



The Society of Actuaries in Ireland

Actuarial Standard of Practice INS-1, Actuarial Function Report

Classification

Mandatory

MEMBERS ARE REMINDED THAT THEY MUST ALWAYS COMPLY WITH THE CODE OF PROFESSIONAL CONDUCT AND THAT ACTUARIAL STANDARDS OF PRACTICE IMPOSE ADDITIONAL REQUIREMENTS UNDER SPECIFIC CIRCUMSTANCES.

Legislation or Authority

Council of the Society of Actuaries in Ireland

Application

This Actuarial Standard of Practice (ASP) applies to members performing **actuarial services** when preparing or issuing an **Actuarial Function Report (AFR)** in connection with an **undertaking's** compliance with Article 48 (1) of the **Solvency II Directive** and paragraph 8 of Article 272 of the Commission delegated regulation (EU) 2015/35.

Version	Effective from
1.0	1 st September 2018
2.0	1 st July 2023

TABLE OF CONTENTS

Section 1	General
1.1	Purpose
1.2	Scope
1.3	Underlying Principles
1.4	Compliance
1.5	Language
1.6	Cross References
Section 2	Definitions
Section 3	Appropriate Practices
3.1	General Principles
3.1.1	The Actuarial Function Report and its core parts
3.1.4	The Actuarial Function
3.1.9	Content of the Actuarial Function Report
3.1.12	Feedback on the Actuarial Function Report
3.2	Technical Provisions
3.2.1	Conclusions on adequacy and reliability of Technical Provisions
3.2.2	Important Information about Technical Provisions
3.2.3	Disclosure of opening and closing Technical Provisions
3.2.4	Co-ordination of process
3.2.5	Sufficiency and quality of data
3.2.6	Methods and models
3.2.7	Assumptions
3.2.8	Comparing best estimates against experience
3.2.9	Sensitivity analysis
3.3	Opinion on underwriting policy
3.3.1	Opinion on the overall underwriting policy of the undertaking
3.3.2	Areas of consideration
3.3.3	Sufficiency of premiums
3.3.4.	Environmental changes
3.3.5	Adjustment of premiums
3.3.6	Anti-selection
3.3.7	Interrelationships
3.4	Opinion on reinsurance arrangements
3.4.1	Opinion on the adequacy of reinsurance arrangements
3.4.2	Interrelationships
3.4.3.	Effectiveness of reinsurance arrangements
3.5	Contribution to risk management

Section 1. General

1.1. Purpose

1.1.1 This Actuarial Standard of Practice (ASP INS-1) sets down requirements to be met by members when preparing or issuing an **Actuarial Function Report (AFR)** in connection with an undertaking's compliance with the reporting requirements in Article 48 (1) of the **Solvency II Directive** and in paragraph 8 of Article 272 of the Commission delegated regulation (EU) 2015/35.

1.1.2 The purpose of ASP INS-1 is that the **intended users** of the AFR should be able to place a high degree of reliance on the report, its relevance, transparency of assumptions, completeness and comprehensibility, including the communication of any uncertainty inherent in the results stated in the report. In particular it does this by requiring that the AFR

- includes sufficient information to enable **intended users** to judge the relevance of the contents of the AFR;

- includes sufficient information to enable **intended users** to understand the implications of the contents of the AFR; and

- such information is presented in a clear and comprehensible manner.

1.1.3 This ASP is based on a model standard issued by the Actuarial Association of Europe.

1.2 Scope

1.2.1 ASP INS-1 assumes that members will also comply with ASP PA-2, General Actuarial Practice.

1.2.2 If any requirement herein is in conflict with law or relevant regulatory requirements, the relevant law or regulatory requirement shall prevail.

1.3 Underlying Principles

1.3.1 This ASP is based on four principles, which should be borne in mind in any assessment of compliance with this ASP.

1.3.2 **Principle 1: Actuarial services** related to the AFR must be carried out consistently with Solvency II regulations and guidelines including any applicable national requirements such as, in the case of undertakings that are subject to Solvency II and supervised by the Central Bank of Ireland, the requirements set down in the **Domestic Actuarial Regime**.

