

NZSA Conference – Rotorua 16-19 May 2021

Lightening Presentation

5A: 10:30 to 11.25, Tuesday 18 May 2021

3<sup>rd</sup> paper 10.50am

**Relevance of  
International Standards of Actuarial Practice**

John Smith

# International Actuarial Association (IAA)

- IAA is an association of national actuarial professional bodies
- Est. 1895, membership changed in 1998 to be national bodies
- NZSA is one of 73 full-member associations (meeting min standards for membership qualification and professional code of conduct)
- Meet twice a year. Congress every four years (next: Sydney 2023)
- Deals with other supranational bodies (such as International Association of Insurance Supervisors and International Accounting Standards Board)
- Big push to grow actuarial professional world-wide (39 in 1998, 59 in 2008)
- National associations have subsidiarity so ISAPs are NOT mandatory

# International Standard of Actuarial Practice (ISAP)

- ISAP 1      General Practice
- ~~ISAP 1A      Model Governance (withdrawn)~~
- ISAP 2      Financial Analysis of Social Security Programs
- ISAP 3      IAS 19 (Employee Benefits)
- ISAP 4      IRFS 17 (Insurance Contracts)
- ISAP 5      Insurer Enterprise Risk models
- ISAP 6      ERM program and IAIS principles
- ISAP 7      Current estimates in relation to IAIS models

# ISAP 1 General Practice

PS 90 Incorporates many parts of ISAP 1

Modified to suit New Zealand conditions

Includes a few items from ISAP 1A (now withdrawn)

# ISAP 2 Financial Analysis of Social Security Programs

Relevance considered by Retirement Income Group

- Educational / background reference for actuaries involved in field
- No professional standard needed for this practice area
- PS 90 is sufficient

# ISAP 3 IAS19 Employee Benefits

- Educational / background reference for actuaries involved in field
- No professional standard needed for this practice area
- PS 90 is sufficient

# ISAP 4 IFRS 17 Insurance Contracts

IFRS 17 working group has a sub-committee drafting a **guidance note**

- Accounting body can interpret and amend their standard, so it could be dangerous for NZSA to issue a “professional standard”
- ISAP 4 is high level doesn't go much beyond PS90
- **International Actuarial Note 100** is in works for background material
- Actuaries Institute has an information note on AASB17 (v3, Feb 2021)

# ISAP 5 Insurer Enterprise Risk models

- Educational / background reference for actuaries involved in field
- No professional standard needed for this practice area
- PS 90 is sufficient



# ISAP 6 ERM programs and IAIS principles

- Educational / background reference for actuaries involved in field
- No professional standard needed for this practice area
- PS 90 is sufficient

## ISAP 7 Current estimates for IAIS models

- Educational / background reference for actuaries involved in field
- No professional standard needed for this practice area
- PS 90 is sufficient