

Please use this template to comment on the [Exposure Draft of ISAP 7 on “Current Estimates” and Other Matters in Relation to the IAIS Insurance Capital Standards](#), and the proposed revisions to the [Glossary for ISAP 7](#).

The IAA invites comments on this Exposure Draft, particularly on the questions set out below. Comments are most helpful if they:

- (a) Comment on the questions as stated;
- (b) Indicate the specific paragraph or group of paragraphs to which they relate;
- (c) Contain a clear rationale; and
- (d) Include any alternative that the IAA should consider, if applicable within the scope of the [Statement of Intent for ISAP 7](#).

	Identification and instructions	
Name of Individual:	Please indicate if your comments are personal, or represent your organization:	
Name of organization		Canadian Institute of Actuaries
Disclosure of comments:	Please indicate if your comments should be treated as confidential, and if so why:	
Instructions for filling in and sending the template	<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ Do not write in the yellow shaded cells ⇒ Write in the white cells ⇒ When commenting on a specific paragraph: <ul style="list-style-type: none"> ○ Please use a separate row for each paragraph, sub paragraph, or bullet. ○ Please include the full reference in the first column such as “Introduction 3rd paragraph 2nd bullet” or “2.6.1.b.ii” ○ Please insert/append extra rows as needed. <p>Please send the completed template, renamed with the organization’s or individual’s name, attached in <u>Word Format</u>, to ISAP7.comments@actuaries.org</p>	

	Specific Questions asked by the ASC	Response
Q1.	Is the guidance clear and unambiguous? If not, how should it be changed?	Our main reaction to the draft ISAP 7 is that it provides rather generic advice concerning actuarial practice and limited actual value-added guidance for actuaries performing ICS work. The draft appears to have a dichotomy of purpose: (i) it endeavours to give guidance on ICS 2.0 but (ii) fails to significantly add to the guidance of ISAP 1 with respect to actuarial work related to ICS 2.0.
Q2.	Is the guidance sufficient and appropriate? If not, how should it be changed?	<p>The memorandum section of the draft notes that it is “the IAA’s intent that by publishing model international standards it will encourage the creation and convergence of national actuarial standards.” However, the scope of the draft (see section 1.2) is limited to ICS 2.0. The utility of an international standard would be enhanced if its scope was applicable to other capital-related actuarial services. The IAA can use this opportunity with ICS 2.0 to show the efficacy of actuarial services in other related work.</p> <p>It is recognized that each jurisdiction has authority to set its own rules, and that the draft ISAP offers a model that each jurisdiction can modify. However, the current draft is so general that it seems to reflect any limitation that prospectively could be raised. This seems to be</p>

		in conflict with the intent of ISAPs to facilitate convergence in standards of actuarial practice, such as in connection with ICS.
Q3.	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?	<p>ISAP 1 is cited as a prerequisite to the guidance given in this draft ISAP. It would be beneficial to have references to sections of ISAP 1 articulate the aim of those sections (without restating them) and the interrelationship with ISAP 7, rather than simply noting which sections may be applicable (e.g., see section 1.3).</p> <p>A key example that warrants more guidance concerns the subject of current estimates. This topic forms part of the title of this draft ISAP but has little substance in its contents. Its prime reference is in a paragraph in section 2.5.1. This paragraph notes that the actuary should “consider” whether the current estimates in ICS 2.0 should be different than the current estimates in the public financial statements. This guidance is generic and does not add significant value. The potential to have different actuarial values for purportedly the same term necessitates more guidance. Otherwise, a key purpose of this ISAP (“to increase intended users’ confidence,” per sec. 1.1) is not accomplished.</p>
Q4.	Are there other matters that should be included in this standard? Are there some included here that should not be?	The title of this draft ISAP mentions “Other Matters.” An example of such would be a fulsome description of the expectation of an actuary’s appropriate contribution in producing

		the results for ICS 2.0 in conjunction with other resources in a company.
Q5.	Should the title of the ISAP be made shorter or simpler? Suggestions are welcome.	

	General Comments on the ISAP 7 Exposure Draft	
	<p>The CIA supports the work of the IAA in enhancing actuarial practice by issuing model international actuarial standards of practice. This work is useful in serving as a model for smaller jurisdictions and for converging the practices of all jurisdictions. This ISAP 7 will contribute to this effort of enhancing international capital standards.</p>	

Comments on specific paragraphs of the ISAP 7 Exposure Draft		
Full paragraph reference	Change proposed to the paragraph (markup preferred)	Reason the change is needed (can be kept very brief or left blank if obvious from the change)

Comments on specific definitions in the Exposure Draft of the updated Glossary		
Note that only the proposed revisions are open for comment		
Defined Term	Change proposed to the definition (markup preferred)	Reason the change is needed (can be kept very brief or left blank if obvious from the change)