



Deadline: 31 October 2017

Please use this template to comment on the [Exposure Draft of ISAP 1 on General Actuarial Practice](#), and the proposed revisions to the [Glossary](#). 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 ISAP 1.

Identification and instructions		
Name of Individual:	Please indicate if your comments are personal, or represent your organization:	Carmela Calvosa,
Name of organization		Institut des Actuaries, France
Disclosure of comments:	Please indicate if your comments should be treated as confidential, and if so why:	
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>ISAPI.comments@actuaries.org</p>	



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	Specific Questions asked by the ASC	Response
Q1.	Is the time right to merge ISAP 1A into ISAP 1? If not why, and when (if ever) do you recommend that be done?	No remarks on this point.
Q2.	Is the time right to make the other updates to ISAP 1? If not why, and when (if ever) do you recommend that be done?	ISAP 1 in its entirety is open to consultation, valid remarks arising out of the consultation should be considered.
Q3	We typically ask the following questions about new ISAPs (rather than revisions). However, we repeat them here as they may be relevant.	See our comments below.
	a. Is the guidance clear and unambiguous? If not, how should it be changed?	
	b. Is the guidance sufficient and appropriate? If not, how should it be changed?	No remarks on this point.
	c. 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?	No remarks on this point.
	d. Are there other matters that should be included in this standard? Are there some included here that should not be?	No remarks on this point.

	General Comments on the ISAP 1 Exposure Draft
	Thank you very much for the opportunity to comment on the revision of ISAP 1. In France, we anticipate translating the new ISAP 1. This translation will be subject to approval of the board of the Institut des Actuaire, consultation with our membership and adoption by vote at our annual general assembly as set out in our statutes. We anticipate that the translated version of the revised ISAP1 will replace our existing professional standard of recommended best practice (currently named NPA1). We would hope to target our general assembly in June 2018 for adoption of our new NPA 1 subject to there being sufficient time for our governance processes to take place once the revised ISAP 1 is adopted by the IAA.



Comments on specific paragraphs of the ISAP 1 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 Reliance on others	The <u>actuary</u> may use information prepared by another party. <u>This information may include such as data, relevant contracts, insurance contract or pension plan provisions,</u> opinions of other professionals, projections, and supporting analyses (but excluding-excludes assumptions or and methodology).	This sentence is not perfectly unambiguous. One might reasonably expect that projections are based on prospective assumptions and methodologies which are excluded from the information items an actuary might use if prepared by another party.
2.10.1	<u>Be satisfied that there is an appropriate model risk management framework in place that addresses identification of model risks, assessment of these risks, and appropriate actions to mitigate these risks such as adequate model validation, documentation, and process controls.</u>	Modification –sentence construction
2.10.2	<u>Be satisfied that an appropriate model validation has taken place. For the purpose of this ISAP, validation includes assessments that:</u> <ul style="list-style-type: none"> <u>The model reasonably fits its intended purpose. Items that the actuary should consider, if applicable, include the availability, granularity, and quality of data and inputs required by the models, the appropriateness of the relationships recognized, and the model’s ability to generate an appropriate range of results around expected values.</u> <u>The model conforms to and is faithful execution of its</u> 	Modification –sentence construction



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	actuarial specifications	
2.10.2	<ul style="list-style-type: none"> The full or partial results of the model can be appropriately reproduced and any differences or deviations explained. 	Suggested clarification - The meaning of the word <i>appropriately</i> in this context is unclear.
2.10.3	<p><u>Understand the model, the conditions under which it is appropriate for the model to be used including any limitations of the model, the context in which the model will be used, how model input will be provided, and how the actuary expects the results of the model will be used. The actuary should disclose any such limitations or other uncertainties and their implications in the report.</u></p>	<p>Modification –sentence construction</p> <p>Limitations are only one of a number of items the actuary is required to understand in the previous sentence and not all the items listed are necessarily limitations.</p>
2.10.6	<p><u>When the results</u> or outputs <u>of</u> a model run <u>are to be used:</u></p>	Modification –sentence clarity
1.5.2	<p>Nothing in this-an ISAP should be interpreted as requiring work to be performed that is not proportionate to the scope of the decision or the assignment to which it relates and the benefit that <u>intended users</u> would be expected to obtain from the <u>work</u>. (“Principle of Proportionality”)</p>	<p>Consider developing a glossary definition of the principle of proportionality to clarify the framework it refers to legal, regulatory, financial, risk-based,etc or link to a definition of materiality.</p>

Comments on specific definitions in the Exposure Draft of the updated Glossary



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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)
Comments on the change to ISAP 2 (i.e. change in paragraph 2.1)		