



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.

Additional issues for the areas on page 3 could be:

- Lost adjustment expenses/reserve
- Gross/net current estimate
- Risk margin, Cost of Capital margin (but see 4.)

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

On page 2 the SOI says

“At present it seems the IAIS does not intend there to be a risk margin included in the calculation of the value of insurance liabilities which will be on a “current estimate” basis, though it is quite possible this will change with time.”

DAV agrees that the current estimate will not and should not include a risk margin, and that this should not be questioned. Therefore we suggest deleting the presumption “it is quite possible this will change with time”.



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.ISAP7.comments@actuaries.org, with "ISAP[7]" in the e-mail header. Please respond by Friday, 5 September 2014.