



Invitation to Tender (ITT)

Research on the use of AI and other disruptive technologies in actuarial work

FRC2025-168

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1. Background

The Financial Reporting Council (FRC) regulates auditors, accountants and actuaries and sets the UK's Corporate Governance and Stewardship Codes. As the Competent Authority for audit in the UK, we set auditing and ethical standards and monitor and enforce audit quality.

The purpose of the FRC is to serve the public interest and support UK economic growth by upholding high standards of corporate governance, corporate reporting, audit and actuarial work.

The FRC's core objectives are: -



To deliver our objectives, the FRC work has four core dimensions.



Please see overleaf for information on this specific project / requirement.

2. Project Requirements

Context

Actuaries are increasingly integrating artificial intelligence (AI) into their workflows. There are several areas where actuaries are becoming more exposed to AI, including:

- The use of AI within actuarial models and technical processes
- AI models, provided by third parties, acting as a direct input to actuarial models
- Changes to the information that is used as inputs to actuarial models. For example:
 - The underlying environment being modelled by actuaries is undergoing material transformation as organisations adopt AI and other disruptive technologies within their operations
 - Data is becoming less transparent as data providers are increasingly using AI to generate, process or shape data
- AI tools such as large language models (LLMs) playing a growing role in supporting and enhancing actuarial analysis

Research on the use of AI in actuarial work was previously carried out for the FRC in early 2023 (PDF report [available here](#)). However, in this fast-changing area, we now need to update and deepen our understanding of how AI tools, including LLMs, are being employed in the production of technical actuarial work, and of how actuaries are considering the associated risks.

Purpose

This project will provide updated evidence to enhance the FRC's understanding of:

- The technical actuarial work being carried out by actuaries using AI and other disruptive technologies ¹
- Actuaries' perception of the risks and limitations they face when using AI and disruptive technologies in their work
- How actuaries are considering these risks

We are interested predominantly in work being carried out in the UK, but if any relevant non-UK experience is available we would be happy for that to be included in the research.

¹ "Disruptive technologies" refers to innovations that alter or replace existing processes to produce financial and non-financial information, such as generative AI, natural language processing, machine learning, cloud computing and advanced analytics.

Scope

The research will cover the full range of companies and organisations operating across all major actuarial sectors (Life Insurance, Pensions, General Insurance, Investment) as well as some from wider fields. The aim is to cover all types of actuarial work in all actuarial sectors and sub-sectors. We realise that achieving this could mean the interviewee sample is not proportionately representative in terms of the financial impact of the sector or the numbers of actuaries working in the sector.

Topics to be covered will include, but will not be limited to:

- The extent of AI and other disruptive technologies usage by sector and by activity
- Trends in the use of AI and other disruptive technologies
- The variety of techniques used
- Governance and quality assurance
- Perceived risks to the quality of actuarial work and how these are mitigated, including but not limited to:
 - Explainability
 - Over-reliance on results
 - Data privacy
 - Bias and discrimination
- Distribution of expertise of AI and other disruptive technologies across and within teams

Suggested approach

Interviews

The research will be carried out through semi-structured interviews with relevant actuarial staff at companies and organisations across all major actuarial sectors (Life Insurance, Pensions, General Insurance, Investment) as well as some from wider fields. The interviews will be informed by an Interview Guide to be developed by the successful contractor in collaboration with the FRC policy team.

Crucial for the quality of output will be (a) the recruitment of suitable interviewees and (b) the quality of the interviewers. Both these aspects are elaborated below.

All information gathered during interviews will be anonymised before being passed to the FRC in any form. This will mean no one outside the interview team will know who was interviewed or will be able

to deduce that from the research project's output. The successful bidder will have the relevant processes and safeguards in place to ensure interviewee privacy is secured.

Recruitment

Explain in your proposal how you would successfully recruit the number and range of interviewees required. Specify how many completed interviews you would do, and of what length each, within your proposed project cost. Also tell us how many potential interviewees you would need to contact in order to achieve this number of "completes". Explain the various channels through which you would both identify and contact this required number of potential interviewees.

Interviewer team experience and knowledge

The interviews will be semi-structured, by which we mean there will be topics (and sub-topics) to be discussed in each interview but there will not be a script to follow. Our previous experience of interview-based research in this field found that the best quality interviews, yielding the most insightful findings, were those where the interviewer had a good knowledge of actuarial science, and some experience of actuarial practice. This might not *necessarily* require the interviewers to be qualified actuaries, but we do not believe that "generalist" interviewers, even with diligent preparation, will achieve the in-depth interaction with interviewees that is needed. Familiarity with AI, and/or other disruptive technologies, would also be an advantage.

