



## ANGUILLA FINANCIAL SERVICES COMMISSION

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### GUIDELINES ON APPROVAL OF AN ACTUARY

(Issued under Section 49 of the Financial Services Commission Act, R.S.A. c. F28 (as amended))

#### 1. Statement of objectives

These guidelines set out the criteria the Anguilla Financial Services Commission (the “Commission”) will use to determine whether to approve an actuary to perform an actuarial valuation of the assets and liabilities of a specified licensed insurer.

#### 2. Statutory provisions

Section 8(7) of the Insurance Act, R.S.A. c. I16 (“Insurance Act”) requires that certain insurers prepare an annual actuarial valuation of their assets and liabilities. The actuary preparing the valuation must be approved by the Commission to prepare that valuation. Where an actuarial firm is used to prepare the valuation, the individual within the firm preparing the valuation must sign the certification of the actuarial valuation and be approved by the Commission.

Section 1 of the Insurance Act defines “actuary” as:

“a person who has qualified as an actuary by examination of the Institute of Actuaries in England or the Faculty of Actuaries in Scotland or the American Academy of Actuaries in North America, and who is a current member of good standing of one of the above professional associations or another professional actuarial association which is recognized by the Commission as such for the purpose of this Act”.

#### 3. Criteria for approval

To be approved as an actuary under the Insurance Act for a specified licensed insurer, the Commission will apply the following minimum criteria:

##### 3.1. *Qualifications*

The actuary must be a member of one of the professional associations listed under the definition of “actuary” in the Insurance Act or, if not, the person must have an actuarial qualification and be in good standing with some other professional association which issues to its members, and enforces by way of a disciplinary process, a code of professional conduct as well as education requirements as described in 3.3, 3.4 and 3.5 below.



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### *3.2. Standards for actuary valuation*

The standards used to prepare the actuary valuation must be clearly articulated. It is the Commission's expectation that an actuary valuation will be prepared in accordance with the standards of practice of the International Actuarial Association or the Caribbean Actuarial Association. The Commission may accept actuarial valuations prepared using other standards, where appropriate.

### *3.3. Code of professional conduct*

The actuary must be subject to a code of professional conduct that sets the professional standards by which the actuary is expected to abide. In particular the code should include requirements that member actuaries:

- 3.3.1. perform professional services with integrity, skill and care, and fulfil professional responsibilities to the client or employer;
- 3.3.2. not act against the public interest;
- 3.3.3. act in a manner to uphold the reputation of the actuarial profession;
- 3.3.4. perform professional services with courtesy and co-operate with others serving the client or employer, treating client information with confidentiality;
- 3.3.5. perform professional services only if competent and appropriately experienced to do so;
- 3.3.6. are responsible for maintaining applicable practice standards in their work, including any relevant guidance issued or endorsed by the actuarial body and in accordance with the status of that guidance (e.g. mandatory, recommended practice, etc.);
- 3.3.7. in communicating professional findings, show clearly who is the source of the findings and confirm availability to provide the client or employer with supplementary information and explanation about scope, methods and data;
- 3.3.8. in communicating professional findings, identify the client for whom these findings are made and in what capacity the actuary serves;
- 3.3.9. not perform professional services involving an actual or potential conflict of interest, unless the actuary's ability to act fairly is unimpaired and there has been full disclosure of the actual or potential conflict;
- 3.3.10. when asked to take on professional services previously provided by another actuary, consider whether it is appropriate to consult with the previous provider to ensure that it is suitable to take on this new responsibility; and
- 3.3.11. disclose to the client in writing, in a timely manner, all sources of income related to any service that is provided to a client.



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### *3.4. Disciplinary process*

The actuary must be subject to a disciplinary process of the professional association of which the actuary is a member that:

- 3.4.1 should include disciplinary procedures prescribed in the rules of the professional association, including a complaint process accessible to both anyone affected by a member's work and the member's professional peers, and an objective formal appeal process independent of the body that has ruled at the prior level;
- 3.4.2 requires compliance with the code of professional conduct, failing which the disciplinary procedures apply; and
- 3.4.3 includes sanctions appropriate to the nature of the compliance breaches.

### *3.5. Education Requirements*

The actuary must be subject to education requirements that should match or exceed the educational requirements of the professional associations set out in the definition of “actuary” in the Insurance Act.

### *3.6 Experience*

The actuary should have experience preparing actuarial valuations of the applicable line of business.

### *3.7 Good standing*

The actuary must be in good standing with other applicable regulatory bodies.

### *3.8 Conflict of interest*

The actuary must not be in a position of actual or potential conflict of interest, unless the Commission is satisfied that the actuary’s ability to act fairly is unimpaired and there has been full disclosure of the actual or potential conflict to the Commission.



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### **4. Removal of approval**

If the Commission becomes aware that an actuary no longer meets the criteria for approval under these guidelines, the Commission will not accept an actuarial report prepared by the actuary and will remove its approval of the actuary in relation to any licensee in respect of which approval was given. In addition, the Commission will take such circumstances into account in determining whether to approve the actuary in the future should there be a subsequent request for approval of the actuary.

**Approved by the Board**  
**Anguilla Financial Services Commission**  
1 September 2015