Supervisory Structure in United Kingdom

**Bank of England**
- Founded in 1694
- Responsible for Monetary and Financial Stability
- Issue Banknotes
- Supervision and Regulation of Financial firms
- Financial Policy Committee – Financial Stability
- 19 Dec 2012 – new financial services framework; FSA is abolished

**Financial Conduct Authority**
- Formed: 1 April 2013
- Successor of FSA (Not part of BoE)
- Prudential regulation to those not regulated/supervised by PRA (Asset managers, Financial advisers)
- Responsible for effective competition, conduct regulation of all financial firms, protecting customers
- Regulate marketing of the Financial product (ban/change promotions – misleading customers)
- Able to ban products up to a 1 year, while investigating indefinite ban
- Originally proposed to be named “Consumer Protection and Markets Authority”

**Prudential Regulation Authority**
- Formed: 1 April 2013
- Successor of FSA
- Structured as limited company fully owned by Bank of England
- Regulates about 1700 financial firms
- Prudential regulation and supervision of Financial firms (Banks, Investment Banks, Building Societies and Insurance Companies)
- Safety and soundness of financial firms (especially insurers)
- Focus on the harm that financial companies can cause to the stability of the financial system
New Regulatory Framework

Figure 1 Simplified picture of the new regulatory framework

Bank of England

FPC

Subsidiary of the Bank

PRA

Directions and recommendations

FCA

Regulation

Prudential regulation

Conduct regulation

Prudential and conduct regulation

Financial market infrastructure

Deposit-takers, insurers and major investment firms

Other financial services firms (e.g., asset managers)

Note: In this diagram, 'Financial market infrastructure' refers to central counterparties, securities settlement systems and recognised payment systems.
Lloyds of London

- Founded in 1774 (Society of Lloyds)
- Words specialist insurance/reinsurance market
- GWP – £25,500m
- Result before Tax £2,771m (2012)
- 57 Managing Agents and 87 syndicates
- Lloyds Extra Security
  - Central Assets – £2,485m
- Hurricane Sandy 2012 £1.35bn
- “quasi regulator” – capital setting/business plan approval etc.
Actuaries in United Kingdom

Institute and Faculty of Actuaries (www.actuaries.org.uk)

• Members - apox. 22,000 members (11,000 Fellows)
• Education (various lectures covering GI/Life/Health);
• Announcements/Market Analysis - Accounting, Solvency & Riskmanagement
• Social events (annual ball, boat party, quiz/poker nights etc.)
• “ The Actuary“ magazine
• Subscription fees (£690 Fellow, £456 Associate, £282 Student)

Become an Actuary

Supported by Employers – Study leave, Cover exam/lecture/subscription expenses, Salary implications

• Associate (AIA/AFA)
  • 9 core technical exams + 3 core applications exams
  • 1 year work-based skills

• Fellow
  • Associate + 2 specialist technical subjects + 1 special application subject
  • 3 years work based-skills, attend professional skills course of being admitted as Fellow