calculation of the general solvency requirement or the accounts for the funeral plan provider. Both of these exercises and the SAR are the responsibility of the provider and are expected of the provider rather than trustees although the provider may delegate the actual calculations to the trust. However, it is unclear how the requirements of P2.5 would change as a result.

28. The FRC's use of the word consistent has the intended meaning of using assumptions which are derived such that they should not contain any contradictions or conflicts. The FRC has not observed reasons for or examples of, inconsistency between best estimate SAR assumptions and the assumptions adopted for corporate accounts and note that the respondent has not raised specific examples to explain this assertion.

29. Participants of the outreach program expressed their support of the provisions surrounding practitioners' work on assets and liabilities as part of funeral plan provider's accounts, with one supporting the aim to have a common standard aiming for best estimate assumptions in accounts and the SAR.

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30. In addition to the points raised above, the FRC considers that in drafting the provisions for corporate accounts as regulatory expectations ('should' wording) rather than mandatory requirements, we have provided practitioners room to apply judgement so that they can deviate from consistency where it is justified.
31. The FRC has finalised the provisions on corporate accounts P2.5 and P2.6 in TAS 400 v3.0 as they were drafted for consultation.

Question 7: Do you envisage any difficulties complying with Provision 2.10 in regard to ensuring your communications are not materially misstated or misrepresented? If so, please provide examples.

32. Three respondents answered this question and were broadly supportive of the intention of the provision, with one respondent stressing the importance that the actuarial work in relation to the security and funding of the plan is reflected accurately in marketing material.
33. One respondent also requested a closer definition of reasonable steps in the context of the actions practitioners should take to ensure their work is not materially misstated or misrepresented. The same respondent raised the concern that with this provision highlighting communications being materially misstated or misrepresented by the intended user, it was unclear what the requirements were for practitioners who provide advice to trustees (the intended user) rather than the funeral plan provider, but found their advice to the trustees was being materially misstated or misrepresented by the funeral plan provider.

FRC response

34. No issues were raised on these provisions during the outreach sessions.
35. The FRC considers that the term 'reasonable steps' is a well-understood term in a principles-based approach which allow practitioners to apply judgement in the context of the work.
36. As set out in the consultation paper, the appropriateness of marketing material is not within FRC's remit but where there are instances of such material expressing facts which contradict a practitioner's advice, this could be an indication that the practitioner's communications are inadequate. In the situation described by the respondent where the practitioners have become aware that their advice to the trustees was being materially misstated or misrepresented by the funeral plan provider, the FRC considers a reasonable step would be for the practitioner to bring this to the attention of the trustees who are the intended user of the practitioner's communications. The FRC has revised the wording of P2.10 in the finalised TAS 400 v3.0 to address this situation.

Question 8: Do you agree with the degree of detail in TAS 400 around the communications of reports to plan holders? In particular how this applies to publishing SAR valuations.

37. Three respondents answered this question and agreed with the proposed changes. One respondent suggested that further consideration should be made to require actuaries to work with the funeral plan provider to gain information on the level of sophistication of the plan holders. For example, they suggested the funeral plan provider could test and gather feedback from the plan holders on the level of understanding.

FRC response

38. The majority of the participants in the outreach exercise were supportive of the draft provisions around communications of reports to plan holders with a minority expressing the challenges of communicating with the FCA and current and potential plan holders via the one SAR document.

39. The FRC has finalised TAS 400 v3.0 retaining the draft provisions in this section.

Question 9: Do you agree with the decision not to tackle the common terminology issue within TAS 400?

40. All four respondents answered this question expressing support for the need for common terminology. Two agreed that this is an issue that could be picked up outside of TAS 400.

41. One expressed a desire to lead collaborative discussions with other practitioners to develop the common terminology. One respondent suggested that the FRC should monitor the progress made by the industry and reconsider TAS 400 if insufficient progress is made.

42. Another queried where else such an exercise to standardise common terminology could take place if not in TAS 400. They went further to suggest that the FRC provide guidance to support practitioners in how to approach situations where terminology may be interpreted differently by different users.

FRC response

43. The FRC has finalised TAS 400 v3.0 without further amendments in relation to common terminology. The FRC is encouraged by the desire of industry participants to take forward further work on this matter and does not at this point in time consider there to be a strong case for guidance in this area but will monitor the progress made on this matter by the industry and consider whether further actions are necessary.

