



**ASSOCIATION ACTUARIELLE INTERNATIONALE
INTERNATIONAL ACTUARIAL ASSOCIATION**

April 11, 2014

James Gunn
Technical Director
International Auditing and Assurance Standards Board
529 Fifth Avenue, 6th Floor
New York, NY 10017 USA

Dear Sir,

Re: IAA comments to IAASB on its Proposed Strategy for 2015–2019 and Proposed Work Program for 2015–2016 Consultation Paper

In response to the request for comments on the *consultation paper on IAASB's Proposed Strategy for 2015–2019 and Proposed Work Program for 2015–2016*, I am pleased to transmit on behalf of the International Actuarial Association (IAA) our comments and recommendations.

These comments have been prepared by the Insurance Accounting Committee of the IAA. If, upon reading these comments, you identify any points that you wish to discuss or obtain further insight, please do not hesitate to contact William Hines, vice-chairperson of the committee (and also the IAA representative to the IAASB CAG), care of the IAA secretariat (at secretariat@actuaries.org). We hope that our comments provide assistance to the IAASB Board and staff on this project. The IAA will be pleased to develop the ideas presented in these comments further with you.

Yours sincerely,

Robert L. Brown
President

Attachment: [IAA comments](#)

Comments by the International Actuarial Association on the IAASB's consultation paper on its Proposed Strategy for 2015–2019 and Proposed Work Program for 2015–2016

International Actuarial Association and its Due Process

The International Actuarial Association (the "IAA") represents the international actuarial profession. Our sixty-five Full Member actuarial associations, listed in [Appendix A](#) to this statement, represent more than 95% of all actuaries practicing around the world. The IAA promotes high standards of actuarial professionalism across the globe and serves as the voice of the actuarial profession when dealing with other international bodies on matters falling within or likely to have an impact on the areas of expertise of actuaries.

We are pleased to be given the opportunity to provide input to the IAASB on this Consultation Paper both through William Hines, the IAA's representative to the IAASB's Consultative Advisory Group and here in writing. These comments have been prepared by its Insurance Accounting Committee, the members of which are listed in [Appendix B](#) to these comments. It has also been subject to the due process required for it to constitute a formal view of the IAA and will be posted to the IAA's official web site.

IAA Comments

We thank the Board for continuing to seek input from its stakeholders regarding its strategy and the projects/activities that it expects to allocate its resources toward. We believe that this transparency adds significant value to its governance process and ultimately to the value of its output. From our perspective as actuaries, we have certain observations and suggestions regarding the plan, especially as it relates to the auditing of insurance entities and similar financial security programs.

Financial and regulatory financial reporting standards for the insurance industry and its contracts have evolved significantly over the past twenty years and will continue to change in a significant manner in the near future.

The revisions to IFRS 4 expected to be adopted by the International Accounting Standards Board in the near future will move the insurance industry toward more consistent financial reporting on a global basis. At the same time, the International Association of Insurance Supervisors (IAIS) is developing standards for regulatory reporting. These changes will require an increase in the use of professional judgment to estimate reported values, particularly those of insurance contract liabilities. To implement these standards, the actuarial profession will continue to play a critical role in this measurement and review of calculated values for insurance contract liabilities and other items.

We believe that, in view of the above and the insurance industry's unique long-term obligations involving (to use fair value terminology) level 3 inputs, significant benefits will be derived to all related stakeholders to add a project relating to the audit of insurance entities, which recognizes the relationships among the preparer, regulators, auditors and actuaries.

In parallel with discussions relating to the audit of banks and the relationship between banks, supervisors and external auditors, further discussions regarding appropriate treatment involving insurers should also be held. We are eager to provide resources to a working party to develop appropriate guidance in this area.

