



## Comment Template

### **Draft Statement of Intent (SOI) for ISAP [7] – “Current estimates” and other matters in relation to the IAIS capital standards**

**1. Do you agree an ISAP is needed on “current estimates” and other matters in relation to the IAIS capital standards?**

**Yes**

**No**

**2. Are any of the proposed topics inappropriate for inclusion in ISAP [7]?**

**Yes**

**No**

**If yes, please explain why the particular topic should not be included.**

**3. What other topics should be included in this ISAP?**

**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 providing additional guidance to their members as the ISAP is adopted, or adding such additional guidance within the local adaptation of the ISAP.**

In relation to insurance elements, we suggest the addition of management actions in relation to non-guaranteed premium rates and fees for long-term policies. This would deal with annual policy fees that might be increased in line with inflation or premium rates that can be altered after an appropriate period of notice.

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

- (a) The Institute endorses the comments in the draft SOI that the standard should be confined to those aspects of the BCR calculation that require **actuarial** judgment and that it should not, at this time, attempt to cover the ICS. It agrees that this situation



**Comments on draft Statement of Intent to Issue ISAP [7]**

may change over time as the IAIS forms and disseminates its views on the requirements beyond the BCR and into the ICS.

- (b) Given the specific focus of ISAP[7], we suggest that the IAA consider the development of a separate general ISAP on best estimates that could apply to pricing, forecasting, financial reporting, capital requirements, business transfers and other functions carried out by actuaries.
- (c) Any ISAP should be very careful not to introduce requirements that are at odds with local regulatory expectations or requirements and that are over and above those prescribed by the regulatory bodies. Where this happens, congruence of international standards is likely to be limited. Furthermore, guidance should be provided at a level that allows individual standard setters the flexibility to tailor local standards to the needs and expectations of the local market except where prescribed by regulation.
- (d) Given ISAP [7]'s subject and the scope set out in the draft Statement of Intent, we suggest that it may be more appropriate to title the ISAP as something to the effect of "Actuarial Calculations for BCR".

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

**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.ISAP7.comments@actuaries.org](mailto:SOI.ISAP7.comments@actuaries.org), with “ISAP[7]” in the e-mail header. Please respond by Friday, 5 September 2014.