Deliverables

The main output will be a detailed report covering the findings, methodology, and conclusions of the research. The report will include:

- Case studies: Analyses of (anonymised) company cases that have successfully implemented AI (and/or other disruptive technologies) in their technical actuarial work. These case studies will provide practical examples and insights.
- Data: Where relevant, quantitative data on the uptake and use of AI by sector
- Commentary: Analyses of
 - Actuaries' understanding of the risks and limitations of using AI and disruptive technologies in actuarial work.
 - How actuaries are considering these risks
 - Potential implications to the risk to the quality of actuarial work

The report will be of publishable quality with clear analytical narrative and findings, supported by charts and other visuals.

Prior to the main output you should also deliver an early findings presentation to the FRC (with detailed slides) by Monday 5 October 2026 at the latest.

Liaison arrangements

The FRC team should be consulted on key decisions in the research design and its implementation. This will include regular project progress calls via Microsoft Teams and email updates.

Cost

Bidders should provide a fixed fee for the work, exclusive of VAT, inclusive of all expenses. Costs should be detailed in the Tender Response Documents in the format specified. No other costs should be charged on top of the fixed fee, unless the scope materially changes from what is set out/agreed. Changes to the scope / cost of the project must be mutually agreed.

The FRC does not anticipate tender bids over £80,000 excl. VAT and the amount agreed will be dependent on the approach outlined and the staff employed.

3. Your tender response

The proposal should be no more than 8 pages in total, excluding annexes, and include:

- A succinct summary of the proposal, including an estimated timeline of project milestones.
- Details of the proposed approach. This should include the extent and type of any assistance from artificial intelligence that your approach would employ.
- A half-page biography of each member of the proposed project team. This should specify their relevant transferrable experience from similar projects, their previous relevant

employment and, if beneficial to their role in the project, their actuarial knowledge and experience.

- A short explanation of each team member's role in delivering the project.
- The arrangements to be put in place for managing this work and quality assuring outputs.
- A budget, including a breakdown of time and costs per activity, and per project team member.
- Your proposal should identify any real, or potential for perceived, conflicts of interest. Where these exist (including merely the *possibility* of real or perceived conflicts of interest) your proposal should explain in suitable detail how you would mitigate or manage them

Concise CVs (max 2 pages each, evidencing the biographies described above) for the project team should additionally be included in an annex.

4. Evaluation

Proposals will be assessed against the following principal criteria:

	Weight	Principal criteria
1	40%	The suitability of the approach (including methodology and management).
2	40%	Experience / relevant experience of the proposed personnel.
3	20%	Pricing / cost of your proposal.

Tender Timeline

Date/Time	Activity
13/02/2026	Publication of the Invitation to Tender
03/03/2026 by 12noon	Supplier's Deadline to submit clarification questions
09/03/2026 by 5pm	FRC's Deadline for publication of responses to clarification questions FRC will endeavour to meet this deadline
23/03/2026 by 12noon	Deadline for supplier submission of tender to the FRC.
01/04/2026	Tender Outcome
w/c 13/04/2026	Contract commencement

High Level Project Timeline

Date/Time	Activity
w/c 13/04/2026	Kick-off meeting (in-person at FRC offices, if possible)
Early April	Agree interview population and sample specification
April	Development and review of interview guide
April - July	Recruitment of interviewees
May - August	Interviews take place Initial findings discussion/check-in after approx 5 completes
By 05/10/2026	Provisional (but full scope) findings presentation to FRC supported by well-structured, high quality slides
Start November	Draft Final report for review by FRC
End November	Final Report delivered to FRC

Scoring approach

Bids will be scored on your ability to meet our requirements using the scoring approach: -

Score	Criteria for awarding score
0	Unacceptable Does not satisfy any part of the requirement. Does not comply with and/or insufficient information provided to demonstrate that the bidder has the ability, understanding, experience, skills, resource and quality measures required to provide the services, with little or no evidence to support the response.
25	Poor Satisfies only minor aspects of the requirement. Or can carry out some or all of the required services but not to a sufficient standard. Strong concerns over relevant ability, understanding, experience, skills, resource, and quality measures required to provide the services.
50	Fair Satisfies part of the requirement only, not the full requirement. Or can carry out all required services but not to a sufficient standard. Minor Concerns over relevant ability, understanding, experience, skills, resource, and quality measures required to provide the services.
75	Good Satisfies the requirement, with minor additional benefits. Supplier has the relevant ability, understanding, experience, skills, resource and quality measures required to provide the services, but the supplier has also provided relevant innovative methodology, or relevant added value services which will directly enhance the service required, giving minor additional benefit to FRC.
100	Excellent Satisfies the requirement, with major additional benefits. Supplier has the relevant ability, understanding, experience, skills, resource and quality measures required to provide the services, but the supplier has also provided relevant innovative methodology, or relevant added value services which will directly enhance the service required, giving major additional benefit to FRC.

5. Tender Process

Conduct

The tenderer must not communicate to any person the tender price, even approximately, before the date of the contract award other than to obtain, in strict confidence, a price for insurance required to submit the tender.

The tenderer must not try to obtain any information about any other person's tender or proposed tender before the date of the contract award.

