

Executive Order on Responsible Actuary in Company Pension Funds¹

Executive Order no. 1014 of 28 October 2009

The following shall be laid down pursuant to section 9c, section 26(6), and section 71(5) of the Supervision of Company Pensions Act, cf. Consolidating Act no. 1561 of 19 December 2007:

Scope

1.-(1) This Executive Order shall apply to pension funds covered by the Supervision of Company Pensions Act.

The responsible actuary

2. Appointment and dismissal of the responsible actuary may be carried out only by the board of directors.

(2) The position as responsible actuary shall not be compatible with the position as a member of the board of management or the board of directors of the pension fund.

3.-(1) The responsible actuary shall have the following qualifications:

1) an actuarial science degree from a Danish university (graduate in insurance science).

2) an actuarial science degree from a country outside Denmark, if the study programme contains

a) courses corresponding to the courses in insurance mathematics included in the actuarial science degree at Bachelor level from a Danish university,

b) courses corresponding to the mandatory courses in life assurance mathematics included in the actuarial science degree at Masters' level from a Danish university, and

c) courses in Danish insurance law and insurance accounts corresponding to the actuarial science degree at Bachelor level from a Danish university or similar.

3) a degree related to no. 1 (MSc, MSc in Statistics, MSc in Math. and Econ.) or a similar foreign qualification. The degree shall be supplemented by courses in insurance mathematics as well as courses in Danish insurance law and insurance accounts corresponding to the actuarial science degree at Bachelor level from a Danish university or similar. Furthermore, the degree shall be supplemented by courses corresponding to the mandatory courses in life assurance mathematics included in the actuarial science degree at Masters' level from a Danish university.

(2) Following completion of the degree mentioned in subsection (1), no. 1, the responsible actuary shall have participated in practical actuary work for

¹ This Executive Order contains provisions implementing parts of Directive 2003/41/EC of the European Parliament and of the Council of 3 June 2003 on the activities and supervision of institutions for occupational retirement provision (Official Journal 2003 no. L 235, p. 10) (the Pension Fund Directive).

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- 1) life-assurance companies or multi-employer occupational pension funds covered by the Financial Business Act,
- 2) pension funds covered by the Supervision of Company Pensions Act, or
- 3) ATP (Arbejdsmarkedets Tillægspension)

on a full time basis for no less than five years within the past ten years. At least one of the five years shall be in close collaboration with a responsible actuary in the companies mentioned.

(3) Following the completion of one of the qualifications mentioned in subsection (1), no. 2, 1st clause, or in subsection (1), no. 3, 1st clause, the responsible actuary shall have participated in practical actuary work for the companies mentioned in subsection (2) on a full time basis for at least six years within the past ten years. Following the completion of one of the degrees mentioned in subsection (1), nos. 2 or 3, the responsible actuary shall have worked closely with a responsible actuary in one of the companies mentioned in subsection (2) for at least one of the six years.

(4) As a minimum, the responsible actuary shall have acquired thorough knowledge about the preparation of notifications, bonus systems, insurance-technical calculations, including calculations of solvency requirements, calculations of provisions and preparation of the annual returns for the Danish FSA.

4.-(1) When the board of directors has employed a responsible actuary, this shall be notified to the Danish FSA no later than two weeks after the employment.

(2) (2) When submitting the notification, cf. subsection (1), the board of directors shall submit a statement that the responsible actuary meets the requirements stipulated in section 3.

(3) If the responsible actuary resigns or is dismissed as responsible actuary, the board of directors and the responsible actuary shall submit separate accounts of the reason for such termination of work to the Danish FSA no later than one month after the date of termination.

5.-(1) The responsible actuary shall have access to all information that he considers necessary to carry out his duties and responsibilities, including the minute book of the board of directors. The Danish FSA may request from the actuary the information necessary to assess the financial position of the pension fund.

(2) The board of directors shall prepare a functional description for the responsible actuary. The functional description shall contain an overall description of which tasks shall be performed in the capacity of a responsible actuary.

(3) In pension funds in which other employees perform tasks for the responsible actuary, the functional description shall state the division of such tasks. Moreover, the functional description shall contain overall guidelines for delegation of tasks by the responsible actuary, including for how the responsible actuary should subsequently verify the tasks delegated.

(4) In pension funds with less than 100 members defined as persons whose employment entitles them, or will entitle them, to receive pension benefits from the pension fund, the board of directors may choose not to draw up a functional description for the responsible actuary.

Reporting by the responsible actuary to the board of directors

6.-(1) In connection with the board of directors' adoption of the annual report, the responsible actuary shall prepare a written report to the board of directors.

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- (2)** The actuary report shall contain all significant conclusions in the actuary's statement to the Danish FSA that are significant for the presentation of financial statements for the year to which the statement by the actuary relates, cf. section 7.
- (3)** The actuary report shall contain a list of the notifications and comments to these made in the past year.
- (4)** The actuary report shall state whether the responsible actuary has received all the information requested.
- (5)** If the verification by the responsible actuary entails that, in his opinion, the annual report does not provide a fair presentation of the pension fund's actuarial aspects, the actuary report shall contain separate information about this.
- (6)** The actuary report shall be signed by the responsible actuary, and it shall be presented to and signed by the entire board of directors.
- (7)** No later than ten days after the general meeting of the pension fund has approved the annual report, a copy of the actuarial report shall be received by the Danish FSA.
- (8)** The board of directors shall be informed of all other significant conclusions in the actuary's statement than those mentioned in subsection (2).
- (9)** In pension funds with less than 100 members, defined as persons whose employment entitles them, or will entitle them, to receive pension benefits from the pension fund, the responsible actuary may choose not to draw up a functional description for the board of directors.

Statement by the responsible actuary

- 7.-(1)** The responsible actuary shall submit an annual statement to the Danish FSA.
- (2)** The statement shall be received by the Danish FSA by no later than one month after the general meeting of the pension fund has approved the annual report for the year to which the statement relates.
- (3)** On request, the Danish FSA may grant exemptions from the time limit laid down in subsection (2).
- (4)** The Danish FSA shall draw up guidelines on the content of the statement by the responsible actuary.

Penalties and entry into force

- 8.-(1)** Any person violating sections 2-6 and section 7(1)-(2) intentionally or with gross negligence shall be liable to a fine.
- (2)** Companies, etc. (legal persons) may incur criminal liability according to the regulations in chapter 5 of the Criminal Code.
- 9.-(1)** This Executive Order shall enter into force on 1 November 2009.
- (2)** At the same time Executive Order no. 778 of 11 August 2005 on Executive Order on Responsible Actuaries in Company Pension Funds.

The Danish Financial Supervisory Authority, 28 October 2009

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