Technical Standards for Modelling

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What does the BAS do?

• Independent body responsible for setting technical actuarial standards in the UK
• Set up in 2006; developing a new suite of standards from scratch
• Standards aimed at helping the users of actuarial information
• Some of its standards will be “generic” – across all areas of actuarial work
• Recently published an Exposure Draft for a Generic TAS on Modelling (TAS M)
Models in Actuarial Work

Models are a large part of what actuaries do

The BAS defines a model in very broad terms

It can range from simple calculations to very large and complex models

Along with commercial packages, spreadsheets are essential tools for actuarial models

General Problems with Models

Lack of testing
Poor documentation
Misunderstanding
Over-reliance on an established view
Unrealistic assumptions
Purpose of TAS M

Users should be able to understand how the models meet their needs and how the limitations affect the results.

Actuarial information based on models should
- include explanations of the purpose of models, how inputs are derived and what the outputs represent;
- explain limitations of the models;

Models should
- sufficiently represent relevant aspects of the world;
- be fit for purpose both in theory and in practice.

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### TAS M

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Surprisingly, little of it is solely actuarial
We want your views

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Link for the Exposure Draft of TAS M