Appendix A

Full Member Organizations - 65

Caribbean Actuarial Association
Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires (Argentina)
Actuaries Institute Australia (Australia)
Aktuarvereinigung Österreichs (AVÖ) (Austria)
Institut des Actuaire en Belgique (Belgique)
Aktuarsko Drustvo U Bosni I Hercegovini (Bosnia and Herzegovina)
Instituto Brasileiro de Atuária (IBA) (Brazil)
Bulgarian Actuarial Society (Bulgaria)
Canadian Institute of Actuaries/Institut Canadien des Actuaire (Canada)
China Association of Actuaries (China)
Actuarial Institute of Chinese Taipei (Chinese Taipei)
Asociación Colombiana de Actuarios (Colombia)
Institut des Actuaire de Côte d'Ivoire (Côte D'Ivoire)
Hrvatsko Aktuarsko Drustvo (Croatia)
Cyprus Association of Actuaries (Cyprus)
Česká Společnost Aktuárů (Czech Republic)
Den Danske Aktuarforening (Denmark)
Egyptian Society of Actuaries (Egypt)
Eesti Aktuaaride Liit (Estonia)
Suomen Aktuaariyhdistys (Finland)
Institut des Actuaire (France)
Deutsche Aktuarvereinigung e. V. (DAV) (Germany)
Hellenic Actuarial Society (Greece)
Actuarial Society of Hong Kong (Hong Kong)
Magyar Aktuárius Társaság (Hungary)
Félag Íslenskra Tryggingastærðfræðinga (Iceland)
Institute of Actuaries of India (India)
Persatuan Aktuaris Indonesia (Indonesia)
Society of Actuaries in Ireland (Ireland)
Israel Association of Actuaries (Israel)
Istituto Italiano degli Attuari (Italy)
Institute of Actuaries of Japan (Japan)
Japanese Society of Certified Pension Actuaries (Japan)
The Actuarial Society of Kenya (Kenya)
Latvijas Aktuaru Asociacija (Latvia)
Lebanese Association of Actuaries (Lebanon)
Lietuvos Aktuariju Draugija (Lithuania)
Persatuan Aktuari Malaysia (Malaysia)
Colegio Nacional de Actuarios A. C. (Mexico)
Association Marocaine des Actuaire (Morocco)
Het Actuarieel Genootschap (Netherlands)
New Zealand Society of Actuaries (New Zealand)
Den Norske Aktuarforening (Norway)
Pakistan Society of Actuaries (Pakistan)
Actuarial Society of the Philippines (Philippines)
Polskie Stowarzyszenie Aktuaruszy (Poland)
Instituto dos Actuários Portugueses (Portugal)
Russian Guild of Actuaries (Russia)
Udruženje Aktuara Srbije (Serbia)
Singapore Actuarial Society (Singapore)
Slovenska Spoločnosť Aktuarov (Slovakia)

Slovensko Aktuarsko Drustvo (Slovenia)
Actuarial Society of South Africa (South Africa)
Institute of Actuaries of Korea (South Korea)
Col.legi d'Actuaris de Catalunya (Spain)
Instituto de Actuarios Españoles (Spain)
Svenska Aktuarieföreningen (Sweden)
Association Suisse des Actuaires (Switzerland)
Society of Actuaries of Thailand (Thailand)
Institute and Faculty of Actuaries (United Kingdom)
American Academy of Actuaries (United States)
American Society of Pension Professionals & Actuaries (United States)
Casualty Actuarial Society (United States)
Conference of Consulting Actuaries (United States)
Society of Actuaries (United States)

Appendix B

Members of the IAA Insurance Accounting Committee

Chairperson:

Francis Ruygt

Co-Vice-Chairpersons:

Micheline Dionne

David John Finnis

William C. Hines

Members:

Gunn Albertsen

Victor Hugo Cesar Bagnati

Daniel N. Barron

Guy Castagnoli

Antonella Chiricosta

Simon R Curtis

Alexander Dollhopf

Ann Duchêne

David John Finnis

Xing Feng Gong

Rokas Gyls

Jozef Hancar

Maximilian Happacher

Armand Maurice Ibo

Satyan Jambunathan

Dragica Jankovic

Burton D Jay

Gareth L Kennedy

Ad Kok

Christoph Krischanitz

Yin Lawn

Kristine Lomanovska

Ana Maria Martins Pereira

James B Milholland

Brian Joseph Morrissey

Yoshio Nakamura

Manuel Peraita Huerta

Andreja Radic

Nithiarani Rajasingham

Ravi Clifton Rambarran

Thomas Ringsted

Jaanus Sibul

Henry W Siegel

Maxime Simoen

Mateja Slapar

John Laurence Smith

Pentti Soinen

Arseny Leonidovich Timakov

Peter Andrew Withey

Derek John Wright

Jana Zelinkova

Jesús Alfonso Zúñiga San Martin

Den Norske Aktuarforening

Instituto Brasileiro de Atuária (IBA)

Israel Association of Actuaries

Association Suisse des Actuares

Istituto Italiano degli Attuari

Canadian Institute of Actuaries/Institut Canadien des Actuares

Svenska Aktuarieföreningen

Institut des Actuares en Belgique

Actuaries Institute Australia

China Association of Actuaries

Lietuvos aktuariju draugija

Slovenska Spolocnost Aktuarov

Deutsche Aktuarvereinigung e. V. (DAV)

Institut des Actuares de Côte d'Ivoire

Institute of Actuaries of India

Udruzenje aktuara Srbije

Conference of Consulting Actuaries

Casualty Actuarial Society

Het Actuarieel Genootschap

Aktuarvereinigung Österreichs (AVÖ)

Actuarial Institute of Chinese Taipei

Latvijas Aktuaru Asociacija

Instituto dos Actuários Portugueses

Society of Actuaries

Society of Actuaries in Ireland

Institute of Actuaries of Japan

Instituto de Actuários Espanoles

Hrvatsko Aktuarsko Društvo

Singapore Actuarial Society

Caribbean Actuarial Association

Den Danske Aktuarforening

Eesti Aktuaaride Liit

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Institut des actuares

Slovensko Aktuarsko Društvo

New Zealand Society of Actuaries

Suomen Aktuaariyhdistys

Russian Guild of Actuaries

Actuarial Society of South Africa

Institute and Faculty of Actuaries

Ceská Spolocnost Aktuárů

Colegio Nacional de Actuários A. C.