



Comment by the Canadian Actuarial Standards Board on 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.

We recommend limiting ISAP 1A to the use of models and associated issues and leaving development and change processes out of scope. We acknowledge that the development and change of models are important activities and that actuaries are often involved in the activities. However, we understand development and change of models not to be intrinsically actuarial, even for models to be used only by actuaries. There is a robust body of knowledge supporting development and change, particularly of computer program, but also of models in general. It seems better to us that actuaries ensure that good practices are followed for development and change but not regard these as professional activities. In contrast, it is clearly a professional activity to determine whether a particular model is suitable to assist an actuary in forming a professional opinion. Thus, we support including in ISAP 1A topics related to choosing an appropriate model, validating a model, mitigating model risk, understanding the implications of model runs, discerning limitations in models and communicating the results of model runs.

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.

We are not aware of any other topics that should be included in ISAP 1A

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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.