

Standard Setters Round Table

Sunday, 3 June 2018, 8:00 – 12:30

Room: Nizza

Estrel Berlin Hotel, Germany

Minutes

The attendance can be found at the end of these minutes.

1. **Welcome and introductions**

Ann Muldoon, Chair of SSRT, welcomed everyone to the meeting.

Two new members Greg Martin (Actuaries Institute of Australia) and Godfrey Perrott (Chair, IAA Actuarial Standards Committee) were welcomed to the SSRT.

2. **Approve agenda**

The agenda was approved with agreement for item 8 to be taken up after item 5.

3. **Approval of [minutes of meeting in Chicago](#)**

It was agreed that the recorded minutes on IANs should be amended to read as “the definition was approved subject to specific amendments” (*done*). The minutes were approved subject to this change.

It was noted that subsequent to the meeting in Chicago, the definition of IANs was re-opened for further review by the Professionalism Committee (PC).

4. **Actuarial Standards Committee (ASC)**

Godfrey Perrott, Chair of the ASC, provided the following update:

- ISAP 1 General Actuarial Practice – The exposure draft (ED) of a revised version was published on 29 June 2017; comment deadline was 31 October 2017. The ASC received 14 comment letters, noting that the majority supported the integration of ISAPs 1 and A1. TF completed its work and recommended that the ASC approve the revised version and proceed to final review. The ASC is reviewing the definition of “report” and expects to publish a final review package in June. The ASC does not recommend a second exposure and expects to seek Council approval for adoption of revisions to ISAP 1 in Mexico City.
- ISAP 4 IFRS 17 Insurance Contracts - ED was published on 27 Feb 2018, comment deadline is 30 June 2018. Expected completion in Nov 2019, although the ASC remains uncertain as to whether a second exposure draft will be required. If no second exposure draft is required, the ASC expects to seek Council approval for adoption of ISAP 4 in Tokyo.
- ISAP 6 Enterprise Risk Management Programs and IAIS Insurance Core Principles - ED was published 17 October 2017, comment deadline was 28 Feb 2018. 11 comment letters were received. The TF is revising the draft in light of these comments. The ASC hopes to publish a final review package in July which will allow for adoption by Council in Mexico City. A second exposure is not necessary since no substantial changes have resulted after the consultation. Adoption

- expected in Mexico City.
- ISAP 7 “Current estimates” and other matters in relation to IAIS Capital Standards - No change since Chicago. Still suspended pending IAIS action.

Godfrey added that the ASC has no new topics for ISAPs in the pipeline and will be soliciting suggestions for new topics, especially from the small and medium size associations. The ASC is especially interested in thoughts from members who have started to implement actuarial standards or are considering doing so. Godfrey invited members to suggest topics of global relevance that would be useful to their associations. He stressed that the ASC is not looking for unnecessary work. Suggested topics would be given careful consideration and would be developed subject to EC and Council approval.

It was noted that small to medium size associations would welcome assistance to implement ISAPs. Webinars and regional seminars would be helpful in this regard. The ASC has held [several webinars](#) to present ISAPs, the most recent one being in April 2018 to present the exposure draft of ISAP 4. The ASC has also presented at several regional seminars. Associations that need assistance to implement ISAPs are encouraged to reach out to the ASC.

In response to queries raised on ASC plans for maintaining the current ISAPs up to date and version control, Godfrey noted that there is a program for maintaining ISAPs and that a list of potential changes is maintained. Regarding version control, Godfrey confirmed that an unqualified reference to an ISAP would imply the current version and that prior versions would refer to the year it was effective.

Ann thanked Godfrey for the update.

5. Professionalism Committee

Yvonne Lynch, Vice-Chair of the PC provided an update on behalf of the Chair of the PC David Martin.

i. General Update

The Professionalism Committee discussed the workplan and identification of risk factors. Committee members were very interested in two comprehensive presentations about the disciplinary processes of the Canadian Institute of Actuaries and the Institute and Faculty of Actuaries, noting common themes.

A sub-group of the Committee reported on its work on monitoring the development of the proposed IAN on IFRS 17.

The PC approved the content of a voluntary survey to explore the usefulness of ISAPs. This will replace the current questionnaire in the Annual Confirmation Form on associations’ use of ISAPs. Members of the PC will follow up with associations that wish to participate in the survey.

A sub-group is helping Actuaries Without Borders to develop educational materials on professionalism.

A PC task force compared the IAA’s requirements with a new Code issued by the Actuarial Association of Europe and with several actuarial associations’ Codes.

The Committee concurred with the task force's recommendation that no changes are necessary to the IAA requirements at present.

ii. PC discussion on IANs

Following on from previous work, the PC had a good discussion on the purpose of IANs. The PC discussions in Berlin helped to achieve more clarity on the relationship between ISAPs and IANs. During a discussion on the relationship between ISAPs and IANs, it was clarified that IANs will not interpret ISAPs but will assist actuaries in complying with an ISAP, for example by offering practical examples of ways in which actuaries might implement an ISAP or a related International Financial Reporting Standard (IFRS) in the course of their work. The comments received in Berlin will be fed into ongoing work on the definition of an IAN and the Due Process for IANs.

6. Update on the status of the paper "[Setting Actuarial Standards](#)", published November 2017

Yvonne and Godfrey will present the paper at the special seminar on Association Development Initiatives (later today). A session at the ICA with Birgit, Dave, Godfrey, and Hillevi will also reference the paper.

