

Report of the With-Profits Actuary to with-profits policyholders of Railway Enginemen's Assurance Society Limited on the application of discretion during 2020

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 2020. 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 2020" dated 15 June 2021 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 ("COBS") of the FCA.

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

ACTUARIAL GUIDANCE

All actuaries subject to UK legislation and regulations are required to comply with the Technical Actuarial Standards ("TAS") issued and maintained by the Financial Reporting Council and also with the Actuarial Profession Standards ("APS") of the Institute and Faculty of Actuaries. In my opinion, this report and the work carried out to produce the report comply with the relevant standards:

TAS 100	Principles for Technical Actuarial Work
TAS 200	Insurance
APS L1	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 2020.
- The discretion exercised by the firm during 2020 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

30 JUNE 2021