



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:	<b>Represent organisation</b>
Name of organization		<b>Swiss Association of Actuaries</b>
Disclosure of comments:	Please indicate if your comments should be treated as confidential, and if so why:	<b>Comments should not be treated confidential</b>
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"> <li>⇒ Do <b>not</b> write in the yellow shaded cells</li> <li>⇒ Write in the white cells</li> <li>⇒ When commenting on a specific paragraph: <ul style="list-style-type: none"> <li>○ Please use a separate row for each paragraph, sub paragraph, or bullet.</li> <li>○ Please include the full reference in the first column such as "Introduction 3<sup>rd</sup> paragraph 2<sup>nd</sup> bullet" or "2.6.1.b.ii"</li> <li>○ Please insert/append extra rows as needed.</li> </ul> </li> </ul> <p><b>Please send the completed template, renamed with the organization's or individual's name, attached in <u>Word Format</u>, to</b></p> <p><a href="mailto:ISAPIA.comments@actuaries.org">ISAPIA.comments@actuaries.org</a></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?	See below
Q2.	Is the guidance sufficient and appropriate? If not, how should it be changed?	Guidance seems sufficient and appropriate except for <ul style="list-style-type: none"> <li>• Independence of the validation</li> <li>• Documentation</li> <li>• Data quality governance</li> </ul>
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
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?	Governance of Data Quality

	General Comments on the ISAP 1A Exposure Draft	
	The	

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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2.1	<p><b>Consider to replace</b> " The level of governance should be proportionate to the risks associated with inappropriate processes used in modelling." <b>by</b></p> <p>"The level of governance should be proportionate to the risks associated with consequences due to inappropriate results of the model."</p>	<p><b>Aligning with "Model Governance (ISAP 1A)–</b> The application of a set of procedures and an organizational structure designed so that <a href="#">intended users</a> can place their confidence in the results of the <a href="#">model</a>."</p>
2.2.4	<p><b>Consider to replace</b> " and validated by a person/team not involved in developing the <a href="#">model</a>," <b>by</b></p> <p>" and validated by a person/team independent from the team using or developing the <a href="#">model</a>,"</p>	<p><b>The condition "not involved" is too weak in order to ensure avoidance of conflict of interest. The IAA's ASC should define independence appropriately to ensure avoidance of conflict of interest.</b></p> <p><b>Moreover, the validator should (!) be independent from the users of the model.</b></p>
Add 2.2.5	<p><b>Add "Maintain adequate documentation substantiating the understanding / satisfaction referred to in 2.2.1- 2.2.4"</b></p>	<p><b>This is in the context of a "should" condition and it is qualified by "adequate". It is best practice to maintain adequate records of the foundation of a decision.</b></p>
Add 2.3.4	<p><b>Add "Maintain adequate documentation substantiating the satisfaction referred to in 2.3.2- 2.3.3"</b></p>	<p><b>This is in the context of a "should" condition and it is qualified by "adequate". It is best practice to maintain adequate records of the foundation of a decision.</b></p>
Add 2.4.4	<p><b>Add "Maintain adequate documentation substantiating the satisfaction referred to in 2.4.2- 2.4.3"</b></p>	<p><b>This is in the context of a "should" condition and it is qualified by "adequate". It is best practice to maintain adequate records of the foundation of a decision.</b></p>
Add 2.5.6	<p><b>Add "Maintain adequate documentation substantiating the understanding / satisfaction referred to in 2.5.1- 2.2.4"</b></p>	<p><b>This is in the context of a "should" condition and it is qualified by "adequate". It is best practice to maintain adequate records of the foundation of a</b></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**

<b>Defined Term</b>	<b>Change proposed to the definition (markup preferred)</b>	<b>Reason the change is needed (can be kept very brief or left blank if obvious from the change)</b>