Regulatory Environment for Actuaries

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1. **Why Regulation Exists**
    - Insurance and pension systems handle other people's money over long time horizons, so regulators oversee actuarial work to protect policyholders and the financial system.
2. **Key Regulatory Bodies**
    - National insurance regulators (e.g., the Insurance Regulatory Authority in Kenya), pension regulators, and international standard-setters.
3. **Statutory Actuarial Roles**
    - Many jurisdictions require insurers to appoint a "Statutory Actuary" or "Appointed Actuary" responsible for certifying reserves and solvency.
4. **Solvency Regulation**
    - Frameworks (e.g., Risk-Based Capital, Solvency II) require insurers to hold capital proportional to their risk exposure, with actuaries central to these calculations.
5. **Reporting Obligations**
    - Actuaries must produce statutory reports (e.g., annual valuation reports) that regulators use to monitor the financial health of insurers and pension schemes.
6. **Consequences of Non-Compliance**
    - Regulatory sanctions can include fines, restrictions on business, or revocation of an insurer's license.