



**ASSOCIATION ACTUARIELLE INTERNATIONALE
INTERNATIONAL ACTUARIAL ASSOCIATION**

Date: 18 August 2016

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
Commenters on the Exposure Draft of ISAP 5

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: Alf Gohdes, Chair, Actuarial Standards Committee (ASC)

Re: International Standard of Actuarial Practice on Insurer Enterprise Risk Models (ISAP 5)

We are pleased to provide the proposed final ISAP 5. In accordance with the IAA's due process for the development of ISAPs, we are providing this proposed final draft to all member associations and commenters on the Exposure Draft to enable them to:

- (a) Draw attention to any unintended consequences in the final draft's wording; and
- (b) Determine whether their comments have been appropriately considered in the preparation of the proposed final draft.

The proposed final ISAP 1A on Governance of Models, which ISAP 5 interacts with, is being published for final review concurrently. The documents relating to the final review consultation of ISAP 1A are available on the IAA website under [Publications/ISAPs](#). We request that you consider the guidance provided in [ISAP 1](#) and the proposed final ISAP 1A together with this proposed final ISAP 5 when you provide your comments.

Attached are:

- “Clean” and marked up versions of the proposed final ISAP 5. The markup is against the exposure draft distributed in October 2015;
- Three versions of the Glossary as proposed for both ISAP 1A and ISAP 5:
 - The clean version;
 - The version marked against the Glossary proposed with the exposure draft (which included proposed definitions for ISAP 1A); and
 - The version marked against the current Glossary (which was approved by Council in Zurich on 11 April 2015). This will be part of the submission to Council, and is included for information only.
- The consultation report describing how the comments received on the exposure draft of ISAP 5 were dealt with.

Due process calls for a 30-day comment deadline for this “final review”. We look forward to hearing back with regards to items (a) or (b) above by **18 September 2016**. Responses should be directed to ISAP5.comments@actuaries.org, and should make clear if it is a personal response or one representing a particular association, standard-setter, or other entity.

The ASC and its ISAP 5 TF thank all those who commented on the exposure draft.