



International Actuarial Association
Association Actuarielle Internationale

Memorandum

Date: 10 February 2022

To: Presidents and Council Delegates of IAA Full Member Associations
Presidents and Council Representatives of IAA Associate Member Associations
Representatives of IAA Partners, Observers and Patrons

Copy: Correspondents, IAA Full and Associate Member Associations
Members of ASC and its task forces
Chairs of IAA Committees and Sections
Other interested parties

From: Andrew Chamberlain, Chair, Actuarial Standards Committee (ASC)

RE: Exposure Draft of Proposed International Standard of Actuarial Practice 7 (ISAP 7) on “Current Estimates” and Other Matters in Relation to the IAIS Insurance Capital Standards

We are pleased to attach the ASC’s proposal for the exposure draft of [International Standard of Actuarial Practice 7 \(ISAP 7\) on “Current Estimates” and Other Matters in Relation to the IAIS Insurance Capital Standards](#), and the related amendments to the [Glossary](#). The exposure draft was drafted by the ISAP 7 Task Force of the ASC and approved for exposure by the ASC in accordance with the Due Process. The purpose of this ISAP is to provide guidance to actuaries when performing actuarial services relating to the IAIS Insurance Capital Standards.

This ISAP is a model standard intended to be suitable for adoption by actuarial standard-setting organizations who wish to do so. It is the IAA’s intent that by publishing model international standards it will encourage the creation and convergence of national actuarial standards to be issued by actuarial standard-setting organizations, however, each ISAP is a model standard of actuarial practice and, as such, is not binding on any actuary.

ISAP 7 is intended to be principles based and therefore it limits the use of examples to what is strictly necessary, and deliberately avoids repeating any guidance already included in the IAIS Insurance Capital Standards as well as ISAP 1.

We ask you to distribute these consultation documents (also available under Publications/ISAPs 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 the exposure draft is Wednesday, 15 June 2022.

Comments (from your organization, your members, or other parties to which you forward these exposure drafts) should be addressed to ISAP7.comments@actuaries.org with "ISAP 7" in the email header. The commenter should make clear if it is a personal response or one representing a particular association, standard-setter, or other entity. In respect of the Glossary, only the amendments are open to comment.

The preferred format for submitting comments is the [comment template](#) provided herewith, attached to an e-mail. If a markup of the exposure draft is also 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.

We ask the commenters particularly to consider the following questions:

1. Is the guidance clear and unambiguous? If not, how should it be changed?
2. Is the guidance sufficient and appropriate? If not, how should it be changed?
3. Is the guidance at the right level of detail? If not, what text should be omitted because it is too detailed? In what areas do actuaries need more detailed guidance?
4. Are there other matters that should be included in this standard? Are there some included here that should not be?
5. Should the title of the ISAP be made shorter or simpler? Suggestions are welcome.

Thank you in advance for your attention to this matter. The ASC and its ISAP 7 Task Force look forward to the responses.