The tenderer must not make any arrangements with any other person about whether or not they should tender, or about their tender price.

The tenderer must not offer any incentive to any member of FRC's staff for doing or refraining from doing any act in relation to the tender.

If the tenderer engages in any of the activities set out in this paragraph or if FRC considers the tenderer's behaviour is in any way unethical FRC reserves the right to disqualify the tenderer from the procurement.

The tenderer represents and warrants that a conflicts of interest check has been carried out, and that check revealed no conflicts of interest.

Where a conflict of interest exists or arises or may exist or arise during the procurement process or following contract award the tenderer must inform the FRC and submit proposals to avoid such conflicts. The successful supplier should be aware that the FRC's conflict of interest assessment is for the whole contract life / ongoing and input from the successful supplier may be required a key stages (such as when new information comes to light).

Tenderers must obtain for themselves at their own responsibility and expense all information necessary for the preparation of tenders. The FRC is not liable for any costs incurred by the tenderer as a result of the tendering procedure. Any work undertaken by the tenderer prior to the award of contract is a matter solely for the tenderer's own commercial judgement.

Tenderers must not undertake any publicity activity regarding the procurement within any section of the media.

Questions & Clarifications

Tenderers may raise questions or seek clarification regarding any aspect of this further competition at any time prior to the tender clarification deadline.

Tenderers may raise questions or seek clarification within the timeframe by sending questions to procurement@frc.org.uk in the following format.

Nature of query / clarification	Query / Clarification

FRC will not enter into exclusive discussions regarding the requirements of this ITT with tenderers.

To ensure that all tenderers have equal access to information regarding this tender opportunity, FRC will publish all its responses to questions raised by Tenderers on an anonymous basis.

Responses will be published in a questions and answers document to all Tenderers who have indicated that they wish to participate.

Due Diligence

While reasonable care has been taken in preparing the information in this ITT and any supporting documents, the information within the documents does not purport to be exhaustive nor has it been independently verified.

Neither FRC, nor its representatives, employees, agents or advisers:

- makes any representation or warranty, express or implied, as to the accuracy,
- reasonableness or completeness of the ITT and supporting documents; or
- Accepts any responsibility for the adequacy, accuracy or completeness of the information contained in the ITT and supporting documents nor shall any of them be liable for any loss or damage, other than in respect of fraudulent misrepresentation, arising as a result of reliance on such information or any subsequent communication.

It is the tenderer's sole responsibility to undertake such investigations and take such advice, including professional advice, as it considers appropriate in order to make decisions regarding the content of its tenders and in order to verify any information provided to it during the procurement process and to query any ambiguity, whether actual or potential.

It is a requirement that the successful supplier is not on the UK Governments debarment list with a mandatory exclusions, furthermore the supplier must (i) comply with all applicable laws and regulations including, without limitation, the Bribery Act 2010, the Equality Act 2010 and the Modern Slavery Act 2015; and (ii) in addition to any contractual requirement(s), inform the FRC immediately upon becoming aware of any event (including actual or threatened court proceedings) which may impact upon the reputation of the FRC, whether or not connected with the Supplies and/or Services.

Submitting a Tender

Tenderers must submit their tender response within the deadline to procurement@frc.org.uk.

Where a **Tender Response Template** is provided, potential providers must align their tender response with that format.

A Tender must remain valid and capable of acceptance by the Authority for a period of 90 days following the Tender Submission Deadline. A Tender with a shorter validity period may be rejected.

The FRC reserves the right to take up references. You may be required to provide references in the Tender Response Document / upon request. References must be relevant to the FRC requirement and in the last five years.

The Terms and Conditions will apply to this proposed Agreement are contained in the Tender Response document and should be accepted with no material changes.

Evaluation

FRC will award the contract on the basis of the tender which best meets the evaluation criteria aligned to the requirements.

Acceptance of Tender & Notification of Award

FRC reserves the right to amend, add to or withdraw all or any part of this ITT at any time during the procurement.

FRC reserves the reject your tender submission if there is a conflict of interest that cannot be managed / mitigated.

FRC shall not be under any obligation to accept the lowest price tender or any tender and reserves the right to accept such portion or portions as it may decide, unless the tenderer includes a formal statement to the contrary in the tender. FRC also reserves the right to award more than one contract to fulfil the requirement.

The tenderer will be notified of the outcome of the tender submission at the earliest possible time.

Where the procurement process is subject to EU public procurement directives, a minimum standstill period of 10 calendar days will apply between communicating the award decision electronically to tenderers and awarding the contract.

Nothing in the documentation provided by FRC to the tenderer during this procurement or any communication between the tenderer and FRC or FRC's representatives, employees, agents or advisers shall be taken as constituting an offer to contract or a contract. No tender will be deemed to have been formally accepted until the successful tenderer has received a formal contract award letter from FRC.

6. Additional Information

Please use the Tender Response Document for your tender submission.

[Short Form Contract - Word v1.5A 2025 1 .docx](#)



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