

Due Process for European Actuarial Notes

1. Introduction

1.1 A European Actuarial Note (EAN) is an educational document on an actuarial subject that has been adopted by the Actuarial Association of Europe (AAE) in order to advance the understanding of the subject by readers of the EAN, including actuaries and others, who use or rely upon the work of actuaries. It is not a European Standard of Actuarial Practice (ESAP) and is not intended to convey in any manner that it is authoritative. EANs may be issued a) To assist actuaries in complying with an ESAP, for example by offering practical examples of ways in which actuaries might implement an ESAP in the course of their work, or b) To provide non-binding guidance on an actuarial topic for which the AAE has not developed an ESAP.

1.2 Because an EAN is not intended to be authoritative, its language will be chosen carefully. It will not contain words such as “should”. Rather, its style will be descriptive or will convey meaning by the use of examples of actual practice, without suggesting that these examples are comprehensive.

1.3 The Professionalism Committee (ProfC) with assistance by its Actuarial Standards Subcommittee (ASSC) has an oversight role in terms of the format of EANs and the language to be used. Furthermore, the ProfC should ensure that the EAN is consistent with already published ESAPs and EANs, where appropriate ESAPs and EANs under development, and ISAPs and IANs promulgated by the IAA.

2. First Stage – Proposal to Develop an EAN

2.1 Any AAE Committee may put forward a Proposal to Develop an EAN (PDEAN). The PDEAN should describe the objectives and scope of the proposed EAN and, once the PDEAN is adopted by the Committee, it is sent to the ProfC for approval. In certain cases it may become necessary for more than one AAE Committee to provide their resources for the development of an EAN. In such cases, one Committee will be assigned the ownership and responsibility of the development of the EAN.

2.2 The General Assembly or the Board of Directors of the AAE may also request a Committee to develop a PDEAN on a specific topic.

3. Second Stage – Development and Issuance of an Exposure Draft

3.1 The Committee that is developing the EAN prepares an exposure draft of the EAN and submits it to the ASSC.

3.2 The ASSC reviews the exposure draft in terms of language and format (as per the AAE style guide). The ASSC’s review should also include consideration of any apparent overlap or conflict between the proposed EAN and existing EANs or ESAPs, where appropriate ESAPs and EANs under development, and any relevant ISAPs and IANs. The ASSC submits the results of its review to the Committee. After considering the report, the Committee informs the ASSC how it has addressed the issues raised in this report.

3.3 After its review has been completed, the ASSC submits a report to the ProfC and the Committee asks the ProfC for approval of the exposure draft.

3.4 On approval by the ProfC, the Committee communicates the exposure draft to Member Associations. The communication should indicate the deadline for comments (normally three months from the date of the communication) and should indicate to whom comments should be sent.

4. Third Stage – Approval and Issuance of the EAN

4.1 The Committee that is developing the EAN reviews all comments received and considers whether and how to reflect them in the EAN. The Committee prepares a summary of how it has addressed the comments received.

4.2 The Committee approves the final version of the EAN.

4.3 The ASSC reviews the final version of the EAN with regard to language, format and alignment with ESAPs, other EANs, ISAPs and IANs. In addition, the ASSC confirms that the due process has been followed and reports to the ProfC. If the ASSC finds any inconsistencies with these criteria it informs the Committee.

4.4. The ProfC approves the EAN to be submitted to the General Assembly for approval, subject to the criteria for approval being met and the appropriate due process having been followed.

4.5 On approval of the EAN by the General Assembly, the Secretariat publishes the EAN, posting it on the AAE website and distributing it to Member Associations, requesting that it should be made accessible to individual actuaries. The Secretariat will assign numbers to EANs when they are distributed and posted.

4.6 The Committee that developed the EAN has the responsibility to review the EAN on a regular basis and to keep it updated.

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