Question 10: What are your views on the proposed changes to TAS 400 in relation to the Risk Assessment provisions?

44. Two respondents provided feedback on this question. One was broadly in support of the risk assessment provisions while the other raised some queries.
45. Continuing the theme of the difficulties where practitioners are advising the trustees rather than the funeral plan provider, one respondent questioned whether it was practical to consider the liquidity needs of the funeral plan provider in such a setup and hence requested further guidance in this area.
46. A further concern was raised in response to provision P3.7 which relates to scenario analyses which should be carried out to identify circumstances which could lead to the failure of the funeral plan to deliver on its obligations to the funeral plan holders. It was suggested that if “funeral plan” was interpreted as relating to a funeral plan provider then it might imply that a covenant assessment may be required.

FRC response

47. The FRC’s intention was for provision P3.4 to cover the liquidity needs of both funeral plan provider and funeral plan trust where appropriate as set out in paragraph 3.36 of the consultation paper. The FRC has therefore amended the final TAS 400 v3.0 in line with this but not issued guidance in this area.
48. As set out in the consultation paper published in February, the FRC considers that it may be a useful exercise for practitioners to consider what could cause the funeral plan to fail, and relatedly, for the provider itself to fail. Given such an exercise was typically considered to be part of a set of risk management tools, the FRC therefore proposed to introduce provision P3.7.
49. The FRC considers this type of exercise (also sometimes known as reverse stress testing) is most useful when the events identified are plausible events (such as economic or demographic events) so that the intended user of the information can gain an understanding of the matters which would drive the failure of the funeral plan to deliver on its obligations to the funeral plan holders. This can then support the intended user to further assess whether any actions are desirable to mitigate such risks/circumstances.
50. The FRC expects practitioners should form their judgement as to whether certain assessments (which could be qualitative or quantitative,) would be beneficial to identify such plausible events, where the judgement should include materiality and proportionality as set out in the TAS guidance, and costs and benefits to the intended user. The FRC notes this provision is a regulatory expectation and material deviation may be acceptable where justified. Further, on

identification of such circumstances of failure, practitioners should judge whether they are sufficiently material to communicate to their client.

51. The FRC has finalised TAS 400 v3.0 with amendments to P3.7 to clarify our expectations outlined above and to reflect that practitioners are only expected to identify plausible circumstances and are not necessarily expected to perform quantitative assessments.

Question 11: What are your views on the proposed provisions in Section 4 in respect of actuarial approvals? Are there further requirements which should be included? Would you find further FRC technical guidance beneficial? If so, please provide details on what guidance you would like to see.

52. This question was answered by three respondents. Two of these asked for further guidance in this area.

53. One respondent again raised the difficulties of applying the relevant provisions when advising trustees rather than the funeral plan provider.

54. The same respondent expressed concern about the consequences of requiring practitioners to use 'best endeavours' to obtain or provide relevant information from each other as set out in P4.3 and P4.4. The interpretation of best endeavours was key to this concern. Their view was that the term could be interpreted as quite onerous and require formal data sharing agreements and therefore requested further FRC guidance on the expectations and how these should be met.

55. A second respondent suggested that additional guidance for the actuarial approvals section would be beneficial but did not specify which areas should be covered.

FRC response

56. The FRC's intention when including the term 'best endeavours' was to ensure a sufficiently robust responsibility is placed on a practitioner to assist their successor where the latter requires information to provide an actuarial approval.

57. The FRC is replacing the term 'best endeavours' with 'reasonable endeavours' in both P4.3 and P4.4 but our expectations of practitioners endeavouring to provide their successor with sufficient information relating to external factors and plan history to make informed decisions remain.

58. The FRC considers that the concept of a practitioner organising orderly handovers of information with a second practitioner and involving their clients should not prove onerous.

During the outreach session it was mentioned that similar handovers have been occurring smoothly in the past. Where there are difficulties obtaining permission from funeral plan providers or trustees to pass on relevant information, this may generate ethical considerations and these should be navigated by practitioners by following the suite of ethical standards published by the Institute and Faculty of Actuaries (IFoA) (including the Actuaries' Code and APS Z1). However it must also be remembered that the handover is from the previous advisor to the funeral plan to the current advisor. Therefore, even in principle, it is difficult to see how there would be any contractual obstacles to passing information across.

