



# ASSOCIATION ACTUARIELLE INTERNATIONALE INTERNATIONAL ACTUARIAL ASSOCIATION

## Memorandum

Date: 17 October 2017

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

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)

### **Exposure Draft of Proposed International Standard of Actuarial Practice 6 (ISAP 6) on Enterprise Risk Management Programs and IAIS Insurance Core Principles**

We are pleased to attach the ASC's proposals for the exposure drafts of International Standard of Actuarial Practice 6 (ISAP 6) on Enterprise Risk Management Programs and IAIS Insurance Core Principles, and the related amendments to the Glossary. These have been drafted by the ISAP 6 Task Force of the ASC and approved for exposure by the ASC in accordance with Due Process. The purpose of this ISAP is to provide guidance to actuaries when performing actuarial services involving enterprise risk management (ERM) programs that are within the scope of regulations consistent with two of the Insurance Core Principles (ICPs) of the International Association of Insurance Supervisors, namely Risk Management and Internal Controls (ICP 8) and Enterprise Risk Management for Solvency Purposes (ICP 16).

It should be noted that there is currently an exposure draft proposing revisions to ISAP 1 *General Actuarial Practice*, which update ISAP 1 and merges ISAP 1 and ISAP 1A *Governance of Models*. This exposure draft of ISAP 6 references the versions of ISAP 1 and ISAP 1A which are now in place. Should the proposed revisions to ISAP 1 be approved by Council, ISAP 6 will be modified accordingly (e.g. section 1.5.).

This ISAP is a model standard intended to be suitable for adoption by actuarial standard-setting organizations who wish to do so. It is the IAA's intent that by publishing model international standards it will encourage the creation and convergence of national actuarial standards.

We ask you to distribute these consultation documents (also available under [Publications/ISAPs](#) on the IAA website), widely within your organization, and to any actuarial standard setters and other interested parties in your jurisdiction. **The deadline for comments on these drafts is 28 February 2018.**

Comments (from your organization, your members, or other parties to which you forward these exposure drafts) should be addressed to [ISAP6.comments@actuaries.org](mailto:ISAP6.comments@actuaries.org) with “ISAP 6” in the email header. The comment should make clear if it is a personal response or one representing a particular association, standard-setter, or other entity. In respect of the Glossary, only the amendments are open to comment.

The preferred format for submitting comments is the comment template provided herewith, attached to an e-mail. If a markup of the exposure draft is also submitted we recommend using the comment feature liberally, giving reasons for proposing the change. All comments will normally be posted to the IAA website identifying the commenter(s). However, in exceptional cases, in response to a request which the IAA Secretariat is satisfied is for a valid reason, comments may be either posted to the website anonymously or withheld from the website.

We ask the commenters particularly to consider the following questions:

1. Is the guidance clear and unambiguous? If not, how should it be changed?
2. Is the guidance sufficient and appropriate? If not, how should it be changed?
3. 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?
4. Are there other matters that should be included in this standard? Are there some included here that should not be?

Thank you in advance for your attention to this matter. The ASC and its ISAP 6 Task Force look forward to the responses.