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## **Insurance TAS – comparison with revised TASs**

The following table compares the scope and requirements in the Insurance TAS with the scope, principles and provisions of TAS 200: Insurance and, where relevant, TAS 100. In this analysis, we have only considered text which appears in boxes in the Insurance TAS. This table is intended to support the transition to the revised TASs. Practitioners should not solely rely on this document when complying with the revised TASs.

Current Insurance TAS text		Corresponding TAS 200/TAS 100 text	
C.1.2	This standard shall apply to all Reserved Work concerning insurance business.	Scope	TAS 200 applies only to specified work – other Reserved Work is in the scope of TAS 100
C.1.5	This standard shall apply to actuarial work concerning insurance business performed to enable an insurer or its parent undertakings to prepare financial statements that are intended to give a true and fair view of their financial position and profit or loss (or income and expenditure) other than actuarial work that is within the scope of the Specific TAS on <i>Pensions</i> .	Scope	<p><b>Financial statements</b></p> <p>Technical actuarial work to support the preparation of financial statements that are intended to give a true and fair view of an insurer's financial position and profit or loss (or income and expenditure) and the reporting of that financial position and profit and loss in a parent company's financial statements other than technical actuarial work preparing information on the insurer's own pension schemes for the purpose of complying with financial reporting standards</p>
C.1.7	This standard shall apply to actuarial work concerning insurance business performed to enable an insurer or its parent undertakings to fulfil their obligations to their regulators and to the tax authorities.	Scope	<p><b>Prudential regulatory balance sheets</b></p> <p>Technical actuarial work to support the preparation of an insurer's balance sheet for prudential regulatory purposes other than technical actuarial work preparing information on its own pension schemes for the purpose of complying with financial reporting standards</p> <p><b>General Insurance Business written by Lloyd's Syndicates</b></p> <p>Technical actuarial work to support the provision of an opinion on provisions as required by Lloyd's.</p> <p><b>General Insurance Tax</b></p> <p>Technical actuarial work to support the confirmation required under the General Insurers' Technical Provisions (Appropriate Amount) Regulations 2009</p> <p><b>Prudential regulatory capital requirements and the Own Risk and Solvency Assessment</b></p> <p>Technical actuarial work to support the calculation of an insurer's prudential regulatory capital requirements and the technical actuarial work undertaken as</p>

			part of its Own Risk and Solvency Assessment.
C.1.9	This standard shall apply to actuarial work performed to enable an insurer or its parent undertakings to report an embedded value to their shareholders or members.	Not in the scope of TAS 200; covered by TAS 100	
C.1.11	This standard shall apply to actuarial work concerning insurance business performed by an auditor's expert to support the auditor's opinion on an insurer's or its parent undertakings' financial statements that are intended to give a true and fair view of their financial position and profit or loss (or income and expenditure) and their regulatory returns other than actuarial work that is within the scope of the Specific TAS on <i>Pensions</i> .	Scope	<p><b>Audit and assurance</b></p> <p>Technical actuarial work to support the provision of an audit opinion on an insurer's financial statements and the reporting of a parent company's interest in the insurer in its financial statements</p> <p>Technical actuarial work to support the provision of an auditor's assurance opinion on an insurer's prudential regulatory reporting</p>
C.1.12	This standard shall apply to actuarial work that supports the development and implementation of pricing frameworks for products provided by an insurer.	Scope	<p><b>Pricing Frameworks</b></p> <p>Technical actuarial work to support pricing frameworks</p>
C.1.14	This standard shall apply to actuarial work that supports the determination of the premium or charges for any single insurance contract that is a significant risk to the insurer.	Not in the scope of TAS 200; covered by TAS 100	
C.1.16	This standard shall apply to actuarial work performed in an insurance transformation.	Scope	<p><b>Insurance Transformations</b></p> <p>Technical actuarial work concerning</p> <ul style="list-style-type: none"> <li>• schemes of arrangement;</li> <li>• Part VII transfers;</li> <li>• supporting the role of policyholder advocate in an inherited estate reattribution;</li> <li>• changes to the principles in the Principles and Practices of Financial Management; and</li> <li>• reporting on policyholder benefit reductions under section 376 of the Financial Services and Markets Act 2000</li> </ul>
C.1.18	This standard shall apply to actuarial work supporting an intended sale or purchase of an insurer, a sale or	Not in the scope of TAS 200; covered by TAS 100	

