



International Actuarial Association
Association Actuarielle Internationale



IAA Survey on ISAPs and Supports for Standard-Setting

Summary of Responses
2021



Background

- SPC's request to EC, by their report of May 2020, to Survey FMAs to evaluate the demand for assistance.
- Question 6 in the SPC report - Should the IAA start developing Specimen Actuarial Standards?
- Answer by the SPC: *It was decided that the SPC needs to go through two stages of extra work: firstly, to **see concrete demand from developing Full Member Associations (FMAs) that they require the IAA's help in developing their actuarial practice standards and the nature of that help**; and secondly if the advice needed is understood in more clarity than currently, then, based on the Strategic Objective: Assure, there seems to be a number of **options available for the IAA to accomplish advice to those FMAs in need** – and probably only one of them would be the creation of SASs. For example, the advice may point to some resources within the IAA.*

*The **Executive Committee** should be **requested to** arrange, through the appropriate IAA entities, for the implementation of the above recommendations. Namely, the Advice and Assistance Committee with the help of the PC and the Secretariat should **compile a list indicating which FMAs require assistance, including the nature of the assistance they require**. From this list a discussion paper should be prepared and shared with the SPC to help answer Question 6.*



Survey on ISAPs

- EC appointed Jacques Tremblay to action SPC's request on behalf of the EC.
- Survey was developed by the Secretariat coordinating input from the Professionalism Committee, the Advice and Assistance Committee and the Actuarial Standards Committee.
- The survey was sent to all FMAs (distributed via Council members, Correspondents and Professionalism Committee members) and AMAs. A special effort was made to engage with the small/medium FMAs (FMAs with less than 250 MWACs) and AMAs.
- Survey was issued on 4 August with a deadline to respond by 15 September.
- We received 48 responses to the survey.



Who Responded

FMAAs (40 out of 73)

Tier 1 (5 out of 5) - Canada Germany UK(IFoA) US (CAS) US(SOA)

Tier 2 (11 out of 18) - Australia Ireland Italy Japan(IAJ) Mexico(CONAC) Netherlands South Africa Spain UK(ACAL) US (ASPPA) US(CCA)

Tier 3 (24 out of 51) - Belgique Caribbean Colombia Croatia Czech Republic Denmark Estonia Finland Ghana Hungary Israel Japan(JSCPA) Kazakhstan Lebanon Lithuania Malaysia New Zealand Norway Poland Portugal Serbia Slovenia Sri Lanka Turkey

AMAs (8 out of 29)

Armenia Bangladesh Georgia Mexico(AMA) Moldova Montenegro Namibia Ukraine



Q5: Does your association, or another entity, set standards of actuarial practice that apply (on a mandatory or voluntary basis) in your jurisdiction? Check all that apply:

ANSWER CHOICES	RESPONSES	
<input type="checkbox"/> No	14.58%	7
<input type="checkbox"/> Yes – my association sets standards	60.42%	29
<input type="checkbox"/> Yes – another actuarial body sets standards	10.42%	5
<input type="checkbox"/> Yes – a separate actuarial standards body sets standards	6.25%	3
<input type="checkbox"/> Yes – a regulator sets standards	12.50%	6
<input type="checkbox"/> Yes- Other (please add explanation below)	8.33%	4
Total Respondents: 48		

7 Associations answered “No”:
Tier 3 FMAs - *Colombia Estonia
Kazakhstan Sri Lanka*

AMAs - *Armenia Bangladesh
Georgia*



Q6: If you answered “No” to question 5, please select any statements below that your association agrees with (Check all that apply):

ANSWER CHOICES	RESPONSES	
We have not considered whether we should set standards.	0.00%	0
We have considered whether we should set standards but have not yet decided.	37.50%	3
Most or all of our members are also members of another actuarial association and follow standards set by that association.	37.50%	3
There are legal reasons precluding us from creating standards / adopting ISAPs.	0.00%	0
We believe that, in our jurisdiction, creating standards would not deliver sufficient benefits to actuaries or the users of actuarial services to justify the effort involved.	12.50%	1
We would like to set standards but we do not have the resources to do so.	75.00%	6
We would like to set standards and we would welcome assistance and support from the IAA.	75.00%	6
We have considered adopting ISAPs, or creating standards that are substantially consistent with ISAPs, but we do not find them helpful / relevant for our jurisdiction. (If you choose this answer, it would be helpful if you could add explanations below, please.)	12.50%	1
We have considered adopting ISAP 1, General Actuarial Practice, but we feel that it would need to be supplemented by further standards addressing specific areas of actuarial practice.	12.50%	1
Our association does not intend to seek assistance and support from the IAA to set standards.	0.00%	0
Total Respondents: 8		



Q7: If your association desires the IAA's help in developing standards, what would be the nature of that help? (Select one option)

ANSWER CHOICES	RESPONSES	
Guidance on creating robust processes for developing and adopting standards of practice	29%	2
Help with developing the content of actuarial standards for use in your jurisdiction	14%	1
Both of the above	57%	4
TOTAL		7

Q8: If you indicated at question 7. that your association desires help with developing the content of actuarial standards, which of the following do you think would be more useful:

ANSWER CHOICES	RESPONSES	
Help with considering how some or all of the published Practice Standards applicable to members of another Member Association might be adapted for use in your jurisdiction	80%	4
Having access to, and help with adapting/adopting, a set of specimen actuarial standards (SASs), to be developed by the IAA on general topics (e.g., actuarial approaches in life insurance) where practice is well-established, as a base for local standards	20%	1
TOTAL		5

Next Section of the Survey was Combined with the Professionalism Committee's Survey on ISAPs

Targeting MAs already having some form of Standards Setting locally



Q9: Does your association consider ISAPs adopted by the IAA as helpful for your association?

