



ASSOCIATION ACTUARIELLE INTERNATIONALE INTERNATIONAL ACTUARIAL ASSOCIATION

Date: 3 July 2014

To: Presidents and Council Delegates of IAA Full Member Associations
Presidents and Council Representatives of IAA Associate Member Associations
Representatives of IAA Institutional Members
Representatives of IAA Observer Members

Copy: Correspondents, IAA Full and Associate Member Associations
Members of ASC and its task forces
Members of IAA Insurance Regulation, Supranational Relations, and Professionalism
Committees
Members of the Standard Setters Round Table
Other interested parties

From: Dave Pelletier, Chairperson, Actuarial Standards Committee (ASC)

Re: Draft Statement of Intent to issue an International Standard of Actuarial Practice on “current estimates” and other matters in relation to the IAIS capital standards (ISAP [7])

We are pleased to attach a draft Statement of Intent (SOI) to issue an International Standard of Actuarial Practice (ISAP) on actuarial services performed in relation to “current estimates” and other matters in relation to the International Association of Insurance Supervisors (IAIS) Basic Capital Requirement (BCR).

ISAPs are model standards intended to be suitable for adoption by actuarial standard-setting organizations who wish to do so. It is the International Actuarial Association’s (IAA’s) intent that by publishing model international standards it will encourage the creation and convergence of national actuarial standards.

History

The IAIS is engaged in a programme to introduce a number of capital metrics internationally. The first of these is known as the Basic Capital Requirement (BCR) to be applicable to “global systemically important insurers, G-SIIs” and will be completed, they intend, during 2014, and active in 2015. The IAIS have invited the IAA to produce an ISAP to provide an actuarial standard to support the IAIS drive for consistent application of the BCR, in particular in relation to the current estimate measure of liabilities on which the BCR is based, which could also be relevant for the future global Insurance Capital Standard (ICS) intended by the IAIS to be applicable to “internationally active insurance groups, IAIGs” .

Request for comments

The ASC's IAIS Task Force has prepared this draft SOI.

We are open to all comments and questions and are particularly grateful for comments in these areas:

- 1) Do you agree an ISAP is needed on “current estimates” and other matters in relation to the IAIS capital standards?
- 2) Are any of the proposed topics inappropriate for inclusion in this ISAP [7]? If yes, please explain why the particular topic should not be included.
- 3) What other topics should be included in this ISAP?
Please cover why you wish guidance in this area and if appropriate provide an example to illustrate the issue. 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.

Next Steps

We ask you to distribute these drafts of the SOIs (located under [Publications](#) on the IAA Website) widely within your organization, and to any actuarial standard setters and other interested parties in your jurisdiction. The deadline for comments on this discussion draft is **Friday, 5 September 2014**.

Comments should be addressed to SOI.ISAP7.comments@actuaries.org with “ISAP [7]” in the e-mail header, preferably using the attached [MSWord template](#).

Alternatively or in combination with the attached comment template, an MSWord (or equivalent) attachment would be acceptable. If a markup of the discussion draft is submitted, we recommend using the “Comment” feature liberally, giving reasons for proposing the change. All comments will normally be posted to the IAA website identifying the commenter(s). However, in exceptional cases, in response to a request which the IAA Secretariat is satisfied is for a valid reason, comments may be either posted to the website anonymously or withheld from the website.

Thank you in advance for your attention to this matter. The ASC and its IAIS Task Force look forward to your response.