



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:	The comments in this template represent our organization, not personal.
Name of organization		The Institute of Actuaries of Korea
Disclosure of comments:	Please indicate if your comments should be treated as confidential, and if so why:	Not confidential
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?	Clear and Unambiguous
Q2.	Is the guidance sufficient and appropriate? If not, how should it be changed?	Sufficient and appropriate
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?	Right level of detail
Q4.	Are there other matters that should be included in this standard? Are there some included here that should not be?	No Omission except for Fair Value Approach in Transition (which is related with the draft 2.10) , No Deletion

	General Comments on the ISAP 4 Exposure Draft	
	Transition(2.10) should be revised to include the fair value approach, considering the impracticability of the the retrospective approach	

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)
2.10. Transition	<p>2.10. Transition 2.10. 1. When advising the principal or entity on whether the retrospective approach is impracticable, the actuary should take into consideration relevant factors including</p> <p>a. The availability and integrity of past policy data that are required to determine the</p>	<p>In Korea, Fair Value Approach in Transition is expected to be applied in most of the insurance companies due to the impracticability of the retrospective approach, which results mainly from the the unavailability and disintegrity of past policy</p>



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	<p>fulfilment cash flows since initial recognition;</p> <p>b. The availability and integrity of information on past products;</p> <p>c. The availability of sufficient data to determine the initial assumptions and subsequent changes that would have been made over the lifetime of the various insurance contracts;</p> <p>d. The method used to adjust past known interest rates to achieve the rates that represent the characteristics of the insurance contracts; and</p> <p>e. The difficulty in evaluating the past risk adjustment for non-financial risks and management discretion without the benefit of hindsight.</p> <p><u>2.10. 2. When the retrospective approach is impracticable, the actuary should advise the principal or the entity on alternative ways such as the fair value approach.</u></p>	<p>data and past products' information.</p>

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	N/A	N/A



INTERNATIONAL ACTUARIAL ASSOCIATION

Comments Template for Exposure Draft of ISAP 4

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