	purchase of a block of insurance contracts, an insurance commutation or a capital raising exercise concerning insurance business other than actuarial work related to an insurer's employee pension scheme(s).		
C.1.20	This standard shall apply to actuarial work supporting the determination of the premium for reinsurance to close of a Lloyd's syndicate.	Not in the scope of TAS 200; covered by TAS 100	
C.1.22	This standard shall apply to actuarial work concerning the post-sale exercise of discretion by an insurer which affects policyholders' premiums or benefits.	Scope	<p><b>Insurance Transformations</b></p> <p>Technical actuarial work to support</p> <ul style="list-style-type: none"> <li>• schemes of arrangement;</li> <li>• Part VII transfers;</li> <li>• supporting the role of policyholder advocate in an inherited estate reattribution;</li> <li>• changes to the principles in the Principles and Practices of Financial Management; and</li> <li>• <u>reporting on policyholder benefit reductions under section 376 of the Financial Services and Markets Act 2000</u></li> </ul>
D.1.2	Judgements concerning the application of this standard shall be exercised in a reasoned and justifiable manner.	TAS 100 Principle 1	Judgement shall be exercised in a reasoned and justifiable manner; material judgements shall be communicated to users so that they are able to make informed decisions understanding the matters relevant to the actuarial information.
D.2.2	Assumptions used in, or proposed for use in, models shall be appropriate for the purpose of the calculations for which they are used.	TAS 100 Principle 3	Assumptions used, or proposed for use, in technical actuarial work shall be appropriate for the purpose of that work so that users can rely on the resulting actuarial information.
D.2.3	Assumptions used in, or proposed for use in, models shall be derived from as much relevant information as is sufficient or, if there is insufficient relevant information, as is available.	TAS 100 Provision 3.1	Unless set by the user, a third party or by regulation, assumptions used in technical actuarial work, shall be consistent with each other and shall be derived from as much relevant information as is sufficient or, if there is insufficient relevant information, as is available.

D.2.8	No adjustment shall be made to any assumption used in, or proposed for use in, a model to compensate for a shortcoming in another unrelated assumption.	Not in revised TASs	
D.2.9	For work which includes the determination of present values of cash flows, aggregate reports shall explain: <p>a) the derivation of the discount rates;</p> <p>b) the rationale for the inclusion of and the derivation of any illiquidity premium included in the discount rates;</p> <p>c) the implications of adopting the discount rates; and</p> <p>d) the cash flows that are being discounted.</p>	TAS 100 Principle 3 and Provisions 3.3 to 3.4	<p>Assumptions used, or proposed for use, in technical actuarial work, shall be appropriate for the purpose of that work so that users can rely on the resulting actuarial information.</p> <p>Communications shall state the material assumptions and describe their rationale.</p> <p>Communications shall include a comparison of the assumptions with those used in the previous exercise carried out for the same purpose (if one exists) with an explanation of any differences, and the description of any change in the rationale underlying the assumptions used.</p>
		TAS 200 Provisions 7 and 10	<p>Communications shall include the derivations of material assumptions used in the technical actuarial work.</p> <p>Communications shall describe the nature of any cash flows that are quantified including their timing.</p>
D.2.12	If assumptions about claim rates are used in, or proposed for use in, an exercise requiring the projection of claims over a number of years there shall be separate assumptions for base claim rates and for subsequent changes to those rates.	<p>Not directly in revised TASs but covered by TAS 100 Principle 3 (above) and Provision 3.1</p> <p>Unless set by the user, a third party or by regulation, assumptions used in technical actuarial work, shall be consistent with each other and shall be derived from as much relevant information as is sufficient or, if there is insufficient relevant information, as is available.</p>	
D.2.14	Claims assumptions shall allow explicitly for reasonably foreseeable events which would have a significant financial impact even though they might have a low probability.	<p>Also covered by TAS 200, Provision 7:</p> <p>Communications shall include the derivations of material assumptions used in the technical actuarial work</p>	
D.2.16	Aggregate reports for work that includes projections of the cost of running the insurer shall explain the rationale for any material change in the level of future running costs from the current level and the implications for the results.	<p>Not directly in revised TASs but covered by TAS 100 Provision 3.4</p> <p>Communications shall include a comparison of the assumptions with those used in the previous exercise carried out for the same purpose (if one exists) with an explanation of any differences, and the description of</p>	

