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**Actuarial Standards Subcommittee  
Conference Call on 15 November 2018  
9:00 – 10:20 CET  
Minutes**

Attendees: Hillevi Mannonen (chair), Birgit Kaiser, Pierre Mieke, Manuel Peraita, Philip Shier, Philip Simpson, Christophe Heck

1. Welcome, adoption of the agenda

- Hillevi welcomed everybody to the first conference call of the new ASSC. The agenda was approved, Hillevi will keep the minutes.

2. Approval on the Minutes 3 July 2018

- The minutes were approved.

3. AAE Meetings in Utrecht

- It was noted that the Terms of Reference of the ASSC and the Due Process for the Development of ESAPs were approved as proposed.
- The Professionalism Committee (ProfC) has given some additional tasks to ASSC, (see items 4 to 6). There is also some housekeeping work going on: Monique has updated the AAE website so that the documents of both the SPT and the ASSC can be found on the same place. The ESAP TFs will formally be disbanded as they have finalized their work. *Hillevi will take care of the actions needed.*

4. The review of ESAP 1

- The IAA is expected to approve amendments to ISAP 1 (our ESAP 1) and the merge of the ISAPs 1 and 1A. The ProfC has asked the ASSC to prepare a discussion paper of the approaches the AAE could take in respect to ESAP 1 (to retain, change accordingly or abolish). The paper should be prepared by 15<sup>th</sup> March for the ProfC's spring meeting.
- We discussed the different options, the content of the paper and the process. The paper will include a short introduction to the AAE strategy and a review of the three options, pros and cons. A short summary of the changes in

ISAP1 may also be included. E.g. the following aspects were mentioned, more summarized in the minutes of the ProfC:

- the AAE aim not to duplicate the work with the IAA
- the general principles of actuarial work are not expected to differ
- many MAs have already implemented ESAP 1, abolishing ESAP 1 would mean additional work to them
- there could be situations in the future when the ISAP 1 modifications will not be appropriate because of the way ISAP 1 has been referred in other ESAPs or implemented by the MAs.
- if retaining ESAP 1 the AAE need to decide if to amend it or not each time when the ISAP 1 will be changed

*Philip Shier kindly agreed to prepare the first draft by mid-January.*

## 5. Monitoring the use of ESAPs

- The Professionalism Committee of the IAA has conducted a voluntary survey on what actions if any the member associations have taken in respect to ISAPs. Birgit told about the process and the preliminary results.
- The ProfC has asked Birgit to proceed with similar actions concerning ESAPs. Birgit told about the discussion in Utrecht and circulated the draft survey which is basically the same as the IAA survey. We discussed would it be easier to the AAE member associations if we had one AAE survey covering both ESAPs and ISAPs. It was noted that the IAA is planning to conduct the survey only every three years. We agreed that *Birgit will email a slightly amended draft to the ASSC for comments/approval before she make her proposal to the ProfC.*

## 6. Development of EANs

- The ProcC had asked the ASSC to review the Due Process for development of EANs and to prepare a proposal for its spring meeting. The ProfC is also planning to establish a Subcommittee to review the EANs being developed.

Christophe described the background of this initiative and the scope and the role of the potential new subcommittee. The responsibility of development an ESAP lies on the relevant technical committee. However, the ProfC is responsible for oversighting that the EAN fulfils the criteria concerning style and language. The ProfC is now considering the reviewing process and structure.

We discussed the roles and duties of the various bodies including the ASSC. We concluded that, taken into account the duties the ASSC already has, we can offer to take the role of reviewing the EANs if the ProfC so decides. In that case the ASSC would decide how to conduct the review e.g. in addition to its members it could invite some other knowledgeable volunteers.

*Christophe agreed to consider various options and will later give further instructions if any actions by the ASSC is expected.*

- In the meantime, the EANs the Pensions and Insurance Committees have developed need to be reviewed. Hillevi had forwarded a request for volunteers for the EAN on ORSA. Two ESAP 3 TF members have volunteered. *Volunteers from the ASSC would be appreciated for the both tasks.*

7. ESAP 3 and ISAP 6

- The IAA is expected to approve ISAP 6 (Enterprise Risk Management Programs and IAIS Insurance Core Principles) in December. It was agreed to discuss later potential overlaps with ESAP 3 and if any actions are required

8. Update on the IAA Actuarial Standards Committee

- ISAP 1 (General) and ISAP 6 are proposed for approval by Council in December in Mexico with conformance changes also to other ISAPs
- ISAP 4 (IFRS17): the TF is working on the comments received on the first ED and the draft will to be discussed at the IAA meeting in Mexico

9. For information

- The Role of Actuaries TF is considering if an ESAP should be developed on professional judgement

10. AOB – none

11. Next meeting

- Next conference will be in late January/early February.