1.3.3 **Principle 2: Actuarial services** related to the AFR should be carried out in a way which is proportional to the nature, scale and complexity of the underlying risks of the undertaking.

1.3.4 **Principle 3: Actuarial services** related to the AFR should be carried out in a manner which is consistent with the Society of Actuaries in Ireland Code of Professional Conduct.

1.3.5 **Principle 4:** The AFR should be structured according to the needs of the **intended users**, in particular the **Board**.

1.4 **Compliance**

1.4.1 The member must explain their reasons for any **material** deviation from compliance with any obligations which, under this ASP, they should meet and which may reasonably be considered to be relevant to the AFR.

1.5 **Language**

1.5.1 Some of the language used in this ASP is intended to be interpreted in a very specific way in the context of a decision of the member. In particular, the following verbs are to be understood to convey the actions or reactions indicated:

- “must” means that the indicated action is mandatory and failure to follow the indicated action will constitute a departure from this ASP unless the departure is due to a conflict with law [ASP PA-2 1.2] or the Code of Professional Conduct.

- “should” is used to indicate that members must comply with a particular requirement or prohibition, unless the circumstances are such that the requirement or prohibition is inappropriate or disproportionate and non-compliance is consistent with the standards of behaviour, integrity, competence and **professional judgement** which other members or the public might reasonably expect of a member.

- “may” means that the indicated action is not required, nor even necessarily expected, but in certain circumstances is an appropriate activity, possibly among other alternatives. Note that “might” is not used as a synonym for “may”, but rather with its normal meaning.

1.5.2 This document uses various expressions whose precise meaning is defined in section 2. Words and expressions which are included in section 2 are shown in bold elsewhere in the document. Headings are shown in bold whether or not they contain defined terms.

1.6 **Cross references**

1.6.1 This standard refers to the content of the Solvency II Directive and the Commission Delegated Regulation (EU) 2015/35 supplementing the Solvency II Directive, both as amended as per the effective date of this ASP. If the Solvency II Directive or the Commission Delegated Regulation (EU) 2015/35 is subsequently amended, restated, revoked or replaced after this date, the member should apply the principles in this ASP to the extent they remain relevant.

Section 2. Definitions

The terms below are defined for use in this ASP.

- 2.1 **Actuarial Function (AF)** - An administrative capacity to undertake the particular governance tasks described in Article 48 of the **Solvency II Directive**.
- 2.2 **Actuarial Function Report (AFR)** - The report from the **Actuarial Function** to the **Board** in accordance with Article 48 of the **Solvency II Directive** and associated regulations, standards and guidelines. The AFR may consist of multiple components, and these components may be issued at different dates.
- 2.3 **Actuarial services** - Services based upon actuarial considerations, provided to **intended users**, that may include the rendering of advice, recommendations, findings or opinions and may include part or all of a work assignment. For this purpose, services are based upon actuarial considerations if:
 - the use of principles and/or techniques of actuarial science is central to the provision of the services, and
 - the exercise of **professional judgement** is required.
- 2.4 **Board** – Board of Directors of the undertaking. Taken to have the same meaning as Administrative, management or supervisory body (AMSB) referenced in the **Solvency II Directive**.
- 2.5 **Conflict of interest** - Occurs when an individual or organisation is involved in multiple interests, one of which could possibly corrupt the motivation for an act in the other or result in work which is not, or is not perceived to be, objective and impartial.
- 2.6 **Data** - **Data** means all types of quantitative and qualitative information.
- 2.7 **Domestic Actuarial Regime** – The “Domestic Actuarial Regime and Related Governance Requirements under Solvency II” and the associated “Guidance for (Re)Insurance Undertakings on the Head of Actuarial Function Role” (as amended or replaced), issued by the Central Bank of Ireland.
- 2.8 **Intended user** - Any legal or natural person (usually including the principal) whom the actuary intends, at the time the actuary performs the **actuarial services**, to use the report.
- 2.9 **Material** - Matters are material if they could, individually or collectively, influence the decisions to be taken by **intended users** on the basis of the relevant information given. Assessing whether something is material is a matter of reasonable judgement which should include consideration of the **intended users** and the context in which the work is performed and reported (similarly **materiality**).
- 2.10 **Model** - A simplified representation of some aspect of the world. A model is defined by a specification which describes the matters that should be represented and the inputs and the relationships between them, implemented through a set of mathematical formulae and algorithms, and realised by using an implementation to produce a set of outputs from inputs in the form of **data** and assumptions, usually involving professional judgement of the actuary.

