



Society of Actuaries  
in Ireland

# ASP PA-2 General Actuarial Practice Version 1.0

## “Quick Look”

This high level outline of key provisions must be read in conjunction with the ASP:  
[web.actuaries.ie/standards/asp](http://web.actuaries.ie/standards/asp)

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# ASP PA-2 General Actuarial Practice “Quick Look”

## Application

ASP PA-2 applies to all members of the Society of Actuaries in Ireland.

## Scope

- ASP PA-2 applies where the use of actuarial principles and/or techniques is central to work performed and professional judgement is required.
- Members must exercise professional judgement to determine whether ASP PA-2 applies in any particular circumstances.
- Nothing in ASP PA-2 should be interpreted as requiring work to be performed that is not proportionate to the scope of the decision or the assignment to which it relates and the benefit that intended users would be expected to obtain from the work.

*Section 1.2*

## Disclosure of non-compliance

- Recorded communication for regulatory/statutory purposes: any material deviation from compliance with obligations of ASP PA-2 must be explained.
- Any other communication relating to actuarial services: should make similar disclosure unless disproportionate or inappropriate.

*Section 1.3*

## Appropriate Practices



### 1. Acceptance of Assignment

- Confirm the nature and scope of your work (incl. limitations and constraints) with the principal.
- Be satisfied regarding your capability and capacity to perform work.

*Section 2.1*

### 2. Knowledge of relevant circumstances

Have or obtain sufficient knowledge of relevant circumstances to be appropriately prepared for the assignment.

*Section 2.2*

### 3. Reliance on Others

Subject to any legal or regulatory requirements, you may use information prepared by another party. You may:

- Select the party on whom to rely (but consider qualifications, competence, etc.).
- Use information prepared by another party without disclaiming responsibility for it (but consider how to validate its quality).
- State reliance on information prepared by another party and disclaim responsibility for it (but disclose accordingly and examine the information for evident shortcomings etc.).

*Section 2.3*

### 4. Materiality

Consider whether the effect of any omission, understatement or overstatement is material.

*Section 2.4*

### 5. Data Quality

- Is the data sufficient and reliable?
- Review the consistency, completeness and accuracy of the data used.
- Where possible use entity-specific data.
- Consider the possible effect of any data deficiencies. If material, and not resolved, the work might have to be terminated or the assignment modified.
- Describe the data used, the review of the data, any material adjustments and any deficiencies in the recorded communication.

*Section 2.5*

## 6-9. Assumptions and Methodology

If set by you (or set by a principal or another party and accepted by you):

- Selection: Select assumptions and methodology that are appropriate for the work, having regard to the needs of the intended users and the purpose of the work.
- Data deficiencies: Consider to what extent the assumptions and methodology should be modified for known data deficiencies.
- Components: Consider the appropriateness of the (implicit or explicit) assumptions underlying each component of the methodology used.
- Bias: Consider the appropriateness of using assumptions that are known to bias the results.
- Margins: Consider to what extent it is appropriate to adjust the assumptions and methodology with margins for adverse deviation to allow for uncertainty in the data, assumptions or methodology. Disclose any margins incorporated (including implicit margins).
- Discontinuities: Consider the effect of discontinuities in experience on assumptions or methodology.
- Individual/aggregate assumptions: Assess whether the assumption set is reasonable in the aggregate and internally consistent. Disclose any material inconsistency.
- Alternative assumptions: Consider the sensitivity of the methodology to variations in key assumptions, when appropriate (having regard to the purpose of the work etc.).

If prescribed by another party but you are not willing to support them: disclose reservations etc. in the recorded communication.

If mandated by law/regulatory requirements: disclose accordingly in the recorded communication and state limitations on the use of the recorded communication.

*Sections 2.6-2.9*

## 10. Process Management

- Consider whether, and if so how, the procedures used to carry out the work should be controlled.
- Review the results for overall reasonableness.

*Section 2.10*

## 11. Quality Assurance

- Ensure that processes are implemented to ensure that the work is of appropriate quality.
- Quality assurance processes should be appropriate and proportionate. Different processes may be appropriate for different elements of the work.
- Where a second person is involved in reviewing the work, ensure that (s)he has the competence and capacity to perform the review and that there is clarity regarding respective roles and responsibilities.
- Ensure that the completion of quality assurance processes is suitably documented.

*Section 2.11*

## 12. Treatment of subsequent events

- If applicable, disclose any event that occurs after the effective date of the work and has the potential of materially changing the results of the work.

*Section 2.12*

## 13. Retention of documentation

- Retain, for a reasonable period of time, sufficient documentation for purposes such as peer review, regulatory review, audit, compliance with law/regulatory requirements, and assumption of any recurring assignment by another person.
- Documentation is sufficient when it contains enough detail for another member qualified in the same practice area to understand the work and assess the judgements made.

*Section 2.13*

## Communication



### General Principles of Communication

- Take into account the skills, understanding, level of relevant technical expertise and needs of the intended user.
- Consider the form and content, clarity and timing of the communication. State your name and indicate to what extent, and how, supplementary information and explanation can be obtained.

Section 3.1

### Recorded Communication

Examples of recorded communications include papers, word processing or spreadsheet files, e-mails, website postings, slide presentations and audio or video recordings.

Complete a recorded communication unless intended users would otherwise be adequately informed about the results of the work. For material assignments, present all information with sufficient detail that another member qualified in the same practice area could make an objective appraisal of the reasonableness of the work.

#### Consider:

- Content, including the date, scope, intended use and restrictions on distribution, results of the work, methodology, assumptions and data used;
- Disclosures, including attestations, disclaimers, and reliance and limitations, material deviations from the ASP and assessment of material uncertainty in assumptions or information used;
- Authorship, including name, role with respect to the work, qualifications, relevant codes and standards applied (if there is any possible ambiguity);
- Form, including which documents the recorded communication is comprised of; and
- Constraints, if any, relating to the content of the recorded communication or other standards or policies. You should follow the requirements of the ASP to the extent reasonably possible within such constraints.

Section 3.2

### Keep the Purpose in mind!

Actuarial services are carried out professionally and with due care

Results are relevant to users' needs, are presented clearly and understandably, and are complete; and

Assumptions and methodology used are disclosed appropriately

Section 1.1