



Actuarieel Genootschap

Exposure draft of an International Standard of Actuarial Practice on the Valuation of Social Security Programs

Response of Het Actuarieel Genootschap
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Member associations were requested to assess the exposure draft by answering the following 3 questions:

1. Is the guidance clear and unambiguous?
2. Is the guidance at the right level of detail, or should it be more or less detailed?
3. Are there other matters that should be included in this standard on social security? Are there some included here that should not be?

The answers of Het Actuarieel Genootschap to the abovementioned questions are the following:

1. Yes, the guidance is clear, but sometimes ambiguous by presenting some matters in different sections.
2. There is an overlap between section 3 and 4. For example between 3.2 (data) and 4.1.3.
Furthermore section 3.3 is very detailed compared to other parts of this ED. We suggest switching sections 4.1 and 4.2. Some of the enumerations could also be moved to an appendix.
3. Content; we believe all matters relating to SSP's are included in this ED. Chapter 4 is quite general and can be used for many actuarial valuations. We believe this does not add much value to the content.

Additional comments:

1. We suggest adding the last sentence of the introduction ("This ISAP only applies to...") to section 1.2 Scope.
2. 1.4.4; shouldn't the text at point a. and b. also apply to the situation outlined at point 1.4.3?
3. 1.4.4; the text at point a. seems to lack a guideline at the end (what to do when limiting content is not appropriate?)
4. 1.4.4; The terms "otherwise required" in point a. and "not necessary or appropriate" do not seem to be very complementary. Also it could be discussed whether the text at point b. should in fact be point a. The text in point b. seems to be more general.
5. Paragraph 1.5 is very subjective, especially the part (1.5.2) where it states that the actuary should be cautious in actuarial judgement.
6. Is the reference to 4.2.b at the end of 3.3 correct?
7. In 4.2a it is indicated that the actuary is responsible for the data quality or in any case the assessment of the quality. This responsibility is not recognized as such where the basic data is concerned. The role of the actuary with regard to the basic data is that he – at least pension fund actuaries – based on the professional regulation (Handreiking Accountant-Actuaris) receives assurance from the accountant. Strict application of 4.2 would be conflicting with the Dutch Actuarial Standards.