
FRC TAS 400 Exposure Draft Consultation Response 2023

OAC PLC is an actuarial consultancy and provides actuarial services to pre-paid funeral plans, insurers, and other entities.

Overall we are very pleased with the Financial Reporting Council (FRC) exposure draft updates to the Technical Actuarial Standard 400 (TAS 400): Funeral plan trusts, which now reflect the FCA regulation of pre-paid funeral plans since 29 July 2022.

We have provided responses to specific consultation questions in narrative form, covering #1, 3, 4, 5, 9, 11, 13, and 14.

For our clients, we have been mindful of the actuarial standards for communicating clearly and in a way that is appropriate to the intended audience, and in our view, the revised standard has been updated appropriately to reflect the new regulations. This is particularly pertinent for trust-backed plan providers that are required to publish their Solvency Assessment Report (SAR) on their website. The standard provides for less technical content in the SAR, which is entirely consistent with the communications principle of the IFoA Actuaries Code.

As well, the FRC has expanded the standard to cover insurance based pre-paid funeral plans, which is a necessary improvement in our view. The benefit to the customer is the provision of a funeral and not a pre-determined value, and so the standards should be the same across all plans.

The FRC encourages practitioners to engage collectively to develop tools to support consistent reporting and communication, in particular terminology. We at OAC PLC have been proactively engaging with practitioners in a collaborative group setting and are well set up to lead in this area. We are happy to continue and to lead further group discussions in this area, to produce a collectively agreed common terminology and approach to actuarial solvency reports. We do note though that the FCA requires the plan value to be provided in the SAR and we would request clarification from the FCA of their intended definition. We would also welcome this opportunity to discuss common approaches to best estimate discount interest rates.

The FRC anticipates finalising the revised TAS 400 July 2023 with an immediate effective date. We are happy with this timescale.

We largely agree with the best estimate assumption guidance but see the need for this to be refined where data is missing (section 1).

We would like further guidance where a practitioner is asked to provide approval for remediation plans (section 4).

We agree with the removal of the required communication with trustees for trust based pre-paid funeral plans.

We agree with the impact assessment.

For more information

For more information, please contact:



Erika D. Parker FIA FSA
Consultant Actuary, OAC PLC

