



**ASSOCIATION ACTUARIELLE INTERNATIONALE  
INTERNATIONAL ACTUARIAL ASSOCIATION**

April 11, 2014

James Gunn  
Technical Director  
International Auditing and Assurance Standards Board  
529 Fifth Avenue, 6th Floor  
New York, NY 10017 USA

Dear Sir,

**Re: IAA comments to IAASB on its Proposed Strategy for 2015–2019 and Proposed Work Program for 2015–2016 Consultation Paper**

In response to the request for comments on the *consultation paper on IAASB's Proposed Strategy for 2015–2019 and Proposed Work Program for 2015–2016*, I am pleased to transmit on behalf of the International Actuarial Association (IAA) our comments and recommendations.

These comments have been prepared by the Insurance Accounting Committee of the IAA. If, upon reading these comments, you identify any points that you wish to discuss or obtain further insight, please do not hesitate to contact William Hines, vice-chairperson of the committee (and also the IAA representative to the IAASB CAG), care of the IAA secretariat (at [secretariat@actuaries.org](mailto:secretariat@actuaries.org)). We hope that our comments provide assistance to the IAASB Board and staff on this project. The IAA will be pleased to develop the ideas presented in these comments further with you.

Yours sincerely,

Robert L. Brown  
President

Attachment: [IAA comments](#)

## Comments by the International Actuarial Association on the IAASB's consultation paper on its Proposed Strategy for 2015–2019 and Proposed Work Program for 2015–2016

### International Actuarial Association and its Due Process

The International Actuarial Association (the "IAA") represents the international actuarial profession. Our sixty-five Full Member actuarial associations, listed in [Appendix A](#) to this statement, represent more than 95% of all actuaries practicing around the world. The IAA promotes high standards of actuarial professionalism across the globe and serves as the voice of the actuarial profession when dealing with other international bodies on matters falling within or likely to have an impact on the areas of expertise of actuaries.

We are pleased to be given the opportunity to provide input to the IAASB on this Consultation Paper both through William Hines, the IAA's representative to the IAASB's Consultative Advisory Group and here in writing. These comments have been prepared by its Insurance Accounting Committee, the members of which are listed in [Appendix B](#) to these comments. It has also been subject to the due process required for it to constitute a formal view of the IAA and will be posted to the IAA's official web site.

### IAA Comments

We thank the Board for continuing to seek input from its stakeholders regarding its strategy and the projects/activities that it expects to allocate its resources toward. We believe that this transparency adds significant value to its governance process and ultimately to the value of its output. From our perspective as actuaries, we have certain observations and suggestions regarding the plan, especially as it relates to the auditing of insurance entities and similar financial security programs.

Financial and regulatory financial reporting standards for the insurance industry and its contracts have evolved significantly over the past twenty years and will continue to change in a significant manner in the near future.

The revisions to IFRS 4 expected to be adopted by the International Accounting Standards Board in the near future will move the insurance industry toward more consistent financial reporting on a global basis. At the same time, the International Association of Insurance Supervisors (IAIS) is developing standards for regulatory reporting. These changes will require an increase in the use of professional judgment to estimate reported values, particularly those of insurance contract liabilities. To implement these standards, the actuarial profession will continue to play a critical role in this measurement and review of calculated values for insurance contract liabilities and other items.

We believe that, in view of the above and the insurance industry's unique long-term obligations involving (to use fair value terminology) level 3 inputs, significant benefits will be derived to all related stakeholders to add a project relating to the audit of insurance entities, which recognizes the relationships among the preparer, regulators, auditors and actuaries.

In parallel with discussions relating to the audit of banks and the relationship between banks, supervisors and external auditors, further discussions regarding appropriate treatment involving insurers should also be held. We are eager to provide resources to a working party to develop appropriate guidance in this area.

