



## **Report of the With-Profits Actuary to with-profits policyholders of Railway Enginemen’s Assurance Society Limited on the application of discretion during 2017**

### **Introduction**

I was appointed as With-Profits Actuary ("WPA") of Railway Enginemen’s Assurance Society Limited ("the Society") on 12 June 2014 and held this appointment throughout 2017. I am a Fellow of the Institute and Faculty of Actuaries. I am not a policyholder of the Society.

I have been provided with a copy of the “Report of the Management Committee to With-Profits Policyholders for the year 2017” from the Society to with-profits policyholders dated 19 June 2018 for which the Society remains responsible. I have also requested from the Society such information and explanations as I consider reasonably necessary to enable me to perform my duties as WPA. In providing this report, I have relied on the accuracy and completeness of the Management Committee report and of the information and explanations provided to me by the Society.

### **Purpose**

This report has been prepared for the purpose of compliance with section 4.3.16 of the Supervision Handbook of the Financial Conduct Authority ("FCA"). This requires me to report annually to with-profits policyholders on whether the Society has exercised discretion in a reasonable and proportionate manner, having regard to the rules and guidance laid down in section 20.2 of the Conduct of Business Sourcebook of the FCA.

As the Society became directive on 1 January 2016, this is the second such report I have made for the Society's policyholders.

### **Actuarial guidance**

We have taken into account the following guidance from the Financial Reporting Council:

- TAS 100 on “Principles for Technical Actuarial Work”; and
- TAS 200 on “Insurance”.

and the following practice standards from the Institute and Faculty of Actuaries:

- APS L1 V 2.0 Duties and Responsibilities of Life Assurance Actuaries
- APS X1 Applying Standards to Actuarial Work
- APS X2 Review of Actuarial Work.

However, it should be noted that I have not considered it necessary or desirable to repeat or elaborate on material that is covered by the Management Committee report to which my report is annexed.



## **Conclusion**

In my opinion, based on the information and explanations provided to me by the firm, and taking into account the rules and guidance in COBS 20:

- With-profits policyholders have been treated fairly in material respects in relation to the exercise of discretion during 2017.
- The discretion exercised by the firm during 2017 took the interests of each class of the firm's with-profits policyholders into account in a reasonable and proportionate manner.

**Alison Carr, With-Profits Actuary**

**26 June 2018**