7. [Survey to FMAs](#) regarding current status of implementation processes regarding International Standards of Actuarial Practice (ISAPs)

Birgit Kaiser reported that the proposal presented by the joint TF of the PC, ASC and SSRT was approved by the PC. Members of the PC who are willing to do so, will be requested to follow up with their associations to complete the survey in due course. The PC leadership will formulate a proposal on how to solicit responses from associations that don't have a representative on the PC, and also the frequency of the survey. It was suggested to Birgit to include a link to the SSRT paper [Setting Actuarial Standards](#) in the PC message that would accompany the survey, to create awareness about its availability.

8. Connecting the dots between ISAPs and other IAA material such as IANs and monographs

Ann opened the floor for discussion posing a question as to whether a discussion on IANs is premature at this stage given that the definition of an IAN is still under discussion in the PC. It was clarified that the on-going debate on the definition of an IAN will not hold up the work in progress on the IAN 100 relating to IFRS 17. Yvonne reported that a discussion draft of IAN 100 will be published following the Berlin meetings, in advance of the exposure draft of IAN 100.

A member questioned whether there is a general rule that IANs should not cross refer to ISAPs. While there is no strict rule that cross references should not be made, cross references should not imply in any way that IANs are binding requirements, or

interpretations, or scripts to do something specific when complying with the guidance in an ISAP. IANs are intended to be educational and will generally illustrate potentially different approaches that can be taken when complying with the principles-based guidance in an ISAP. An IAN may cross refer to relevant ISAPs as appropriate.

Godfrey stated that the old template for IANs had a helpful page header stating that the IAN is not authoritative guidance. Although the revised template has similar wording, it is only in the preamble, which may be easily missed. A header statement on every page would be more emphatic. Godfrey requested the PC to re-consider bringing back the previous one-line header.

There was a discussion about the various other educational publications of the IAA (e.g. the Risk Book, Risk Adjustment Monograph) and how they differ from the IANs. Any publication that carries the IAA logo is given some recognition/status by being associated with the IAA brand. This is a risk as well as an advantage and the IAA logo should be used responsibly. There is a need for a comprehensive overview of the all the different types of publications of the IAA and to determine where each one fits within the overall strategic objectives of the IAA. This is an issue that the Branding and Communications subcommittee of the EC is currently addressing.

It was agreed that there was no action to be taken by the SSRT on this topic at this point in time, given that the EC is already addressing it.

9. Exchange of experiences among standard-setters:

Ben Kemp and Ann jointly made a comprehensive presentation on the standard setting experience in the UK explaining the roles of the IFoA and the Financial Reporting Council (FRC) in setting actuarial standards.

IFoA sets ethical standards for all Members which encompass the Actuaries' Code and Actuarial Professional Standards which are generally not restricted by geography and technical standards for work outside the scope of the FRC

The FRC sets technical standards (TASs) for work within 'UK Geographic scope'.

The complete presentation slides can be accessed using the links provided below:

[Ben's presentation on IFoA](#); [Ann's presentation slides on FRC](#)

This useful and interesting presentation was well received by all.

It was agreed that Japan would present their standard setting experience at the next meeting in Mexico City, and the US thereafter at the meeting in Washington.

10. Brief country and regional updates

The following written summaries of country updates were received for sharing with the group:

Points noted by individual countries were as follows:

Dave Pelletier noted that Canada is considering the introduction of peer review in light of the peer review requirements of ISAP1.

Hillevi Mannonen noted that the AAE has now approved three ESAPs and that there are no new ESAPs under development. It is not intended for AAE to overlap with the IAA but to consider regional requirements.

Greg Martin noted that there are a lot of investigations currently underway along with regulatory change including a review of the role of the actuary.

- [Germany](#)
- [Canada](#)
- [US ASB](#)
- [IFoA \(UK\)](#)
- [Academy \(US\)](#)
- [Netherlands](#)
- [South Africa](#)
- [Ireland](#)

11. Suggestions of topics for discussion at the meeting in Mexico City

- a. ICA are there any issues to pick up?
- b. Exchange of standard setting experiences - Japan
- c. IFRS 17 – what are other standard setters doing?
- d. SSRT – continuity and its role with the IAA

12. Scheduling of future meetings

The request to re-schedule the SSRT meeting within the meeting week is being considered by the IAA's meetings department in the re-structuring of the meeting schedule due to be implemented from 2019.

13. Any other business - None

14. Next meeting: Mexico City, Mexico – November 27–December 2, 2018

Attendees

Members

Ann Muldoon
Maryellen Coggins
Mary Downs
Birgit Kaiser
Ikuo Kudoh
Yvonne Lynch
Helge-Ivar Magnussen
Hillevi Mannonen
Greg Martin
Michael McDougall
Irina Melnikova
Dave Pelletier
Godfrey Perrott
Ernst Visser

Chairperson
Actuarial Standards Board, US
American Academy of Actuaries
Deutsche Aktuarvereinigung e. V. (DAV)
Institute of Actuaries of Japan
Society of Actuaries in Ireland
Den Norske Aktuarforening
Suomen Aktuaariyhdistys
Actuaries Institute Australia
Actuarial Society of South Africa
Russian Guild of Actuaries
Actuarial Standards Board of Canada
Chair, Actuarial Standards Committee
Het Koninklijk Actuarieel Genootschap

Observers

Shawna Ackerman
Akihiro Hotta
Hirota Ito
Jeffrey Johnson
Ben Kemp
Paul Kollmer-Dorsey
Lisa Wade

American Academy of Actuaries
Japanese Society of Certified Pension Actuaries
Japanese Society of Certified Pension Actuaries
American Academy of Actuaries
Institute and Faculty of Actuaries
American Academy of Actuaries
Caribbean Actuarial Association

Staff Liaison

Amali Seneviratne

Director, Technical Activities