



Deadline: 31 March 2016

Please use this template to comment on the [Exposure Draft of ISAP 1 A](#) Governance of Models, and the proposed revisions to the [Glossary for ISAP 1A](#).

The IAA invites comments on this Exposure Draft, particularly on the questions set out below. Comments are most helpful if they:

- (a) Comment on the questions as stated;
- (b) Indicate the specific paragraph or group of paragraphs to which they relate;
- (c) Contain a clear rationale; and
- (d) Include any alternative that the IAA should consider, if applicable within the scope of the Statement of Intent for ISAP 1A.

Identification and instructions		
Name of Individual:	Please indicate if your comments are personal, or represent your organization:	Samuel Achord FIA CERA, comments are personal
Name of organization		N/A
Disclosure of comments:	Please indicate if your comments should be treated as confidential, and if so why:	Comments not confidential
Instructions for filling in and sending the template	<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ Do not write in the yellow shaded cells ⇒ Write in the white cells ⇒ When commenting on a specific paragraph: <ul style="list-style-type: none"> ○ Please use a separate row for each paragraph, sub paragraph, or bullet. ○ Please include the full reference in the first column such as "Introduction 3rd paragraph 2nd bullet" or "2.6.1.b.ii" ○ Please insert/append extra rows as needed. <p>Please send the completed template, renamed with the organization's or individual's name, attached in <u>Word Format</u>, to</p> <p>ISAPIA.comments@actuaries.org</p>	



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	Specific Questions asked by the ASC	Response
Q1.	Is the guidance clear and unambiguous? If not, how should it be changed?	Yes
Q2.	Is the guidance sufficient and appropriate? If not, how should it be changed?	Yes, nearly. I would add a short section at the end expanding documentation (cf ISAP 1, section 2.13)
Q3.	Is it clear how the guidance in the proposed ISAP relates to the guidance in ISAP 1? If not, how should it be changed?	Yes
Q4.	Is the guidance at the right level of detail? If not, what text should be omitted because it is too detailed? In what areas do actuaries need more detailed guidance?	Yes, right level of detail
Q5.	Are there other matters that should be included in this standard on governance of models? Are there some included here that should not be?	Yes, though an added section on model documentation would benefit ISAP 1A, which expands that in ISAP 1. Suggested addition below.

	General Comments on the ISAP 1A Exposure Draft	
	Nice and succinct.	

Comments on specific paragraphs of the ISAP 1A Exposure Draft		
Full paragraph reference	Change proposed to the paragraph (markup preferred)	Reason the change is needed (can be kept very brief or left blank if obvious from the change)



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<p>Section 4</p>	<p>Proposed new section 4, main ideas underlined:</p> <p>Section 4. Documentation (cf ISAP 1 section 2.13)</p> <p>4.1 The actuary should ensure that documentation and <u>knowledge is maintained within the business</u> for the intended users and other actuaries who may undertake similar work in the future.</p> <p>4.2 The <u>documentation should enable the actuary to understand the business needs served by the model.</u> The documentation should capture the <u>[big picture]</u> wider business needs served by the model, the purpose of the model, as well as the immediate and downstream uses of the output of the model.</p> <p>4.3 The documentation should be of sufficient detail to enable a suitably capable actuary, or other user, to (1) understand the <u>methodology</u>, (2) review the methodology, and (3) review the <u>implementation</u> of the model methodology.</p> <p>4.4 The documentation should be eminently <u>usable</u> by the intended users (note: usable might mean of sufficient detail, but not unnecessarily long)</p>	<p>I would consider these the main objectives of good documentation. It should be an effective means of communicating and retaining information within the business. I would expand this ISAP to make these aims explicit.</p>
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Comments on specific definitions in the Exposure Draft of the updated Glossary

Note that only the proposed revisions are open for comment

Defined Term	Change proposed to the definition (markup preferred)	Reason the change is needed (can be kept very brief or left blank if obvious from the change)
None		