



# Due Process for International Actuarial Notes

## 1. Definition and Applicability

- 1.1 An International Actuarial Note (IAN) is an educational document that provides information on current or emerging practices in relation to an international actuarial topic. It serves to familiarize actuaries with approaches that might be taken and to demonstrate how the actuarial profession might approach the topic. The major difference between an IAN and other IAA educational documents is that all IAA Member Associations must be invited to provide input to the IAN through a formal consultation process, which maximises the capacity to identify any material differences of opinion on the content of the IAN.
- 1.2 An IAN does not impose any obligation on any IAA Member Association or any individual actuary to promote or apply the practices described. It is not a definitive statement as to what constitutes generally accepted practice in the area under discussion and the language used is not directive.
- 1.3 An IAN may address a topic that is also addressed by an International Standard of Actuarial Practice (ISAP) issued by the IAA. In that case, the IAN will not conflict with the ISAP. The IAN does not seek to interpret the ISAP and it is not intended as a description of how an IAA Member Association might interpret the ISAP. Nor is it intended as a description of how an actuary might apply the ISAP or any actuarial standard based on the ISAP, though it might assist in that regard.
- 1.4 The [“Guidelines for classifying education documents as International Actuarial Notes \(IANs\)”](#) approved by the Professionalism Committee on 28 November 2018 provides additional guidance.
- 1.5 Because an IAN is not intended to be authoritative, its language will be chosen carefully. It will not contain words such as “must” or “should”. Rather, its style will be descriptive or will convey meaning by the use of examples of current or emerging areas of actual practice, without suggesting that these examples are comprehensive.

## 2. Due Process

- 2.1 Because an IAN is not intended to be authoritative and because (unlike an ISAP) it is not intended for use by Member Associations as the basis for issuing Standards of Practice for their members, it seems reasonable that the Due Process for issuing an IAN should be more abbreviated than for an ISAP.
- 2.2 On the other hand, it is possible that the drafting of an IAN will cause legitimate

differences of opinion to surface, and any significant differences should be included in the IAN to the extent that the differences are identified while drafting the IAN, so some due process involving consultation with Member Associations is needed.

- 2.3 In addition, because it is important to ensure that the wording of an IAN is consistent with its non-authoritative nature, the Professionalism Committee has an oversight role in terms of the language used in IANs.

### 3. First Stage – Announcement of Intent to Issue an IAN

- 3.1 Any IAA committee may, by action at an in-person committee meeting or by an e-mail vote of committee members, adopt a Statement of Intent to develop an IAN. The Statement of Intent should describe the objectives and scope of the proposed IAN and, once adopted by the committee, should be sent to the Professionalism Committee and to the Secretariat.
- 3.2 In addition, Council may, in accordance with its normal notice and voting requirements, direct a committee to develop an IAN.
- 3.3 In either event, the Secretariat shall communicate the Statement of Intent promptly to Member Associations. The communication should provide Member Associations with a point of contact if they wish to become involved in the process or if they have questions concerning it.

### 4. Second Stage – Development and Issuance of an Exposure Draft

- 4.1 The committee that is developing the IAN should submit a preliminary exposure draft of the IAN, along with a confirmation that the IAN does not conflict with any existing IAN or ISAP, to the Professionalism Committee.
- 4.2 The Professionalism Committee should review the preliminary exposure draft in terms of language to ensure that it does not imply a definitive statement as to what constitutes generally accepted practice in the area under discussion and that the language used is not directive, and that the IAN does not seek to impose any obligation on any IAA Member Association or any individual actuary to promote or apply the practices described. The Professionalism Committee should provide comments to the developers of the exposure draft.
- 4.3 After reflecting any comments from the Professionalism Committee, the committee should submit an exposure draft to the Secretariat for distribution to Member Associations. The communication should indicate the deadline for comments (normally three months from the date of the communication) and should indicate to whom comments should be sent.

### 5. Third Stage – Issuance of the IAN

- 5.1 The committee that is developing the IAN should review all comments received and consider whether and how to reflect them in the IAN. While differences of opinion which are both significant and legitimate should be included in the IAN to the extent

that the differences are identified while drafting the IAN, it is the responsibility of the committee to make the final determination in this regard. The committee should prepare a high-level report to the Professionalism Committee confirming that all comments have been considered, including a description of how any significant differences of opinion were addressed. A red-lined version of the IAN should also be prepared and provided to the Professionalism Committee if any changes were made in response to the comments.

- 5.2 The committee should approve the final version of the IAN by action at an in-person meeting or by an e-mail vote of its members.
- 5.3 The Professionalism Committee should review the IAN from the same aspects as described in 4.2 and should confirm that the prescribed due process has been followed.
- 5.4 The Communications Subcommittee should review the IAN from the aspect of readability and should confirm that the prescribed Publications Policy has been followed.
- 5.5 Upon the IAN's approval by the committee that developed it, and the above confirmations from the Professionalism Committee and the Communications Subcommittee, the Secretariat will format the document, perform a final editorial review, publish the IAN, distribute it to Member Associations, and post it on the IAA website. The Secretariat will develop a numbering system and will assign numbers to IANs when they are distributed and posted.
- 5.6 The committee that developed the IAN will be responsible for periodically reviewing the IAN and, if necessary, updating or withdrawing it. Normally an IAN should be reviewed at least every five years and the Secretariat will work with committees to schedule these reviews. Fundamental updates to an IAN are subject to this Due Process. Non-fundamental updates may be subject to an expedited procedure with the consent of the Professionalism Committee.

## 6. The Role of the Professionalism Committee in the IAN Process

- 6.1 The Professionalism Committee has the ongoing responsibility to make recommendations to the Council regarding the due process for IANs.
- 6.2 The Professionalism Committee will – as described in sections 4 and 5 above – provide comments on exposure drafts of IANs and shall confirm that an IAN is appropriate from the same aspects as described in 4.2 and that due process was followed. To expedite the issuance of IANs, the Professionalism Committee may establish a working group to carry out this function.
- 6.3 The Professionalism Committee has an overall responsibility for monitoring whether the IAN process is working well and whether the process should be updated from time to time. This includes monitoring whether the correct Due Process has been followed in the preparation of an IAN.

## 7. Transition Process

- 7.1 If any IAN has been approved by a committee under the previous Due Process, on or before the date of approval of this Due Process by Council, then that IAN will be in all respects equivalent to an IAN approved under this Due Process, and will thereafter be subject to this Due Process. Following approval of this Due Process by Council, any such IAN will be treated as if it had been produced under this Due Process, and will have the same status in regard to each stage of development, exposure or approval.

*Approved by Council May 7, 2020.*