



ASSOCIATION ACTUARIELLE INTERNATIONALE INTERNATIONAL ACTUARIAL ASSOCIATION

Memorandum

Date: 16 February 2017

To: Presidents and Council Delegates of IAA Full Member Associations
Presidents and Council Representatives of IAA Associate Member Associations
Representatives of IAA Partners, Observers and Patrons

Copy: Correspondents, IAA Full and Associate Member Associations
Members of ASC and its task forces
Chairs of IAA Committees and Sections
Members of the Standard Setters Round Table
Other interested parties

From: Alf Gohdes, Chair, Actuarial Standards Committee (ASC)

Proposed Conformance Changes to ISAPs 1, 2 and 3 and the Glossary

The ASC is proposing to make Conformance Changes to ISAPs 1, 2, and 3 as well as to the Glossary using an expedited procedure approved by the Professionalism Committee as envisaged in paragraph 9.2 of the Due Process. This procedure is laid out below in this memo. We believe the changes are simply housekeeping and not controversial. We are asking the Member Associations and Standard Setters to review the proposed conformance changes and send any objections by **18 March 2017**. Responses should be directed to ISAP.comments@actuaries.org

Background

9.2. of the Due Process states that

“However, from time to time, it may be appropriate to make non-fundamental changes to existing ISAPs. If the ASC believes that such a minor change is not fundamental and is not controversial, it may propose to the Professionalism Committee that the change be implemented under an expedited procedure rather than through the normal Due Process. If the Professionalism Committee concurs that the change is not fundamental and not controversial, it may authorise an expedited procedure, and the Executive Committee may in its discretion rely on this expedited procedure, when approving the submission of the ISAP to Council for a vote. If such a change receives an affirmative vote of at least 80% of the votes cast, it is thereby adopted.”

The ASC is in agreement that the changes proposed below are neither fundamental nor controversial. It proposes an expedited process which conforms with this paragraph and does not require the full Due Process for ISAPs to be followed.

Proposed “2017 Conformance Changes”

The following changes are needed to reflect Council adoptions starting with ISAP 3 in April 2015:

Item to be Changed	Council Adoption Reference (confirming formal Council Approval)	Conformance Changes proposed
<p>Preface</p> <ul style="list-style-type: none"> • Update to reflect the changes related to the meaning of substantial consistency made to preface of ISAP 3 • Update to revised disclaimer wording. • Include reference to ISAP 1A 	<p>ISAP 3 (11 April 2015)</p> <p>Approved by Council 20 Mar 2016 by electronic ballot.</p> <p>ISAP 1A Approved 21 Nov 2016</p>	<p>Update preface in ISAP 1 and ISAP 2</p> <p>Update preface in ISAPs 1, 2 and 3</p> <p>Include reference to ISAP 1A in the appropriate paragraphs in ISAPs 2 and 3.</p>
<p>Paragraph 1.3. Compliance</p>	<p>ISAP 3 (11 April 2015); ISAPs 1A and 5 (21 Nov 2016)</p>	<p>Update paragraph 1.3 in ISAPs 1 and 2</p>
<p>Paragraph 1.4. Relationship to ISAP 1 and ISAP 1A</p>	<p>ISAPs 1A and 5 (21 Nov 2016)</p>	<p>Revise wording in paragraph 1.4 in ISAPs 2 and 3 to include ISAP 1A</p>
<p>Paragraph on Defined Terms</p>	<p>ISAP 3 (11 April 2015); ISAPs 1A and 5 (21 Nov 2016)</p>	<p>Make guidance in ISAP 2 a separate paragraph (new 1.5)</p>
<p>Definition of Model</p>	<p>ISAPs 1A and 5 (21 Nov 2016)</p>	<p>Mark “model” as a defined term in ISAPs 1, 2 and 3 where appropriate and update the reference in the Glossary</p>

In addition to the above, the ASC would like to correct one scrivener's error to the Glossary, following the guidelines in paragraph 9.3 of the Due Process. This correction is marked as such in the definition of “Social Security Programs” in the attached Glossary including reference to its details.

The ASC has prepared markup and clean versions containing proposed Conformance Changes to ISAPs 1, 2 and 3 and the Glossary. These documents are attached.

Expedited Procedure *(approved by the Professionalism Committee 16 February 2017)*

1. The PC confirms that only conformance changes are being proposed for these ISAPs and that the expedited process as proposed be implemented. *(Done 16 February 2017)*
2. The markup and clean version of ISAPs 1, 2, and 3, and the Glossary are placed on IAA website and circulated to MAs to allow comment within 30 days. The documents are also placed on the 60-day Council agenda. *(Done 16 February 2017)*
3. If the proposed conformance changes prove non-controversial, the ASC will prepare a report on comments received and the ASC’s responses together with the final proposed ISAPs 1, 2

and 3, and the Glossary and forward the report to Council in time for the 30-day Council agenda.

4. If the proposed conformance changes prove controversial and the ASC is unable to satisfy any such concerns the conformance changes will be withdrawn by the ASC.