



Comment Template

Draft Statement of Intent to issue an International Standard of Actuarial Practice on Governance of Models (ISAP [1A])

1. Do you agree an ISAP is needed on governance of models?

Yes

No

There is not a clear consensus on this question within the Institute. On the one hand, the Institute's Practice Committees perceive that there is limited need for guidance in this area from an Australian perspective. However, on the other hand, there is a view that, provided the ISAP does not place unnecessary obligations on actuaries (or obligations that do not serve the public interest), it may serve a useful purpose.

In order to avoid placing unnecessary obligations on actuaries (or obligations that do not serve the public interest), the Institute considers that:

- (a) the definition of "model" in the draft SOI should be more confined in its scope; and
- (b) the ISAP should apply only where a given (redefined) model is being used in performing work under another ISAP.

2. Do you agree that the ASC should attempt to find a graceful way of merging ISAP [1A] into ISAP 1 at an appropriate time provided that can be done without disrupting the adoption of ISAP 1 or creating other problems for member associations?

Yes

No

The Institute does not consider this essential, merely more convenient.



3. Are any of the proposed topics inappropriate for inclusion in ISAP [1A]? If so, please explain why the particular topic should not be included.

No, subject to our comments in Q1 regarding scope.

4. What other topics should be included in ISAP [1A]?

The Institute suggests consideration be given to including the following topics:

- ▶ discontinuance of models; and
- ▶ reviewing a model developed by a third party.

Please explain why you wish guidance in this area and if appropriate provide an example to illustrate the issue.

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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.ISAP1A.comments@actuaries.org, with "Governance of Models" in the e-mail header.