



Comment Template

Draft Statement of Intent to issue an International Standard of Actuarial Practice – Actuarial Services in relation to IFRS X Insurance Contracts (ISAP [4])

1. Do you agree an ISAP is needed on actuarial services in relation to IFRS X?

Yes

No

We support the development of an ISAP for IFRS X Insurance Contracts and agree that a guidance will both facilitate convergence of actuarial practices relating to IFRS X and increase confidence in actuarial services provided in respect of IFRS X by direct and wider users of these services.

2. Are any of the proposed topics inappropriate for inclusion in ISAP [4]?

Yes

No

If yes, please explain why the particular topic should not be included in ISAP [4].



3. What other topics should be included in ISAP [4]?

Please cover why you wish guidance in this area and if appropriate provide an example to illustrate the issue. Please note that the ISAP is not intended to address unique, country-specific issues. Member associations and local actuarial standard setting organizations could address such issues by adding guidance to the model ISAP before adoption.

We think that the following additional topics should be included:

- (a) considerations for a proper definition of portfolios, specifically with respect to the level of aggregation used in the measurement of contracts;
- (b) considerations regarding the measurement of amounts to be recognised or transferred to or from other comprehensive income;
- (c) considerations for determining current interest rates, we suggest including guidance on the determination of interest rates where rates are sparse or non-observable. Specifically, additional information is needed on how the valuation rate should be determined for liabilities that extend beyond the observable rate period;
- (d) considerations regarding quality and completeness of data used for actuarial methods in order to achieve the necessary precision;
- (e) in addition to the potential roles of the actuary in providing services in respect of IFRS X, it is important that the ISAP clearly addresses the different responsibilities arising from the different potential roles (for example, in supporting preparer of financial statements vs auditor vs regulators).

4. Please use this space for any additional comments not covered above.

The ISAP should be restricted to providing guidance on the implementation and application of IFRS X to avoid confusion.

We believe that the ISAP should be focused on principles and the requirements that these place on the methodologies and approaches to be adopted. The ISAP should not constrain the development of new methodologies and approaches that meet the principles imposed by the Standard.

Given the comments in the draft SOI, we assume that the existing IANs relating specifically to IFRS for Insurance contracts will all be replaced by new IAN(s) to be developed in association with the ISAP. The intent with respect to the other wider IANs is not so clear, but it seems very likely that almost all will require work to remain consistent with the ISAP and the associated IAN(s). The SOI should clarify the intended approach with regard to all the existing IANs dealing with IFRS.



5. Please provide the name of the person completing the consultation response, association and email address for further clarifications (if needed).

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Type of response	<input type="checkbox"/> Personal <input checked="" type="checkbox"/> Organization

IMPORTANT: Please check if the relevant check boxes are ticked appropriately and save the file renamed with the organization's or individual's name (e.g., SOI_CommentTemplate_[NAME].Doc). E-mail the file as an attachment to SOI.ISAP4.comments@actuaries.org.