## Appendix A

### Full Member Organizations - 65

Caribbean Actuarial Association  
Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires (Argentina)  
Actuaries Institute Australia (Australia)  
Aktuarvereinigung Österreichs (AVÖ) (Austria)  
Institut des Actuaire en Belgique (Belgique)  
Aktuarsko Drustvo U Bosni I Hercegovini (Bosnia and Herzegovina)  
Instituto Brasileiro de Atuária (IBA) (Brazil)  
Bulgarian Actuarial Society (Bulgaria)  
Canadian Institute of Actuaries/Institut Canadien des Actuaire (Canada)  
China Association of Actuaries (China)  
Actuarial Institute of Chinese Taipei (Chinese Taipei)  
Asociación Colombiana de Actuarios (Colombia)  
Institut des Actuaire de Côte d'Ivoire (Côte D'Ivoire)  
Hrvatsko Aktuarsko Drustvo (Croatia)  
Cyprus Association of Actuaries (Cyprus)  
Česká Společnost Aktuárů (Czech Republic)  
Den Danske Aktuarforening (Denmark)  
Egyptian Society of Actuaries (Egypt)  
Eesti Aktuaaride Liit (Estonia)  
Suomen Aktuaariyhdistys (Finland)  
Institut des Actuaire (France)  
Deutsche Aktuarvereinigung e. V. (DAV) (Germany)  
Hellenic Actuarial Society (Greece)  
Actuarial Society of Hong Kong (Hong Kong)  
Magyar Aktuárius Társaság (Hungary)  
Félag Íslenskra Tryggingastærðfræðinga (Iceland)  
Institute of Actuaries of India (India)  
Persatuan Aktuaris Indonesia (Indonesia)  
Society of Actuaries in Ireland (Ireland)  
Israel Association of Actuaries (Israel)  
Istituto Italiano degli Attuari (Italy)  
Institute of Actuaries of Japan (Japan)  
Japanese Society of Certified Pension Actuaries (Japan)  
The Actuarial Society of Kenya (Kenya)  
Latvijas Aktuaru Asociācija (Latvia)  
Lebanese Association of Actuaries (Lebanon)  
Lietuvos Aktuariju Draugija (Lithuania)  
Persatuan Aktuari Malaysia (Malaysia)  
Colegio Nacional de Actuarios A. C. (Mexico)  
Association Marocaine des Actuaire (Morocco)  
Het Actuarieel Genootschap (Netherlands)  
New Zealand Society of Actuaries (New Zealand)  
Den Norske Aktuarforening (Norway)  
Pakistan Society of Actuaries (Pakistan)  
Actuarial Society of the Philippines (Philippines)  
Polskie Stowarzyszenie Aktuaruszy (Poland)  
Instituto dos Actuários Portugueses (Portugal)  
Russian Guild of Actuaries (Russia)  
Udruženje Aktuara Srbije (Serbia)  
Singapore Actuarial Society (Singapore)  
Slovenska Spoločnosť Aktuarov (Slovakia)

Slovensko Aktuarsko Drustvo (Slovenia)  
Actuarial Society of South Africa (South Africa)  
Institute of Actuaries of Korea (South Korea)  
Col.legi d'Actuaris de Catalunya (Spain)  
Instituto de Actuarios Españoles (Spain)  
Svenska Aktuarieföreningen (Sweden)  
Association Suisse des Actuaires (Switzerland)  
Society of Actuaries of Thailand (Thailand)  
Institute and Faculty of Actuaries (United Kingdom)  
American Academy of Actuaries (United States)  
American Society of Pension Professionals & Actuaries (United States)  
Casualty Actuarial Society (United States)  
Conference of Consulting Actuaries (United States)  
Society of Actuaries (United States)

## Appendix B

### Members of the IAA Insurance Accounting Committee

#### Chairperson:

Francis Ruygt

#### Co-Vice-Chairpersons:

Micheline Dionne

David John Finnis

William C. Hines

#### Members:

Gunn Albertsen	Den Norske Aktuarforening
Victor Hugo Cesar Bagnati	Instituto Brasileiro de Atuária (IBA)
Daniel N. Barron	Israel Association of Actuaries
Guy Castagnoli	Association Suisse des Actuaire
Antonella Chiricosta	Istituto Italiano degli Attuari
Simon R Curtis	Canadian Institute of Actuaries/Institut Canadien des Actuaire
Alexander Dollhopf	Svenska Aktuarieföreningen
Ann Duchêne	Institut des Actuaire en Belgique
David John Finnis	Actuaries Institute Australia
Xing Feng Gong	China Association of Actuaries
Rokas Gylis	Lietuvos aktuariju draugija
Jozef Hancar	Slovenska Spolocnost Aktuarov
Maximilian Happacher	Deutsche Aktuarvereinigung e. V. (DAV)
Armand Maurice Ibo	Institut des Actuaire de Côte d'Ivoire
Satyan Jambunathan	Institute of Actuaries of India
Dragica Jankovic	Udruzenje aktuara Srbije
Burton D Jay	Conference of Consulting Actuaries
Gareth L Kennedy	Casualty Actuarial Society
Ad Kok	Het Actuarieel Genootschap
Christoph Krischanitz	Aktuarvereinigung Österreichs (AVÖ)
Yin Lawn	Actuarial Institute of Chinese Taipei
Kristine Lomanovska	Latvijas Aktuaru Asociacija
Ana Maria Martins Pereira	Instituto dos Actuários Portugueses
James B Milholland	Society of Actuaries
Brian Joseph Morrissey	Society of Actuaries in Ireland
Yoshio Nakamura	Institute of Actuaries of Japan
Manuel Peraita Huerta	Instituto de Actuarios Españoles
Andreja Radic	Hrvatsko Aktuarsko Društvo
Nithiarani Rajasingham	Singapore Actuarial Society
Ravi Clifton Rambarran	Caribbean Actuarial Association
Thomas Ringsted	Den Danske Aktuarforening
Jaanus Sibul	Eesti Aktuaaride Liit
Henry W Siegel	American Academy of Actuaries
Maxime Simoen	Institut des actuaire
Mateja Slapar	Slovensko Aktuarsko Društvo
John Laurence Smith	New Zealand Society of Actuaries
Pentti Soinen	Suomen Aktuaariyhdistys
Arseny Leonidovich Timakov	Russian Guild of Actuaries
Peter Andrew Withey	Actuarial Society of South Africa
Derek John Wright	Institute and Faculty of Actuaries
Jana Zelinkova	Ceská Spolocnost Aktuárů
Jesús Alfonso Zúñiga San Martin	Colegio Nacional de Actuarios A. C.