



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?

<input checked="" type="checkbox"/>	Yes
<input type="checkbox"/>	No

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?

<input checked="" type="checkbox"/>	Yes
<input type="checkbox"/>	No

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.

From a DAV viewpoint it is important that the contents of the new standards ISAP 1A do not contradict Solvency II. SII defines a lot of requirements models have to comply with. These requirements should be taken into account.

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

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



Comments on draft Statement of Intent to Issue ISAP [1A]

We recommend the following changes:

Chapter 2, definition of Model governance:

“Model Governance – A comprehensive set of processes **and an organization** designed so that intended users can place their confidence in the results of the model.”

as questions like e.g. the separation of duties require not just adequate processes but also and perhaps more importantly a sound organizational structure.

Chapter 3, 3. bullet point:

„• Usage of models (including adequate control processes for **production and** changes to the model and adjustments to the data, sufficient number of runs of stochastic models, and understanding of material differences between different runs of the model); and“

as the production / development of models, too, should be subject to governance requirements.

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

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