

HEAD OF ACTUARIAL FUNCTION – SCOPE OF WORK

The scope of the Actuarial services to be provided by the Head of the Actuarial Control Function (HAF) are prescribed in Prudential Standard GOI 3, Item 14 :

The Scope is:

1 Expressing opinions to the Board on the reliability and adequacy of the calculations of technical provisions and minimum and solvency capital requirements, including opinions on:

- a) the appropriateness of the methodologies and underlying models used and assumptions made;
- b) the sufficiency and quality of the data used in actuarial calculations;
- c) best estimates and associated assumptions against experience when evaluating technical provisions;
- d) the accuracy of the calculations;
- e) the appropriateness of and impact of assumed future management actions and the effect of risk mitigation instruments; and
- f) the appropriateness of approximations or judgments used in the calculations due to insufficient data of appropriate quality.

2 Expressing opinions to the Board on:

- a) the appropriateness of the Asset-liability Management Policy, Underwriting Policy, and Reinsurance and Other Forms of Risk Transfer Policy; and
- b) the adequacy of reinsurance and other forms of risk transfer arrangements.

3 Evaluating and providing advice to the Board, senior management and other control functions on:

- a) the appropriateness of the regulatory capital model;
- b) the development and use of internal models for internal actuarial or financial projections, or for own solvency projections
- c) investment policy;
- d) the financial soundness position, including the impact of any proposed dividend declaration or payment;
- e) the actuarial-related matters in the Own Risk Solvency Assessment (ORSA)
- f) the internal controls relevant to actuarial matters;
- g) the awarding of a bonus or similar benefit to participating policyholders and

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h) the actuarial soundness of the terms and conditions of insurance contracts.

4. Attending to Ad-hoc meetings and requests by the Prudential Authority, Escap Board or Board committees;

Deliverables

Escap's standards and templates shall be used to provide the following deliverables:

Opinions to the Board on the reliability and adequacy of the calculations of technical provisions and minimum and solvency capital requirements, including opinions on:

- the appropriateness of the methodologies and underlying models used and assumptions made;
- the sufficiency and quality of the data used in actuarial calculations;
- best estimates and associated assumptions against experience when evaluating technical provisions; • the accuracy of the calculations;
- the appropriateness of and impact of assumed future management actions and the effect of risk mitigation instruments; and
- the appropriateness of approximations or judgments used in the calculations due to insufficient data of appropriate quality.
- the appropriateness of Asset-liability Management Policy, Underwriting Policy, and Reinsurance and Other Forms of Risk Transfer Policy; and
- the adequacy of reinsurance and other forms of risk transfer arrangements

Advice to the Board, senior management and other control functions on:

- the appropriateness of the regulatory capital model;
- the development and use of internal models for internal actuarial or financial projections, or for own solvency projections
- investment policy;
- the financial soundness position, including the impact of any proposed dividend declaration or payment;
- the actuarial-related matters in the ORSA;
- the internal controls relevant to actuarial matters;
- the awarding of a bonus or similar benefit to participating policyholders; and
- the actuarial soundness of the terms and conditions of insurance contracts

Prepared by: KL Dolman

Signed: 

Date: 1 August 2022

Approved by: M Bosman

Signed: 

Date: 1 August 2022