Our objective is to obtain Council approval for this ISAP at the October Council meeting in Singapore. The ASC met yesterday and approved by subsequent email vote today the proposed final draft of ISAP 2, along with the associated documents referred to below.

In accordance with Due Process, we seek your approval for submission of our final draft to Council, along with the other items provided as enclosures with this memo. Due Process also requires advice from the Professionalism Committee (PC) that the production of the ISAP has conformed with Due Process. We have been keeping the PC informed along the way, and I understand that PC Chair Peter Doyle will address that issue.

As you’re aware, we have conducted a second, limited consultation with the 16 individuals or organizations that commented on the exposure draft of ISAP 2. The package we sent out, and the five comments we received are posted on the IAA website under http://www.actuaries.org/index.cfm?lang=EN&DSP=PUBLICATIONS&ACT=STANDARDS_ISAP2

We have prepared this memo for your discussion on July 23. It has 13 attachments:

1. The package we sent on 6 June 2013 to individuals or organizations who commented on the exposure draft. Note that you did receive these first five items in June, via an email from me forwarded by Nicole. We’re providing them again now for your convenience.
   a. Transmittal memo
   b. Att 1 ISAP 2 draft dated 2013-06-06
   c. Att 2 ISAP 2 report dated 2013-06-06
   d. Att 3 Glossary dated 2013-06-06
   e. Att 4 ISAP 1 reformatted

2. Results of the consultation with commenters
   a. A summary of the 5 comments we received, what we did in response, and discussion of why we did it.
   b. ISAP 2 marked against the proposed final ISAP distributed in the second consultation. The changes to paragraph 2.4 may appear extensive, but they are primarily rearrangement of the material.
c. The Glossary marked against the proposed Glossary distributed in the second consultation.

d. ISAP 1 marked against the proposed reformatted ISAP distributed in the second consultation.

e. ISAP 2 approval history dated 2013-7-11.

3. Clean set of documents
   a. ISAP 2
   b. Glossary
   c. ISAP 1

The Casualty Actuarial Society (US) raised two issues which we have not adopted:

1. Definitions should be kept in each ISAP and not use a glossary in a separate document. The CAS was the only commenter to object to the separate Glossary. (Chris Daykin raised a concern when we surveyed the Standard Setters Round Table (among others) before deciding on the Glossary approach.) We believe the separate Glossary is the right structure and continue to recommend it.

2. It requested another full round of exposure saying in part:

   “... we agree with ASC that the new draft of ISAP 2 does not raise substantive new issues. However, we do not agree that this implies that IAA should forego another round of exposure. We do recognize that the standards development and approval process as applied to ISAP 2 includes many opportunities for various types of review, input and comment. And certainly ISAP2 has benefited from these numerous checkpoints. Nonetheless, we believe that both real and perceived transparency and input opportunities are so important -- to the development, acceptance and use of the ISAPs -- that the extra time and effort of another round of exposure is fully warranted.”

The ASC considered whether to recommend a second round of consultation and decided against it, largely because “the new draft of ISAP 2 does not raise substantive new issues.” We could of course continue to re-expose until we made no further changes but that would not be beneficial to the public we serve, nor the IAA. There is a strong desire to complete this standard and it is time to adopt the final version.

Other than that we believe we addressed all significant comments received and do not expect opposition at Council (except possibly from the CAS).

Rob Brown (chair of the SS Task Force) is a member of the EC. Godfrey Perrott (ASC liaison to the SS TF and primary drafter of this ISAP) and I will attend the portion of your conference call in which you deal with this item. The three of us will be happy to address any questions either then or by e-mail.

The ASC is very grateful to Godfrey, Rob, and the SS TF for the excellent work they’ve done on this ISAP.