59. During the outreach, one stakeholder highlighted possible lack of clarity in the responsibilities of the current and previous practitioners in provision P4.4 given how the requirement is drafted.
60. In relation to provision P4.5, the FRC considers that practitioners should inform their client, whether it is the trustees or the funeral plan provider, of plausible scenarios that would lead to the trust funding level falling below 100% in the next year when authorising a withdrawal of funds from the funeral plan trust.
61. The FRC has finalised TAS 400 v3.0 with a simplification of the wording in P4.4 and minor amendments to P4.5b to provide clarity in situations where the practitioners are advising the trustees rather than the provider. We do not consider guidance on actuarial approvals to be necessary as the revised standard sets out the FRC's requirements and expectations clearly.

Question 12: What are your views on the proposed provisions in Section 5 in respect of bulk transfers? Do they provide sufficient support for actuaries to certify bulk transfers under FPCOB?

62. Two respondents provided answers to this question. There were no objections to the proposed provisions.

FRC response

63. The FRC acknowledges the positive responses to these provisions which were repeated in the outreach sessions. The FRC has finalised TAS 400 v3.0 as set out in the exposure draft.

Question 13: Do you have any views on the July 2023 proposed publishing date with immediate implementation? How long do you expect to need to implement a new TAS 400 standard (assuming no substantial changes to the exposure draft)?

64. Three respondents answered this question. They were all comfortable with immediate implementation of the standard and the July 2023 publishing date provided there are no substantial changes from the exposure draft.

FRC response

65. The FRC is encouraged both by the written responses and by several participants of the outreach exercise expressing their belief that the actuarial advice they currently provide is largely compliant with the draft standards and that they have no issues with the proposed immediate implementation of the standard.

66. The FRC has finalised TAS 400 v3.0 in July 2023 with an implementation date in the same month as publication of the final standard.

Question 14: Do you agree with our impact assessment? Please give reasons for your response

67. Three respondents answered this question and were broadly supportive of the impact assessment with the one proviso (allowing for the cost of potentially carrying out a covenant assessment) mentioned in paragraph 46 above.

FRC response

68. The written responses and feedback during the stakeholder outreach sessions indicates stakeholders are in broad agreement of the impact assessment as set out in the consultation paper.

69. The FRC considers that the changes made to the draft version of TAS 400 v3.0 do not affect the impact of the standard. As such, the impact assessment performed and communicated as part of the consultation in February 2023 remains valid.

Responses from additional stakeholder engagement performed

70. Some respondents made overarching comments to the consultation which summarised their response to the individual questions above. As such, we do not detail these points further here as they are already covered in the earlier parts of this section.
71. In our stakeholder sessions, one respondent raised a concern that elements of TAS 400 were duplicative of the IFoA's ethical regulation framework and that matters covered are not strictly matters relating to the technical aspects of actuarial work. Specifically, the respondent cited that some of the communication requirements in TAS 400 overlapped with elements of the IFoA's Actuaries' Code.

FRC response

72. The FRC notes this comment was raised during the consultation of TAS 100 v2.0 and provided a response to such in its [Feedback statement and impact assessment](#).
73. As set out in that [Feedback statement and impact assessment](#) paragraph 5.148 , the FRC considers ethical standards to be codes of behaviour that are societally acceptable or concerned with the principles of right and wrong, typically addressing behaviours such as integrity, impartiality, duty of care. Examples of ethical standards include the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA), which the Institute of Chartered Accountants in England and Wales (ICAEW)'s Code of Ethics is based on, and includes five fundamental principles: integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.
74. As set out in [Feedback statement and impact assessment](#) paragraph 5.146, the FRC's work to implement its strategy through technical actuarial standards is informed by the Reliability Objective². The purpose of the TASs is to ensure users (i.e., those making decisions based on the actuarial work) can rely on the suitability and comprehensibility of the work and that it helps them to make a sound decision.
75. The FRC considers the proposed requirements in TAS 400 to be in support of our Reliability Objective and has finalised TAS 400 v3.0 as set out in the exposure draft.

