

Standard Setters Round Table
Sunday, 8 October 2017, 8:30 – 12:30
Room: Lincoln
Chicago Westin River North, US
Minutes

1. Welcome and introductions

Maryellen Coggins, Chair of SSRT, welcomed everyone to the meeting.

2. Approve agenda

The agenda was approved.

3. [Minutes of meeting in Budapest](#) were approved as presented.

4. Actuarial Standards Committee (ASC) (oral report from Alf Gohdes)

Chair of the ASC, Alf Gohdes, presented the activities of the ASC since Budapest.

He referred to the [ASC dashboard](#) that is available on the IAA website, and gave an update on the expected timelines for the ISAPs under development. The ISAP 1 review and ISAP 6 are expected to be adopted in November 2018. ISAP 4 is likely to be completed by end of 2019.

The ISAP 1 review, ISAP 4 and ISAP 6 task forces of the ASC have been busy since Budapest, making good progress. The ISAP 1 review exposure draft (ED) was published for consultation in June with a deadline to comment by 31 October 2017. The ISAP 6 ED will be published for consultation soon after Chicago (*Later note: [published on 17 October 2017](#)*).

Presentations on ISAPs were made in Sri Lanka, Japan and Portugal. The ASC will continue to seek opportunities to make presentations to member associations and promulgate ISAPs. The ASC plans to continue to run webcasts during ED and after approval stages. The ASC also approved a report on [measures of success for the ASC](#), at their meetings in Chicago. The ASC leadership had a very productive meeting with the EC in Chicago to update the EC on the activities of the ASC. Maryellen thanked Alf for this update.

5. Professionalism Committee (PC)

David Martin, Chair of the PC, provided an update on the activities of the PC. The meeting was very productive and involved good discussions on a number of topics:

- Ireland and the American Academy of Actuaries (US) presented on disciplinary schemes sharing their experiences.
- Governance of International Actuarial Work – the PC approved a statement pointing to Professionalism Guideline 2 (PG 2) - Principles in relation to the Governance of International Actuarial Work for guidance.

- The PC papers, labelled Professionalism Guidelines (PGs), were approved by Council. They will replace the old versions and posted on the IAA website.
- Questions relating to member associations (MAs) actions on ISAPs – Birgit Kaiser will lead a group comprising representatives from the SSRT, PC and the ASC. The new approach is to ask open questions. ASC has done some work on the measures of success, and the ASC's recommendations will be shared with the group for consideration in framing questions.
- IANs- the definition was approved subject to specific amendments. The Insurance Accounting Committee is working on IANs. the PC will review the current due process and recommend some changes, but this will not impede the progress of the IANs.
- AWB project on developing educational material on professionalism – The PC will collaborate with the AWB to have some webinars with case studies from targeted areas, possibly involving a presenter from that area. Time zones will be selected to suite the target group. Volunteers to present are welcome.
- The changes to the Actuarial Association of Europe's code of conduct (CoC) were discussed. A small group was set up to do an initial review at the PC level first and take it to EC if there is a need to update the CoC.
- The issue of some MAs adopting/adapting ISAPs without a proper standard setting process in place was discussed. While this is not a matter for the PC, David reported that he had brought the matter to the attention of the Membership Committee and also suggested to the ASC to consider giving the following message to the MAs when promulgating ISAPs through seminars, webinars and perhaps even in the preface to ISAPs: Before setting standards,
 - MAs should ensure that they have the authority to set standards in their jurisdiction.
 - The MAs should have in place a process that is in line with the requirements set out in [section 2.2.2.c of the IAA Internal Regulations](#).
 - The MAs should provide timely information to the Membership Committee about their standard setting process and any changes made to it.

Following a short discussion, the group agreed to write to the IAA to say that the CoC and the standard setting process should be made more visible to create more awareness and enable easy access for reference.

6. Topics for discussion:

- i. Exchange of experiences among standard-setters:

Mike McDougall made an interesting [presentation](#) providing insights into actuarial standard setting in South Africa.

Mike started with an overview of the governance structure of the Actuarial Society of South Africa (ASSA). ASSA is a volunteer led, self regulated professional body with 1400 fellow members and 2400 student members. It is also a standard setting and examining body. Council of the ASSA approves standards and guidance. The Actuarial Governance Board (AGB) is responsible for independent oversight of the profession. Majority of AGB

members are non-actuaries, but the Chair is an actuary. The ASSA has a professional matters board which reports to Council, which ensures adherence to process and the CoC, and also scrutinises standards for consistency, language, proportionality and integrity. ASSA has Standards of Actuarial Practice (SAPs) and Actuarial Practice Notes (APNs). SAPs are mandatory while the APNs recommended best practice. However, any deviations from recommended best practice must be noted.

The practice area committees develop guidance and standards. Several SAPs and APNs are in effect.

The current regulatory structure is being changed. The new structure will have a market conduct regulator (previously Financial Services Board, a financial soundness regulator (previously Reserve Bank) and a council for medical schemes.

There is collaborative engagement with inclusive development engaging actuaries from the industry, regulators and other relevant professionals. Mike described the process and the principles used in developing SAPs.

After a brief question and answer time, the presentation concluded with Maryellen thanking Mike for his presentation.

- ii. For the benefit of smaller associations in particular: best practices regarding setting up the structure to implement standards (*Alf Gohdes, Yvonne Lynch (lead), David Martin, Ann Muldoon*)

Yvonne Lynch presented the paper outlining the proposals of models for adopting standards. She stressed that none of the models are better over another, but are simply options available to the MAs. A high-level comparison of the models was provided within the paper, but it was agreed that the comparison should be removed given the complex history around why some of the models were selected by the MAs, and evolved over time.

