

IAA Final Review Consultation for ISAP 1A

Review period – 18 August 2016 to 18 September 2016

Responses Received

	Organization	Comments	Date Received
1.	Institute of Actuaries of Korea	We have reviewed the proposed final ISAP 1A and the only feedback we want to submit is the following: The effective date of ISAP 1A should be after the IFRS Phase 2 effective date. Regards, Youngdo Park, Senior Researcher at IAK	9 September 2016
2.	Czech Society of Actuaries	On behalf of the Czech Society of Actuaries, I express satisfaction with the final version and with the way how the comments have been taken into consideration. With best regards, Martin Branda	12 September 2016
3.	Canadian Institute of Actuaries	Response submitted by Dave Dickson, CIA President Click here to review comments	12 September 2016
4.	Deutsche Aktuarvereinigung e. V. (DAV)	We, DAV, have no further comments on ISAP 1A. Kind regards, Birgit Kaiser	15 September 2016
5.	Casualty Actuarial Society	On behalf of the CAS, submitted by Bob Conger, CAS Delegate to IAA Council Click here to review comments	16 September 2016
6.	Society of Actuaries in Ireland	The Society of Actuaries in Ireland is satisfied with the proposed draft. Many thanks. Kind regards, Emily O’Gara, Manager of Professional Affairs	16 September 2016

7.	Japanese Society of Certified Pension Actuaries	<p>We submit our comments on the proposed final draft of ISAP 1A which was attached to the letter dated 18 August 2016. The comments were prepared by summarizing the opinions of the concerned members of the JSCPA. Sincerely, The Japanese Society of Certified Pension Actuaries</p> <p>Click here to review comments</p>	18 September 2016
8.	Canadian Actuarial Standards Board	<p>Thank you for the opportunity to provide input. Tyrone Faulds, Chair of the CASB</p> <p>Click here to review comments</p>	18 September 2016
9.	Svenska Aktuarieföreningen	<p>Svenska Aktuarieföreningen has no further comments on "Proposed Final ISAP 1A on Governance of Models"</p> <p>Regards, Jan Åke Persson Chairman of Svenska Aktuarieföreningen</p>	18 September 2016
10.	Institut des Actuaire (France)	<p>Thank you very much for this new submission, the final draft was distributed to our working group and we did not receive any new comments. We also reviewed how our comments were taken into account and outcome is deemed reasonable. Given timing of our working group meetings we will formalise the closure of this review in the next days only with recognition that any additional feedback would be post deadline. Kind regards,</p> <p>Elsa Renouf for the Institut des Actuaire (France) working group on Actuarial Standards</p>	18 September 2016

11.	Polish Society of Actuaries	<p>Dear Sirs, The Polish Society of Actuaries welcomes the proposed ISAP and has no comments to its contents.</p> <p>Yours sincerely Jacek Skwierczyński, President</p>	18 September 2016
12.	Italian FMA Istituto degli Attuari and Ordine degli Attuari	<p>I am replying on behalf of Italian FMA Istituto degli Attuari and Ordine degli Attuari.</p> <p>First of all I'd like to thanks very much both the colleagues of the ISAP1A TF and the colleagues who sent comments on the Exposure Draft for their engagement.</p> <p>We have read through all the documents. In the Consultation Report we have found shareable responses to our doubts.</p> <p>We agree with the final draft's wording as well in our opinion the TF has appropriately considered the comments.</p> <p>We adopted ESAP1 and in our opinion ISAP1A completes it effectively taking in account that ISAPs have to provide guidance on appropriate actuarial practice.</p> <p>Best regards, Carla Angela</p>	18 September 2016
13.	Royal Dutch Actuarial Association	<p>Below you will find the final response on ISAP IA on behalf of the Dutch Actuarial Association.</p> <p><u>ISAP1A</u></p> <p>The Royal Dutch Actuarial Association has reviewed the final draft of ISAP1A, especially on the follow up on our comments made. We appreciated that a Report on Treatment of Comments has been provided. This is very useful for understanding the changes which have been made, although we note that not for all our comments a response has been provided. Our overall conclusion is that the standard has improved and is suitable to use in practice. We note that we believe that some small improvements as mentioned in our former response still could be made, but as we believe these are small improvements we can support the standard in its current form.</p>	20 September 2016

		<p>Kindly let us know if you need any further information.</p> <p>With kind regards, Monique Schuilenburg International coordinator</p>	
14.	Financial Reporting Council	<p>Thank you for the opportunity to comment on the final draft of the Exposure Draft. I am responding on behalf of the Financial Reporting Council.</p> <p>We are pleased that our suggestions have been considered and amendments have been made to reflect most of them.</p> <p>We welcome the restructuring of the content in 2.1 and believe it enhances the clarity of the standard. However, it is not clear to us that the change to 2.1 achieves the intended result of clarifying that it is the risks resulting from the use of the model, rather than the risks arising due to the complexity of the model, that drive the level of model governance. It still appears to us to place more emphasis on model complexity as the driver.</p> <p>Kind Regards, Ann Muldoon</p>	22 September 2016
15.	Institute and Faculty of Actuaries	<p><u>ISAP 1A</u></p> <p>We have also had the opportunity to consider the response to the comments made in relation to the proposed standard ISAP 1A.</p> <p>The main comments in the IFoA's response related to proportionality and that issue has been addressed in the revised ISAP by narrowing the scope. This is much more useful as it allows the standard user to disapply to complex models that are not material, but simultaneously apply it to simple but important models. This addresses the IFoA's comments in Q2 and Q5 of the original response.</p> <p>Another issue raised in the IFoA response related to what should be communicated with the model. This is addressed</p>	27 September 2016

by the wording change to section 1.1 that clarifies the standard is about model governance rather than model development. This change is very much welcomed. There are, however, a couple of comments that we felt it might be useful to raise, notwithstanding the IFoA's overall position that the substance of its response has been addressed:

- (iii) It may be unnecessary to include the phrase "understand the model" in sections 2.2.1, 2.3.1 and 2.5.1;
- (iv) In section 2.1.2 there are examples included at the first bullet and this might not be appropriate for inclusion in a standard (as opposed to an IAN or other form of guidance material);
- (v) In section 2.5.4 the word 'repeated' might be a more appropriate word than 'redone'; and
- (vi) Other than in its numbering (the use of '1A') ISAP 1A does not make any reference to any special relationship between it and ISAP 1. It would be useful to understand further whether there are still plans to incorporate ISAP 1A into ISAP 1 or whether it will simply remain as a new (and separate) standard.

Submitted on behalf of the IFoA.

Tim Werkhoven, Head of Public Affairs