² To allow the intended user to place a high degree of reliance on actuarial information, practitioners must ensure the actuarial information, including the communication of any inherent uncertainty, is relevant, based on transparent assumptions, complete and comprehensible

Impact assessment

Benefits

1. The majority of the changes to TAS 400 have been developed as responses to the requirements of FPCOB following the transition of authorisation and supervision of funeral plans from FPA to FCA. The impact of the transition from FPA to FCA on practitioners can be broadly summarised as:
 - a. The requirement to produce annual solvency assessment reports for funeral providers.
 - b. The requirement to approve remediation plans or withdrawal applications which may follow SARs.
 - c. The requirement to certify bulk transfers of funeral plans business.
2. In response, the changes to TAS 400 are designed to ensure practitioners adequately meet the requirements above and that the professional standards reflect the intentions of the FCA to adequately protect plan members.
3. In particular the changes are aimed at:
 - a. Making sure that the of risk of adverse outcomes for plan holders is not unreasonably increased by withdrawals of funds by funeral providers or bulk transfers (noting requirements in relation to withdrawals of funds as set out in FPCOB)³.
 - b. Ensuring that proposed remediation plans are not inadequate.
 - c. Removing potential barriers to practitioners being able to provide well informed appropriate advice in respect of these transactions.
4. Further we note that the IFoA Actuarial Monitoring Scheme's thematic review and other feedback received as part of our outreach effort suggested practitioners did not always explain clearly the derivation of assumptions. The changes to TAS 400 seek to ensure intended users of work under scope of TAS 400 receive the required level of explanation regarding assumption derivation.

Costs

5. It is recognised that there will be an element of one-off cost associated with reading the revised TAS 400 and updating processes and procedures, where these exist. While the revised

³ [FPCOB 3.2.12](#) – "A funeral plan provider must not withdraw any surpluses from the trust except and only to the extent that: (1) the solvency level of the trust is above 110% when calculated on a best estimate basis; and (2) the withdrawal has been approved by an actuary who is a fellow of the Institute and Faculty of Actuaries."

structure of TAS 400 differs from the current version, the provisions which already exist in the current version of TAS 400 were not revised in a material way, other than to reflect the new regulatory environment. We envisage practitioners being required to make some changes to template valuation reports where these exist, to ensure they are suitable for use as SARs and emphasise some of the communication principles proposed. We do not however, expect these to result in material additional costs for practitioners.

6. Given the small number of practitioners and providers operating in the funeral plan space we do not expect the overall cost to practitioners in the funeral plan sector to update their procedures in relation to provisions in relation to assumptions, valuations of funeral plan trusts and funeral plans and risk assessment to exceed £100,000 (i.e. unchanged from previous assessments). This estimate reflects the cost to cover the time practitioners will spend reading and familiarising themselves with the revised TAS 400 and making appropriate changes to work templates.
7. The amendments to TAS 400 in respect of approvals and transfers relate to possible additional ongoing work for practitioners which have arisen following the responsibility imposed on actuaries by the new FCA supervisory regime. Any costs on the actuarial profession which arise from the amendments to TAS 400 in respect to these additional responsibilities are due to the new FCA supervisory regime. The FCA set out its Cost Benefit Analysis in their consultation⁴.
8. In circumstances where valuation results require a deficit to be made good, or, in the case of withdrawals, a funeral provider request a withdrawal of funds, practitioners will have additional analysis to carry out in order to meet the requirements of the changes to TAS 400.
9. We expect in making decisions on remediation plans and withdrawals, much of the additional analysis will be based on existing models and do not expect significant additional costs to be incurred. With the FCA regime in its infancy it is not possible to estimate with any degree of accuracy, the frequency that the additional work may be required. But cost increases from this source are as a result of changes to the regulatory supervision of funeral plans from the FPA to the FCA.

⁴ <https://www.fca.org.uk/publication/consultation/cp21-4.pdf> from page 105. The costs covered in the FRC's Consultation Paper are in addition to those in the FCA's analysis.

Appendices

List of respondents to consultation

The FRC received four written responses to the consultation, three of which were not confidential and were published on the FRC website. The respondents were as follows:

- [Trust Actuarial Limited.](#)
- [OAC PLC.](#)
- [PricewaterhouseCoopers LLP.](#)



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