Although it would be useful to have an appendix with examples of standard setters adopting the different models, it would be practically difficult to keep them updated.

A new section would be added drawing attention to the IAA requirements relating to a standard setting process as set out in [section 2.2.2.c of the IAA Internal Regulations](#).

A question was raised as to whether the members be open to sharing their standard setting processes on the SSRT webpage. Members were requested to check with their home associations if they are willing to share them publicly.

Yvonne agreed to update the paper reflecting the comments received at the meeting and circulate it for a final review soon after the Chicago meeting (*done*).

The papers will be made available to the PC, ASC SSRT, Advice & Assistance and Membership Committees. Yvonne and Amali will distribute the papers to the identified committees.

A contact tab will be included on the SSRT webpage with an e-mail directed to Amali, to enable potential users of the paper and any other interested persons to contact the SSRT if they have any questions (*done*).

- iii. [Responses from FMAs for 2016](#): current status of implementation processes regarding International Standards of Actuarial Practice (ISAPs) -*No change since Budapest*

A joint TF with members from the ASC, PC and the SSRT are developing suitable questions to ask MAs about the actions they've taken on ISAPs adopted by the IAA. The members of the TF are Godfrey Perrott (ASC), Marius Du Toit (ASC), Mark Freedman

(PC), Birgit Kaiser (PC, and Chair of the TF) and Dave Pelletier (SSRT). The TF was advised to use open ended questions and softer language when formulating the questions to the MAs to accommodate a broader range of responses. The TF recommendations will be available for discussion at the next meeting. The frequency of the questionnaire is yet to be decided, but is likely to be a periodic survey rather than a one off.

7. ICA 2018 program

Birgit Kaiser gave an update using a [slide presentation](#).

8. Brief country and regional updates

The following written updates were received:

[AAE](#), [Canada](#), [FRC-UK](#), [Germany](#), [IFoA-UK](#), [Ireland](#), [US ASB](#), [Australia](#), [Academy -US](#), [South Africa](#)

9. Suggestions of topics for discussion at the Berlin meeting

- Exchange of experiences among standard-setters: IFoA and FRC
- Update on the paper on *best practices regarding setting up the structure to implement standards* and any feedback thereon
- Update on the survey questions to member MAs regarding ISAPs
- There is no active formal communication among the committees to connect the dots between the ISAPs and all the other material such as IANs and other educational material that actuaries may reference. New ISAP topics can emerge from anywhere. Then the ASC/EC will consider it and follow due process – strategic action plan, SOI exposure draft, etc. There is no top down process to identify any gaps e.g. should there be an IAN to support an ISAP is left to the technical committees to decide. If the technical committees don't pick up on it then there is no process to identify and initiate the development of an IAN. Is there a need to develop a list of ISAPs and associated IANs to connect the dots and identify any gaps? The SSRT can with reference to its role as per the terms of reference, make some recommendations to the IAA if there any gaps identified. This will be an agenda item for discussion in Berlin.

10. Chairperson for 2018

Ann Muldoon accepted the invitation to serve as Chair for 2018.

11. Any other business

Standard on Pension Risks: In response to Dave Pelletier's question whether the ASOP on Pension risks is finalised, it was reported that it is in the process of being finalised and will be adopted in due course. (*later note: Actuarial Standard of Practice No. 51 (ASOP 51), Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions has been adopted and will be*

effective for any actuarial work product with a measurement date on or after November 1, 2018.)

Scheduling of the SSRT meeting in future: Since all other meetings are over by Saturday, the SSRT members have to stay one extra day only to attend the SSRT meeting, which invariably results in having to take the Monday off from work to accommodate the return travel. A suggestion was made to schedule the meeting earlier during the week. However, since the SSRT benefits from the updates coming from the ASC and PC meetings, the SSRT meeting should be scheduled after the ASC and PC meetings. This should not be a problem in Berlin as most members would continue to stay for the ICA. This will be taken up for discussion later, if necessary.

Change of delegates for 2018: Greg Martin will replace Tom Karp as the representative from the Actuaries Institute Australia and Godfrey Perrott will replace Alf Gohdes as Chair of the ASC with effect from 1 January 2018.

Maryellen thanked Alf Gohdes and Tom Karp for their contributions to the work of the SSRT. The members thanked Maryellen for her chairmanship during 2017.

12. Next meeting: Berlin, Germany — May 30-June 2, 2018

Please see next page for the attendance list.

Attendance List:

Members

Maryellen Coggins	Chairperson and representative of the Actuarial Standards Board (US)
Mary Downs	American Academy of Actuaries
Alfred Gohdes	Chairperson, IAA Actuarial Standards Committee
Birgit Kaiser	Deutsche Aktuarvereinigung e.V. (DAV)
Tom Karp	Actuaries Institute Australia
Ikuo Kudoh	Institute of Actuaries of Japan
Yvonne Lynch	Society of Actuaries in Ireland
Helge-Ivar Magnussen	Den Norske Aktuarforening
Hillevi Mannonen	Actuarial Association of Europe
David Martin	Chairperson IAA Professionalism Committee
Michael McDougall	Actuarial Society of South Africa
Irina Melnikova	Russian Guild of Actuaries
Ann Muldoon	Financial Reporting Council - UK
Dave Pelletier	(Canadian) Actuarial Standards Board
Ernst Visser	Het Koninklijk Actuarieel Genootschap - Netherlands

Observers

Gábor Hanák	Actuarial Association of Europe
Toshiyuki Kinugasa	Japanese Society of Certified Pension Actuaries
Paul Kollmer-Dorsey	American Academy of Actuaries
Greg Martin	Actuaries Institute Australia
Mike Smith	Caribbean Actuarial Association

Staff Liaison

Amali Seneviratne	Director, Technical Activities
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