- 2.11 **Member** - An individual member of the Society of Actuaries in Ireland, whether based in Ireland or overseas.
- 2.12 **Principal** – The party who engages the provider of actuarial services. The principal will usually be the client or employer of the actuary.
- 2.13 **Professional judgement** – The judgement of the actuary based on actuarial training and experience.
- 2.14 **Solvency II Directive** - Directive 2009/138/EC.
- 2.14 **Special Purpose Vehicle (SPV)** - A **special purpose vehicle (SPV)** means any undertaking, whether incorporated or not, other than an existing insurance or reinsurance undertaking, which assumes risks from insurance or reinsurance undertakings and which fully funds its exposure to such risks through the proceeds of a debt issuance or any other financing mechanism where the repayment rights of the providers of such debt or financing mechanism are subordinated to the reinsurance obligations of such an undertaking.
- 2.16 **Technical Provisions** – The **technical provisions** of an **undertaking** calculated under the valuation principles of the **Solvency II Directive** (Articles 75 to 86).
- 2.17 **Undertaking** - An insurance or reinsurance **undertaking** which has received authorisation to carry out the business of insurance or reinsurance in accordance with Article 14 of the **Solvency II Directive**.
- 2.18 **Underwriting** - The process of defining, evaluating and pricing insurance or reinsurance risks, including the acceptance or rejection of insurance or reinsurance obligations.

Section 3. Appropriate Practices

3.1 General principles

THE ACTUARIAL FUNCTION REPORT and its CORE PARTS

- 3.1.1 The **Actuarial Function (AF)** must produce a written report (the **Actuarial Function Report (AFR)**) to be submitted to the **Board**, at least annually. The actuary should consider that the **intended user** is the **Board** but may also include other functions of the **undertaking** or any related **undertaking**. The **intended user** should be clearly stated within the AFR.
- 3.1.2 The AFR should state that it may be made available by the **undertaking** to the relevant supervisory authority and the extent, if any, to which it may be distributed to third parties other than the relevant supervisory authority. It must be made clear that the AFR should not be used for purposes for which it is not intended.
- 3.1.3 The AFR should have a form, structure, style, level of detail and content which is appropriate to the particular circumstances, taking into account the **intended users**. This may lead to an AFR consisting of several component reports focusing on specific content which may be provided to the **Board** separately and at different points of time. Where individual elements of the report are provided at different points of time, the member should ensure that the components in their entirety are not materially incorrect or out of date.
- 3.1.4 The AFR should:
- (a) state which Actuarial Standards apply to the work that has been carried out and whether the work complies with those Actuarial Standards;
 - (b) state which Actuarial Standards apply to the AFR and whether the AFR complies with those Actuarial Standards; and
 - (c) give particulars of any **material** departures from the Actuarial Standards referred to in (a) and (b) above.

