



## ACTUARIAL STANDARDS BOARD

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*September 12, 2012*

***The Actuarial Standards Board (ASB), the standard-setting body for actuaries in the United States, is pleased to provide this review of the way its comments were reflected in the Final Draft of ISAP 1 – General Actuarial Practice for the IASSC and its General Committee.***

The General Task Force of the IASSC has issued a proposed final version of ISAP 1. This new document reflects the Task Force's deliberations in response to the many comments that were received on the original exposure draft. As part of the vetting process for this document, the IASSC has asked for confirmation from the commenters that the proposed final text of ISAP 1 deals appropriately with the comments received. This note is in response to that request.

We appreciate the IASSC's efforts to reflect our comments. Many of our comments were accepted and appropriately dealt with in the final proposed ISAP 1. While not all of our comments were accepted, we believe the final document is better than the exposure draft as it reflects some of the more important suggestions we made, including deleting the "employed actuary" concept, using the term "actuarial services" rather than "professional services", using "review" rather than "verify" in the Data Quality section (though Section 3.5.2 is still titled "Validation"), and replacing "member associations and other relevant standard setters" with "actuarial standard-setting bodies" in the Preface (formerly Introduction 1).

However, other changes that we suggested were not fully reflected in the Final Proposed ISAP 1. The concerns that we still have include:

- Retention of guidance on the concept of sensitivity testing (3.7.7). We would prefer that this section be removed.
- Retention of guidance on the concepts of peer review (3.11). Even though the requirements associated with peer review have been reduced somewhat, we believe that the inclusion of peer review as written is still impractical and largely unworkable. We would prefer that this section be removed, also.

In conclusion, even given our remaining concerns, we do not have any substantive issues with ISAP 1 as presented and we are comfortable with its passage as a standard for those areas of the world that do not have standards. However, we feel it is important to note that ISAP 1 is not and will not become a standard for practice in the United States and its guidance is not necessarily appropriate for practice in the US. We have other standards currently in place that do cover practice in the United States that are materially consistent with ISAP 1.