

Item 5a – EC Oct 9 agenda

Date: 2012.10.02
Memo to: IAA EC
From: Dave Pelletier, Chair, IASSC
Re: ISAP 1
cc: Peter Doyle, Godfrey Perrott

This memo will summarize the IASSC's activity since your meeting of 28 August with respect to ISAP 1, and overview the relevant material now provided to you for your meeting of 9 October.

As agreed during your meeting of 28 August, we immediately recontacted the original 27 commenters, including again the proposed ISAP 1 and the report on our comments (which we'd already provided them), but going on to say:

“Please confirm your support, or identify if you have any substantive issues with the ISAP as now presented, by email to ISAP.comments@actuaries.org by Monday, 17 September 2012. If you are representing a full member association of the IAA, please let us know if you have reason to believe that your association would oppose the adoption of this version of the ISAP at the Nassau Council meeting.”

In response to that email, we received ten replies, of which two per positive and eight, while largely appreciative of the changes made since the original exposure draft, included suggestions for further change to capture their concerns. Based on those replies and some further dialogue with some of the respondents, we did make some revisions to the text of ISAP 1. We then (on 25 September) got back to those eight, providing the revised text and a document outlining the further comments and how we'd dealt with them. As we said there:

“We have made several edits as a result to address some of your concerns. Some of the comments made however were not possible to address directly. Some even conflicted with each other – one commenter preferred that the standard be more definitive while others wanted the principle of proportionality explicitly included (which we have done). At least one commenter felt that the ISAP was too prescriptive while another felt it was too open to different interpretations.

...

Please would you let us know as soon as possible if you see any fatal flaws in the proposed ISAP. It is better than the previous version as a result of your efforts. We hope your association will see fit to support it at the Council meeting in Nassau (assuming the EC approves it).

We welcome any suggestions for improving the comment document, which we need to finalize by the weekend. Please direct any such suggestions again, by the weekend please, to ISAP.comments@actuaries.org.”

From both private dialogue with those eight as well as further correspondence:

- five appear satisfied to the point of not opposing approval by Council of ISAP 1;
- one has been satisfied on one point they had raised, and will confirm shortly if they are satisfied on the other as well;
- one (a regulator, not a member association) has been satisfied on one point they raised, and appears to understand our perspective on two others although they would have preferred we'd adopted their perspective;
- one has not responded further. However, one issue of theirs has been fully dealt with and the other to some extent.

The following documents are included in the EC agenda:

- the revised text of ISAP 1, in clean form;
- that revised text, marked up relative to what was provided to you for your meeting of 28 August (and what appears on the 60-day Council agenda);
- a document summarizing the comments received, and how we have dealt with them. (the comments in their entirety can be downloaded from the website at http://www.actuaries.org/index.cfm?lang=EN&DSP=CTTEES_IASSC&ACT=DOCUMENTS)

The IASSC has conceptually approved (unanimously) this revised version of ISAP 1. We're currently completing a final formal vote, the results of which I'll report on at the EC meeting. We ask EC approval of this revised version for submission to Council for its approval, as part of the 30-day agenda.

Thanks go to the General Task Force, chaired by Godfrey Perrott, and the full IASSC for some good and quick work in responding to the comments received.

Godfrey and I look forward to the EC discussion.