

REPORT OF THE ACTUARIAL STANDARDS SUBCOMMITTEE TO THE PROFESSIONALISM COMMITTEE 11 OCTOBER 2024

Since our last report to the Professionalism Committee (ProfC) on 19 April 2024, the Actuarial Standards Subcommittee (ASSC) reports the following.

European Standards of Actuarial Practice (ESAPs)

ESAP3

The latest revision of ESAP 3 Actuarial practice in relation to the ORSA process under Solvency II is published 19 April 2024 and it relates to rewording of paragraph 2.2.3.1.

ESAP1 Review

The AAE due process for ESAPs requires that the ESAPs should be reviewed at least every five year to ensure that they will stay up-to-date. The review of the ESAP1 is coordinated with the IAA ISAP1 review process responsible body being the IAA Actuarial Standards Committee (ASC).

The review task force consists of the following members: Ernst Visser (NL, chairperson), Luc Farmer (Canada), Mary Francis Miller (USA), Bodgan Tautan (NL, AAE) and Hillevi Mannonen (AAE, ASSC). The task force has prepared a detailed proposal of the potential changes to the model standard. However, all the issues may not end up in the final ISAP when further considered. The main topics discussed included climate change, artificial intelligence and risk awareness in general; more specifically reliance on others, data, assumptions and methodology and model governance. Also the Glossary will need to be reviewed.

The work has proceeded very slowly. The ASC has discussed the proposals in several meetings. According to the IAA due process if the proposed changes are fundamental a new Statement of Intent (SOI) need to be prepared and approved by the IAA Council. The ASC has now agreed that a new SOI is not needed but this conclusion needs to be confirmed by the IAA Professionalism Committee. The Task Force is waiting for the ASC to approve the proposed plan for the content of the review (attached). The next SC meeting 29th September.

European Actuarial Notes (EANs)

Nothing to report.

Standard setting activities in the IAA

The IAA ASC has created a task force to prepare a model standard ISAP 8 relating to IFRS S2 Climate-Related Disclosures to complement the International Sustainability Standards Board's (ISSB) standard IFRS S2. The task force has developed an exposure draft for the ASC to approve and to be published for consultation by IAA member associations. In addition, an international actuarial note "IAN 200 Application of IFRS S2 Climate Related Disclosures" is also under development.

A task force appointed by the IAA Professionalism Committee is developing an IAN 300 on Professional Judgement based on the EAN3 but including more international content. The work proceeds to finalize the first exposure draft for consultation by member associations.

Other matters

The ASSC has been working by emails. The updated workplan is attached.

Hillevi Mannonen
Chairperson, Actuarial Standards Subcommittee
22 September 2024