



Deadline: 28 February 2018

Please use this template to comment on the [Exposure Draft of ISAP 6 on Enterprise Risk Management Programs and IAIS Insurance Core Principles](#), and the proposed revisions to the [Glossary for ISAP 6](#).

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 6](#).

	<b>Identification and instructions</b>	
Name of Individual:	Please indicate if your comments are personal, or represent your organization:	<b>Organisation</b>
Name of organization		<b>Institute of Actuaries of Australia</b>
Disclosure of comments:	Please indicate if your comments should be treated as confidential, and if so why:	<b>Not confidential</b>
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"> <li>⇒ Do <b>not</b> write in the yellow shaded cells</li> <li>⇒ Write in the white cells</li> <li>⇒ When commenting on a specific paragraph: <ul style="list-style-type: none"> <li>○ Please use a separate row for each paragraph, sub paragraph, or bullet.</li> <li>○ Please include the full reference in the first column such as “Introduction 3<sup>rd</sup> paragraph 2<sup>nd</sup> bullet” or “2.6.1.b.ii”</li> <li>○ Please insert/append extra rows as needed.</li> </ul> </li> </ul> <p><b>Please send the completed template, renamed with the organization’s or individual’s name, attached in <u>Word Format</u>, to <a href="mailto:ISAP6.comments@actuaries.org">ISAP6.comments@actuaries.org</a></b></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?	Generally yes. In several instances in ISAP6, the phrase “or significantly involved in” is used, including in 1.2 Scope. We suggest that this phrase is defined in more quantitative terms in order to clearly outline the circumstances in which this ISAP applies to an actuary.
Q2.	Is the guidance sufficient and appropriate? If not, how should it be changed?	Yes, subject to general 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, subject to general comments below
Q4.	Are there other matters that should be included in this standard? Are there some included here that should not be?	See general comments below

	General Comments on the ISAP 6 Exposure Draft	

Comments on specific paragraphs of the ISAP 6 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)
2.3.1e	<b>The risks that may arise from foreseeable changes in the business of the insurer (operations, markets, products) and from business conduct;</b>	Use of the word “possible” may be too broad, and hence interpreted to include changes which are highly



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		unlikely and not practical for the insurer.
2.3.1i	Delete	Appears to more relate to the work of a CRO as opposed to the work of an actuary involved in ERM of an insurer.
2.3.3d	The extent to which the enterprise risk models that measure the impact of risks provide results that are consistent with information expressed by market prices for the risks concerned, where relevant;	Use of market consistent valuation approaches is not always relevant to the circumstances and should not necessarily be prescribed.
2.4.3 b	Potential foreseeable changes in the group structure which could impact the capital and solvency of the insurer and its ability to continue in business	Similar to 2.3.1e, use of the word “Potential” may be too broad, and hence interpreted to include changes which are unlikely and not practical for the actuary to assess for the insurer.
<b>Comments on specific definitions in the Exposure Draft of the updated Glossary</b>		
<b>Note that only the proposed revisions are open for comment</b>		
<b>Defined Term</b>	<b>Change proposed to the definition (markup preferred)</b>	<b>Reason the change is needed (can be kept very brief or left blank if obvious from the change)</b>