		any change in the rationale underlying the assumptions used.  And also by TAS 200 Provision 7:  Communications shall include the derivations of material assumptions used in the technical actuarial work
D.2.18	Aggregate reports for work that includes stressed scenarios and uses assumptions about the co-dependencies of risks shall:  e) describe the changes between assumptions about the co-dependencies used in the stressed scenarios and those used in other scenarios; and  f) if there are no changes between assumptions about the co-dependencies used in the stressed scenarios and those used in other scenarios explain why there are no changes.	TAS 200 Provision 14  <b>Prudential regulatory capital requirements and the Own Risk and Solvency Assessment</b>  Communications for technical actuarial work that include stressed scenarios and use assumptions about the dependencies of risks shall:  a) explain any differences between the balance sheet being stressed and that prepared for prudential regulatory purposes; b) describe any changes to the management actions assumed in the stressed scenarios from those assumed in preparing the balance sheet for prudential regulatory purposes; and c) describe any changes between assumptions about the dependencies used in the stressed scenarios and those used for prudential regulatory purposes and if there are no changes explain why.
D.3.1	Aggregate reports shall explain any changes in the measures, methods or assumptions between two similar and related exercises and quantify the overall effect on results.	Not in TAS 200 although TAS 100 Provisions 3.4 and 4.4 are similar except that there is no requirement for quantification:  Communications shall include a comparison of the assumptions with those used in the previous exercise carried out for the same purpose (if one exists) with an explanation of any differences, and the description of any change in the rationale underlying the assumptions used.  Communications shall include an explanation of any changes to the methods and measures used from the previous exercise carried out for the same purpose (if one exists).
D.3.4	The documentation of models used to project claim payments shall explain	Not directly in revised TASs but covered by TAS 100 Principle 3 and Provision 3.2

	how the model allows for claim frequencies and severity.	Assumptions used, or proposed for use, in technical actuarial work, shall be appropriate for the purpose of that work so that users can rely on the resulting actuarial information.  Assumptions used in technical actuarial work shall be documented.	
D.4.1	Aggregate reports for work supporting the determination of a prudent estimate of the technical provisions of an insurer shall explain:  g) the relationship between the prudent estimate and a neutral estimate of the liabilities; and  h) any change to the relationship between the prudent and neutral estimates from the previous exercise of the same type, if any.	TAS 200 Provision 13	Communications shall explain: <ul style="list-style-type: none"> <li>the relationship between any estimate of the value of an asset or liability resulting from the technical actuarial work and a best estimate of the value of that asset or liability;</li> <li>the derivation of any adjustment for risk included in the estimate; and</li> <li>any material change in the relationship between the estimate and a best estimate, and the adjustment for risk compared with the previous exercise carried out for the same purpose (if one exists).</li> </ul>
E.2.1	Aggregate reports for work which requires projecting cash flows under alternative scenarios shall describe how any changes in the assumption about the way discretion is exercised in the alternative scenarios considered are consistent with the fair treatment of the policyholders affected.	TAS 200 Provision 23	Communications for work that requires projecting cash flows under alternative scenarios shall describe how any changes in the assumptions about the exercise of discretion in the alternative scenarios considered are consistent with the fair treatment of the policyholders affected.
E.2.3	Aggregate reports advising or reporting on the exercise of discretion shall indicate the effects of the exercise of discretion proposed or taken on policyholders and on any with-profits estate.	TAS 200 Provision 22	Communications advising or reporting on the exercise of discretion shall indicate the effects of the exercise of discretion proposed or taken on policyholders' benefits, on amounts allocated to shareholders, if any, and on any with-profits estate affected.
E.2.6	When reporting to policyholders on the exercise of discretion the work performed to confirm that their information needs have been taken into account shall be documented.	TAS 200 Provision 21	The work performed to confirm that the information needs of policyholders have been taken into account when reporting to them on the exercise of discretion shall be documented.
F.2.1	Work supporting the provision of an opinion confirming that the technical provisions for each syndicate year of a Lloyd's syndicate writing general insurance business are no less prudent than a best estimate of the amounts required shall be described in	Replaced by a revised scope of work: General Insurance Business written by Lloyd's Syndicates - Technical actuarial work to support an opinion on provisions as required by Lloyd's  This technical actuarial work is covered by TAS 100 and TAS 200 Provisions 12 and 13.	

	<p>a document which shall include sufficient information to allow the syndicate's managing agent and the Lloyd's Actuary to understand the work performed.</p>	<p>Communications shall explain any material difference between the actual experience emerging over the period since the previous exercise carried out for the same purpose (if one exists) with that assumed in that previous exercise.</p> <p>Communications shall explain:</p> <ul style="list-style-type: none"> <li>a) the relationship between any estimate of the value of an asset or liability resulting from the technical actuarial work and a best estimate of the value of that asset or liability;</li> <li>b) the derivation of any adjustment for risk included in the estimate; and</li> <li>c) any material change in the relationship between the estimate and a best estimate, and the adjustment for risk compared with the previous exercise carried out for the same purpose (if one exists).</li> </ul>
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