



# Glossary

## Glossary of Defined Terms Used in International Standards of Actuarial Practice

Approved by the IAA Council

[13 October 2013]

**Glossary of Defined Terms Used in ISAPs**

This glossary is the single repository of all defined terms used in the International Standards of Actuarial Practice (ISAPs). It is not an ISAP and has no authority of its own. Any defined term used in an ISAP (including any standard created by the adaptation of an ISAP by a standard-setter) takes the authority of that ISAP or adaptation. Defined terms are indicated in ISAPs - in blue text with a dotted blue underline (e.g. [defined term](#)) which is also a hyperlink to the definition in this glossary.

**NOTE:** Hyperlinks to the Glossary will be finalized by the Secretariat before the approved ISAPs and glossary are published on the IAA website. Please note that currently the hyperlinks do not work in ISAP 1 and ISAP 2 linked to the Council agenda.

**Accepted Actuarial Practice (ISAP 1, 2)** – A practice or practices that are generally recognized within the actuarial profession as appropriate to use in performing [actuarial services](#) within the scope of an ISAP or the applicable professional standards of practice.

**Actuarial Services (ISAP 1, 2)** – Services based upon actuarial considerations provided to [intended users](#) that may include the rendering of advice, recommendations, findings, or opinions.

**Actuary (ISAP 1, 2)** – An individual member of one of the member associations of the [IAA](#).

**Adoption Date (ISAP 1)** – The date on which this ISAP was adopted as a final document by the [IAA](#) Council.

**Communication (ISAP 1, 2)** – Any statement (including oral statements) issued or made by an [actuary](#) with respect to [actuarial services](#).

**Entity (ISAP 1, 2)** – The subject, in whole or in part, of the [actuarial services](#), including an enterprise, an insurer, a pensions or benefits plan, a social security scheme, an individual, a government department or agency, a group, etc.

**Financial Analysis (ISAP 2)** – Any formal actuarial analysis. What constitutes a formal actuarial analysis is a matter for the actuary’s judgment but might include work required by law and work requested by the principal to inform decisions. A financial analysis might include but is not limited to:

- a. determination of discounted point in time values,
- b. projection of cash flows and associated fund values, and
- c. determination of future contribution rate(s).

**IAA (ISAP 1, 2)** – The International Actuarial Association.

**Intended User (ISAP 1, 2)** – Any legal or natural person (usually including the [Principal](#)) whom the [actuary](#) intends at the time the [actuary](#) performs [actuarial services](#) to use the [report](#).

**Law (ISAP 1, 2)** – Applicable acts, statutes, regulations or any other binding authority (such as accounting standards and any regulatory guidance that is effectively binding).

**Opinion (ISAP 2)** – An opinion expressed by an [actuary](#) and intended by that [actuary](#) to be relied upon by the [intended users](#).

**Principal (ISAP 1, 2)** – The party who engages the provider of [actuarial services](#). The [principal](#) will usually be the client or the employer of the [actuary](#).

**Professional Judgment (ISAP 1, 2)** – The judgment of the [actuary](#) based on actuarial training and experience.

**Report (ISAP 1, 2)** – The [actuary](#)'s [communication](#)(s) presenting some or all results of [actuarial services](#) to an [intended user](#) in any recorded form, including but not limited to paper, word processing or spreadsheet files, e-mail, website, slide presentations, or audio or video recordings.

**Report Date (ISAP 2)** – The date on which the [actuary](#) issues a [report](#) to [intended users](#). It usually follows the [valuation date](#).

**Social Security Program (ISAP 2)** – a program with all the following attributes regardless of how it is financed and administered:

1. Coverage is of a broad segment, or all, of the population, often on a compulsory or automatic basis;
2. Benefits are provided to, or on behalf of, individuals;
3. The program, including benefits and financing method, is prescribed by [law](#);
4. The program is not financed through private insurance;
5. Program benefits are principally payable or delivered upon old age, retirement, death, disability, and survivorship, and the following benefits (if provided) are only ancillary to the principal benefit(s):
  - a. unemployment benefits;
  - b. medical expenses;
  - c. benefits provided due to work-related injuries, work-related death or occupational diseases;
  - d. short term social assistance benefits (e.g. food stamps);
  - e. benefits provided for disaster relief (e.g. insurance, or recovery funding, for flood, drought, hurricane/typhoon, earthquake/tsunami); and
  - f. financial insurance or financial guarantees (e.g., for loans, bank deposits, pension payments, financial securities, insurance payments from insolvent insurers).

**SSP (ISAP 2)** – [Social Security Program](#)

**Subsequent Event (ISAP 1, 2)** – an event of which the [actuary](#) becomes aware after the [valuation date](#) (or date to which the [actuarial services](#) refer) but before the [actuary's communication](#) on the results of these [actuarial services](#) is delivered.

**Valuation Date (ISAP 2)** – The effective date of the analysis by the [actuary](#). It usually precedes the [report date](#).

**Work (ISAP 1, 2)** – All actuarial activities performed by an [actuary](#) related to [actuarial services](#). It usually includes acquisition of knowledge of the circumstances of the assignment, obtaining sufficient and reliable data, selection of assumptions and methodology, calculations and examination of the reasonableness of their result, use of other persons' work, formulation of opinion and advice, documentation, reporting, and all other [communication](#).