



Deadline: 31 March 2016

Please use this template to comment on the [Exposure Draft of ISAP 5 on Insurer Enterprise Risk Models](#), and the proposed revisions to the [Glossary for ISAP 5](#).

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 5](#).

	Identification and instructions	
Name of Individual:	Please indicate if your comments are personal, or represent your organization:	Elsa Renouf for the Institut des Actuaire
Name of organization		Institut des Actuaire, France
Disclosure of comments:	Please indicate if your comments should be treated as confidential, and if so why:	NA
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</p> <p>ISAP5.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, except in some specific cases – see below
Q2.	Is the guidance sufficient and appropriate? If not, how should it be changed?	Yes
Q3.	Is it clear how the guidance in the proposed ISAP relates to the guidance in ISAP 1 and ISAP 1A? If not, how should it be changed?	Yes
Q4.	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 at the right level
Q5.	Are there other matters that should be included in this standard? Are there some included here that should not be?	No

	General Comments on the ISAP 5 Exposure Draft	

Comments on specific paragraphs of the ISAP 5 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)
2.1.2	Not able to agree a change as unclear on the intention	We were unclear what would be covered by the “attitude to the assumption of risk”



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)
2.3.1.a	... experience with past history of management actions <i>if relevant.</i>	We would like to recognise that some past management actions may not be appropriate and the use or no use of past management actions should be justified.
2.4.1.c	Remove reference to current ORSA	Stress tests inform the ORSA more than ORSA should be the source for Stress test and scenario test.
2.4.1	Remove that “The assumptions can be considered reasonable only if... and the occurrence of the stress(es) is plausible.”	Reasonability of assumptions should not be qualified based on the impact of the results. Plausibility would need to be more defined. It seems the sentence aims at defining what is a stress rather than qualifying the assumptions.
2.5	Replace reconciliation by justification	Reconciliation seems unnecessarily constraining and may be difficult in practise when the aim should be to make sure that differences are understood and justified.
3.1	Replace reconciliation by justification of material differences or comparison	See above