



Deadline: 30 June 2018

Please use this template to comment on the [Exposure Draft of ISAP 4 on IFRS 17 Insurance Contracts](#), and the proposed revisions to the [Glossary for ISAP 4](#).

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 4](#).

Identification and instructions		
Name of Individual:	Please indicate if your comments are personal, or represent your organization:	Organisation
Name of organization		Hungarian Actuarial Society
Disclosure of comments:	Please indicate if your comments should be treated as confidential, and if so why:	n/a
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 ISAP4.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, but see comments below.
Q3.	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, it is balanced.
Q4.	Are there other matters that should be included in this standard? Are there some included here that should not be?	Appropriate.

	General Comments on the ISAP 4 Exposure Draft	
	n/a	

Comments on specific paragraphs of the ISAP 4 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)
1.1	Whether or not the results are relevant to the need of the user is only partly the responsibility of the actuaries. The user/entity engaging the actuary has an equally important role – i.e. articulate the question and the subject of the engagement appropriately.	We suggest to consider adding this additional sentence to this chapter. This is essentially covered in ISAP1 3.1 but it may also be useful to include here to show a balanced picture.
2.6.8 and 2.6.12(e)	These paragraphs need to be re-considered in the light of TRG discussion in May, 2018. Agenda ref 07 TRG meeting May, 2018 S42: Paragraph 63 of IFRS 17 explicitly	



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	requires the effect of any risk of nonperformance by the reinsurer to be included in the estimates of the present value of the future cash flows. Applying paragraph 64 of IFRS 17, the risk adjustment for non-financial risk represents the amount of risk being transferred by the entity to the reinsurer.	
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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)
	n/a	