

Institute of Actuaries of India

Professional Compliance Questionnaire (PCQ) – APS4

Author: Life Insurance Board (approved at its meeting held on 11 08 2004 and by the Executive Committee in its meeting held on 28 08 2004)

Source or Authority: Objectives of the “Checklist of Professional Compliance” Ver. 1.00/28 08 2004 issued by LIB

Version:

Version	Effective From
1.00	28 08 2004
1.01	01 07 2011

Subject of Compliance: APS 4: Peer Review and Appointed Actuary (AA) in Life Insurance

Responsibility for compliance: Appointed Actuary

The Executive Committee in terms of the powers vested in it under rules of the Society has put in place the above APS which is classified as Practice Standard, meaning thereby that a material breach of its provisions would of itself be a ground for complaint under disciplinary powers and would amount to a strong prima facie evidence of unprofessional conduct or professionally objectionable conduct. Such evidence could normally be set aside only if the member could show that in an actuarial advice given, any departure considered appropriate from the strict compliance with any aspect of the APS had been disclosed and justified.

The Executive Committee would want to satisfy itself, to the extent that it is possible to do so, that the Appointed Actuaries are in strict compliance with this APS at all times and that to the extent it is not so, the same is made part of the actuarial report and justified. The Executive Committee would also want to satisfy itself as to the manner in which such compliance is actualized so as to ensure that the APS is strengthened if need be on continuing basis.

The Executive Committee has therefore advised the Life Insurance Board to monitor the compliance and set necessary procedures and processes for such objective to be achieved effectively. The Life Insurance Board within this authority delegated by the Executive Committee has issued a “checklist on Professional Compliance” relating to this APS and further issues this Professional Compliance Questionnaire (PCQ). The LIB at its meeting held on 11 08 2004 has decided that this PCQ be mandatory to be filed by each Appointed Actuary whether currently working as appointed Actuary or has had worked as such earlier within a date as specified by the

Secretary, LIB and that this exercise be one off. After having had the experience analyzed as a result of filing of this PCQ and subject to directions if any by the Executive Committee, the LIB shall decide as to whether such PCQ with or without modification shall be required to be filled up on regular basis say annually.

It is clarified that the PCQ is a means for the LIB to have a higher level of satisfaction of compliance by the Appointed Actuaries and does not amount to certification that the Appointed Actuary has complied with all the provisions of the APS fully as in the nature of things such a judgmental process should rest with the Executive Committee and the judicial authority in India.

It is also clarified that this PCQ contains those elements of the APS 4 which are currently considered by LIB as key aspects to be monitored and there could be other aspects as well which the Appointed Actuary needs to comply.

Confidentiality

The contents of this PCQ are confidential between LIB or any committee constituted by LIB or the Executive Committee and the Appointed Actuary and shall under no circumstances be used against him/her without his/her knowledge and due processes as prescribed within rules of the Society.

The Professional Compliance Questionnaire (PCQ) – APS 4

Question No	Question	Reply
1	<p>1. About the Peer Reviewer</p> <p>1.1 Is the Peer Reviewer Internal or External?</p> <p>1.2 If the Peer Reviewer is Internal, then please state whether you are satisfied that there is no conflict of interest, whether real or potential?</p> <p>1.3 Have satisfied that Peer Reviewer is either an Affiliate Member or a Fellow</p> <p>1.4 Have you satisfied that the Peer Reviewer holds CPD credits of at least as many hours as are required in respect of an Appointed Actuary?</p> <p>1.5 State whether the Peer Review is in respect of only Statutory Valuation report or all aspects of the work of Appointed Actuary?</p>	
2	<p>2. About the Peer Review</p>	

	<p>2.1 Has the peer review covered all relevant and significant aspects of the actuarial work such as;</p> <ul style="list-style-type: none"> ➤ data collection and verification, ➤ selection of assumptions, ➤ selection of analytical method/s , ➤ calculations, ➤ results and conclusions, and ➤ has the peer reviewer reviewed the reasonableness of the results? <p>2.2 Have you discussed the work in appropriate depth with the peer reviewer?</p> <p>2.3 Have the discussions in 2.2 been documented in sufficient details to record that a professional and formal peer review has taken place?</p> <p>2.4 If the peer review process has been spread over a period of time, have you ensured that the requirements of the relevant APSs been complied with for each element of work?</p> <p>2.5 Have you ensured that the differences, if any, with the peer reviewer have been resolved before finalizing my report and if any material differences have remained unresolved the same have been mentioned in the peer review report?</p> <p>2.6 The final responsibility of my work being in compliance with the IRDA (Appointed Actuary) Regulations, 2000 and in conformity with the Professional Conduct standards and APSs of the Institute of Actuaries of India being mine, have you used your discretion in deciding whether or not any element of your work needed to be changed as a result of the peer review?</p>	
--	---	--

Name of the Appointed Actuary

Signature
Date