



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.

The IFoA supports this draft Statement of Intent and welcomes the IAA's aim to merge ISAP 1a with ISAP 1 in due course. In order to achieve the latter, we consider that the model standard should be proportionate and avoid unnecessary prescription. The IFoA recognises this will create some significant drafting challenges for the IAA. In particular, the proposed definition of a 'model' will undoubtedly capture both complex and simple models. The same level of governance for complex models may not be proportionate in circumstances where simple assumptions are used for actuarial work and are caught within the definition of 'model'.

IFoA members working in the UK must comply with Technical Actuarial Standard M: Modelling (TAS-M). The IFoA would welcome the IAA's consideration of the principles contained in TAS-M as part of the drafting of ISAP 1a.

The IFoA looks forward to providing further comment once the detail of the draft standard becomes available.



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.

It will be important that the purposes for which a model is appropriate are clearly communicated, including any limitations. It would also be useful for the standard to set out the appropriate approach where actuaries license models from a third party. In addition, some actuaries work in multi-disciplinary teams, where some parts of the modelling are beyond actuaries' expertise. Clarity for actuaries working in such teams would be helpful.

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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.