ANSWER CHOICES	RESPONSES	
Yes	79.49%	31
No	7.69%	3
Other (please explain)	12.82%	5
TOTAL		39

Q10: Has the development of ISAPs by the IAA, and the encouragement by the IAA for actuarial standard-setting bodies to maintain substantially consistent standards, increased your association's confidence in the quality of actuarial services around the world?

ANSWER CHOICES	RESPONSES	
Yes	71.79%	28
No	0.00%	0
Other (please specify)	28.21%	11
TOTAL		39



Q11: Has your association, or another actuarial standard-setter in your jurisdiction, adopted, or asserted substantial consistency with, any ISAPs in your jurisdiction?

	YES	NO	TOTAL
ISAP 1	71.05% 27	28.95% 11	38
ISAP 2	29.73% 11	70.27% 26	37
ISAP 3	34.21% 13	65.79% 25	38
ISAP 4	21.05% 8	78.95% 30	38
ISAP 5	23.68% 9	76.32% 29	38
ISAP 6	21.05% 8	78.95% 30	38



Q12: If you've chosen No for any ISAP in the previous question, what are the reasons for that?

	ISAP 1	ISAP 2	ISAP 3	ISAP 4	ISAP 5	ISAP 6	TOTAL RESPONDENTS
The ISAP has not been relevant for our jurisdiction	0.00% 0	70.00% 7	30.00% 3	30.00% 3	30.00% 3	30.00% 3	10
There are legal reasons precluding us from adopting ISAPs	100.00% 1	100.00% 1	100.00% 1	100.00% 1	100.00% 1	100.00% 1	1
There is disagreement with the guidance in the ISAP	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0
We have not yet made a decision	25.00% 4	43.75% 7	37.50% 6	93.75% 15	62.50% 10	81.25% 13	16
Other	35.00% 7	65.00% 13	70.00% 14	55.00% 11	75.00% 15	65.00% 13	20



Q13: Has your association, or another actuarial standard-setter in your jurisdiction, made any substantive amendments to its own standards as a result of ISAPs being adopted by the IAA?

	YES	NO	TOTAL
ISAP 1	23.53% 8	76.47% 26	34
ISAP 2	6.45% 2	93.55% 29	31
ISAP 3	9.38% 3	90.63% 29	32
ISAP 4	3.57% 1	96.43% 27	28
ISAP 5	3.23% 1	96.77% 30	31
ISAP 6	3.45% 1	96.55% 28	29



Q14: Has the development of ISAPs influenced or aided the development of local standards?

	YES	NO	TOTAL
ISAP 1	61.11% 22	38.89% 14	36
ISAP 2	31.43% 11	68.57% 24	35
ISAP 3	33.33% 11	66.67% 22	33
ISAP 4	29.03% 9	70.97% 22	31
ISAP 5	21.21% 7	78.79% 26	33
ISAP 6	25.00% 8	75.00% 24	32



Q15: Is substantial consistency with ISAPs an objective of your association or another actuarial standard-setter in your jurisdiction?

ANSWER CHOICES	RESPONSES	
Yes	53.85%	21
No	12.82%	5
Other (please explain)	33.33%	13
TOTAL		39

Q16: Has your association, or another actuarial standard-setter in your jurisdiction, faced any difficulties in:

	YES	NO	TOTAL
Attaining substantial consistency with ISAPs due to lack of clarity regarding the scope and the intended application	2.78% 1	97.22% 35	36
Interpreting any other elements of the contents of ISAPs	2.78% 1	97.22% 35	36
Adapting or adopting ISAPs	5.56% 2	94.44% 34	36



Q17: If your association is new to setting standards and desires the IAA's help in developing standards, what would be the nature of such help your association may require?

ANSWER CHOICES	RESPONSES	
Guidance on creating robust processes for developing and adopting standards of practice	5%	2
Help with developing the content of actuarial standards for use in your jurisdiction	8%	3
Both of the above	8%	3
Our association does not intend to seek assistance and support from the IAA to set standar	79%	31
TOTAL		39



Q18: If you indicated above that your association desires help with developing the content of actuarial standards, which of the following do you think would be more useful:

ANSWER CHOICES	RESPONSES	
Help with considering how some or all of the published Practice Standards applicable to members of another Member Association might be adapted for use in your jurisdiction	50%	3
Having access to, and help with adapting/adopting, a set of specimen actuarial standards (SASs), to be developed by the IAA on general topics (e.g., actuarial approaches in life insurance) where practice is well-established, as a base for local standards	50%	3
TOTAL		6



List of FMAs/AMAs requesting IAA Assistance *(response to SPC)*

If your association desires the IAA's help in developing standards, what would be the nature of that help?

1. Guidance on creating robust processes for developing and adopting standards of practice

(10) Georgia (AMA); Colombia (FMA); Sri Lanka (FMA); Kazakhstan (FMA); Estonia (FMA); Armenia (AMA); Slovenia (FMA); Turkey (FMA); Namibia (AMA); Lebanon (FMA)

2. Help with developing the content of actuarial standards for use in your jurisdiction

a. *Help with considering how some or all of the published Practice Standards applicable to members of another Member Association might be adapted for use in your jurisdiction*

(7) Kazakhstan (FMA); Estonia (FMA); Armenia (AMA); Bangladesh (AMA); Caribbean (FMA); Moldova (AMA); Lebanon (FMA)

b. *Having access to, and help with adapting/adopting, a set of specimen actuarial standards (SASs), to be developed by the IAA on general topics (e.g., actuarial approaches in life insurance) where practice is well-established, as a base for local standards*

(4) Sri Lanka (FMA); Kazakhstan (FMA); Israel (FMA); Namibia (AMA)