



## **Comment Template**

### **Draft Statement of Intent to issue International Standards of Actuarial Practice in relation to insurer ERM models and programs (ISAPs [5] and [6])**

**1. Do you agree an ISAP is needed on actuarial services in relation to insurer ERM models?**

**Yes**

**No**

**2. Do you agree an ISAP is needed on actuarial services in relation to insurer ERM programs envisaged by the IAIS's ICPs (particularly 8 and 16)?**

**Yes**

**No**



**3. Are any of the proposed topics inappropriate for inclusion in these ISAPs? If so, please explain why the particular topic should not be included.**

*No topics proposed are inappropriate.*

**4. What other topics should be included in these ISAPs?**

**Please cover why you wish guidance in this area and if appropriate provide an example to illustrate the issue. Also please indicate in which of these two ISAPs such guidance should be placed. Please note that ISAPs are 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.**

*For both ISAP 5 and ISAP 6, we suggest the inclusion of language regarding how actuaries should collaborate with others, actuaries and non-actuaries alike, for the benefit of the Insurer Enterprise Risk Models and the ERM Programs for the company.*

*For both ISAP 5 and ISAP 6, reinforce the consistency with the emerging or existing regulation and actuarial guidance (e.g. ICP 8, 16 and 17, Basic Capital Requirement or BCR, High Loss Absorbency requirements or HLA, and Insurance Capital Standard or ICS for Global Systemically Important Insurers or G-SIIs, Solvency II, Actuarial Standards of Practice in the USA, the concept of proportionality to the size scale and complexity of the insurance company, the CERA designation, guidance E-19 in Canada, etc.).*

*Both ISAP 5 and ISAP 6 are calling for greater consistency. Too much consistency could dilute the company specific elements and lead to one-size-fits-all. Another concern is that too much consistency could bring the development of a common blind spot for the entire industry, which leads to systemic risk. Creating a balance between the need for a company specific view and consistency across companies for regulatory review is key to the success of ERM programs. Probably the call for greater consistency could focus on leveraging best practice.*

*The building of Insurer Enterprise Risk Model could leverage existing processes and should be consistent with these other processes (e.g. accounting reporting and projection plan).*



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**IMORTANT:**

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.ISAPs5-6.comments@actuaries.org](mailto:SOI.ISAPs5-6.comments@actuaries.org), with "ERM" in the e-mail header.