



**ASSOCIATION ACTUARIELLE INTERNATIONALE
INTERNATIONAL ACTUARIAL ASSOCIATION**

Memorandum

Date: 27 February 2018

To: Presidents and Council Delegates of IAA Full Member Associations
Presidents and Council Representatives of IAA Associate Member Associations
Representatives of IAA Partners, Observers and Patrons

Copy: Correspondents, IAA Full and Associate Member Associations
Members of ASC and its task forces
Chairs of IAA Committees and Sections
Members of the Standard Setters Round Table
Other interested parties

From: Godfrey Perrott, Chair, Actuarial Standards Committee (ASC)

Exposure Draft of Proposed International Standard of Actuarial Practice 4 (ISAP 4) on IFRS 17 Insurance Contracts

We are pleased to attach the ASC's proposals for the exposure drafts of International Standard of Actuarial Practice 4 (ISAP 4) on IFRS 17 Insurance Contracts, and the related amendments to the Glossary. These have been drafted by the ISAP 4 Task Force of the ASC and approved for exposure by the ASC in accordance with Due Process. The purpose of this ISAP is to provide guidance to actuaries when performing actuarial services relating to IFRS 17.

This ISAP is a model standard intended to be suitable for adoption by actuarial standard-setting organizations who wish to do so. It is the IAA's intent that by publishing model international standards it will encourage the creation and convergence of national actuarial standards to be issued by actuarial standard-setting organizations, however, each ISAP is a model standard of actuarial practice and, as such, is not binding on any actuary.

ISAP 4 is intended to be principles based and therefore it limits the use of examples to what is strictly necessary, and deliberately avoids repeating any guidance already included in IFRS 17 as well as ISAP 1 and ISAP 1A. It should be noted that there is currently an exposure draft proposing revisions to ISAP 1 General Actuarial Practice, which updates ISAP 1 and merges ISAP 1 and ISAP 1A Governance of Models. This exposure draft of ISAP 4 references the versions of ISAP 1 and ISAP 1A which are now in place. Should the proposed revisions to ISAP 1 be approved by Council, ISAP 4 will be modified accordingly (e.g. Paragraph 1.3.).

The IAA is currently developing an International Actuarial Note (IAN) to assist actuaries by offering practical examples of ways in which actuaries might implement IFRS 17 (including other related IFRSs). IANs are educational and not intended to be authoritative.

We ask you to distribute these consultation documents (also available under Publications/ISAPs on the IAA website), widely within your organization, and to any actuarial standard setters and other interested parties in your jurisdiction. **The deadline for comments on these drafts is 30 June 2018.**

Comments (from your organization, your members, or other parties to which you forward these exposure drafts) should be addressed to ISAP4.comments@actuaries.org with “ISAP 4” in the email header. The comment should make clear if it is a personal response or one representing a particular association, standard-setter, or other entity. In respect of the Glossary, only the amendments are open to comment.

The preferred format for submitting comments is the comment template provided herewith, attached to an e-mail. If a markup of the exposure draft is also submitted we recommend using the comment feature liberally, giving reasons for proposing the change. All comments will normally be posted to the IAA website identifying the commenter(s). However, in exceptional cases, in response to a request which the IAA Secretariat is satisfied is for a valid reason, comments may be either posted to the website anonymously or withheld from the website.

We ask the commenters particularly to consider the following questions:

1. Is the guidance clear and unambiguous? If not, how should it be changed?
2. Is the guidance sufficient and appropriate? If not, how should it be changed?
3. 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?
4. Are there other matters that should be included in this standard? Are there some included here that should not be?

Thank you in advance for your attention to this matter. The ASC and its ISAP 4 Task Force look forward to the responses.