



INTERNATIONAL ACTUARIAL ASSOCIATION

Date 6 June 2013

To Commenters on the Exposure Draft of Valuation of Social Security Programs (now ISAP 2 - Financial Analysis of Social Security Programs)

From Dave Pelletier, Chair, Actuarial Standards Committee

**Re: Final Draft of ISAP 2 – Financial Analysis of Social Security Programs
Introduction of the Glossary
Reformat of ISAP 1 – General Actuarial Practice**

The Actuarial Standards Committee (ASC) has approved a final draft of ISAP 2 – Financial Analysis of Social Security Programs. The ASC intends to present this draft to the Executive Committee asking for it to transmit the ISAP to the IAA Council with its recommendation to adopt the ISAP. We seek your review before doing so.

I would like to take the opportunity to thank you for commenting on the exposure draft of ISAP 2. We received many excellent comments. The ASC's Social Security Task Force and the ASC have worked hard to revise the ISAP to reflect these comments, and the ISAP is much better as a result. I would also like to thank the Social Security Task Force (with Rob Brown as Chair and Godfrey Perrott as ASC Liaison) for its diligent efforts in the drafting of the original ED and in appropriately reflecting the comments received in preparing this final draft.

One outcome of these comments is that the ASC decided to reformat ISAP 1 and all future ISAPs to use a common Glossary for all defined terms. Definitions will not appear in individual ISAPs. Instead they will be housed in a common Glossary. This places all the definitions in one place, avoids duplication, and ensures that a particular defined term always has a single, common, definition.

The Glossary has no authority of its own; instead it supports the ISAPs. Any defined term used in a particular ISAP has the same authority as that ISAP.

We are providing you with:

- The final draft of ISAP 2
- The final draft of our report showing how we addressed the comments we received
- The Glossary
- The reformatted ISAP 1 (for reference)

The definitions from ISAP 1 have been moved to the Glossary verbatim. The reformatted ISAP 1 shows how this is implemented. Section 2 – Definitions has been removed and sections 3 and 4 renumbered 2 and 3.

We would like to obtain confirmation from you that the proposed final text of ISAP 2 (including the definitions in the Glossary unique to ISAP 2) deals appropriately with the comments received. Please confirm your support, or identify if you have any substantive issues with the proposed final ISAP 2, and the definitions unique to ISAP 2 in the Glossary, by email to SS.ISAP.comments@actuaries.org by Saturday, 6 July 2013.

We have also submitted these documents to the Professionalism Committee so they can confirm that the ASC conformed with Due Process.

Once again thanks for taking the time to comment.