THE ACTUARIAL FUNCTION

- 3.1.5 The AFR must document a summary of all major tasks that have been undertaken by the AF and their results. This should not be limited solely to the tasks required of the AF under the Solvency II regulations.
- 3.1.6 The AFR should set out information identifying relevant potential conflicts of interest and describing how they have been managed including any potential conflicts of interest between the individual **undertaking** and any group of which it is a part.
- 3.1.7 The AF should disclose any **material** reliance on other work and how the AF gained assurance on the reliability of the other work.
- 3.1.8 The AFR must identify the individuals responsible for writing the AFR, and, if applicable, the person taking overall responsibility for its production.

- 3.1.9 The AFR may provide information to demonstrate that each of the contributors to the AFR, and, if applicable, the individual taking overall responsibility for the AFR, has the relevant knowledge and experience to fulfil the role.

CONTENT OF THE ACTUARIAL FUNCTION REPORT

- 3.1.10 The AFR must clearly identify any material deficiencies and give recommendations as to how such deficiencies should be remedied in a way which is proportional to the nature, scale and complexity of the underlying risks of the undertaking.
- 3.1.11 The AFR should include sufficient information and discussion about each area covered so as to enable the **Board** to judge its implications.
- 3.1.12 The AFR should summarise the key **data** used to reach the opinions expressed and should draw attention to any **material** areas of uncertainty and their sources, and also to any **material professional judgement** made in the assessments by the AF.

FEEDBACK ON THE ACTUARIAL FUNCTION REPORT

- 3.1.13 After submission of an AFR to the **Board**, the AF should seek feedback from the **Board** on the contents of the report and should have regard to that feedback when preparing future reports.
- 3.1.14 Details of whether recommendations in the AFR have been accepted and, if so, on progress towards implementation, should be summarised in the next AFR.

3.2 Technical Provisions

3.2.1 Conclusions on adequacy and reliability of Technical Provisions

- 3.2.1.1 The AFR must clearly state the conclusions of the AF with regard to its analysis of the adequacy and reliability of the **Technical provisions**. The conclusions should include any concerns the AF has in this regard and identify **material** shortcomings or deficiencies, with recommendations as to how these could be remedied.
- 3.2.1.2 The AFR should include the results of an assessment as to whether the **Technical provisions** have been calculated in accordance with Articles 75 to 86 of the **Solvency II Directive** and advise if any changes are necessary in order to achieve compliance.
- 3.2.1.3 The AFR must clearly state the sources and degree of uncertainty the AF has assessed in relation to the estimates made in the calculation of the **Technical provisions**. The AFR should explain the potential sources of uncertainty and, where appropriate, illustrate uncertainty by reference to possible scenarios.

3.2.2 Important information about Technical Provisions

- 3.2.2.1 The AF should ensure that the factors which have a **material** impact on the amount of **Technical provisions**, including risk drivers and assumptions, are made clear in the AFR.
- 3.2.2.2 In particular the AFR should draw attention to any **material** judgements made in the calculation of **Technical provisions**.

3.2.3 Disclosure of opening and closing **Technical Provisions**

3.2.3.1 The AFR should disclose the opening and closing **Technical provisions**, split, to the extent possible, between best estimate and risk margin. A commentary on the impact on the Own Funds of the main items of movement of **Technical provisions** should be provided.

3.2.4 Co-ordination of process

3.2.4.1 The AFR should include a broad overview of the overall process employed in respect of the calculation of the **Technical provisions**. This should include a description of the key responsibilities and tasks, the review and sign-off process and how potential conflicts of interest have been managed. If there is a process description available to the **intended users** the AFR may refer to it.

3.2.5 Sufficiency and quality of data

3.2.5.1 The AFR must include an overview of the controls surrounding the **data** used in the calculation of **Technical provisions** and an explanation of how the AF is comfortable that the **data** is appropriate, accurate and complete.

3.2.5.2 The AFR must identify any **material** uncertainties or limitations in the **data** and outline the approach taken to these in the context of the calculation of **Technical provisions**. Limitations might include, but are not restricted to, its fitness for purpose, consistency over time, timeliness, information technology systems, availability of individual policy **data** and of historical **data**.

3.2.5.3 The AFR should give an overview of the business covered by the **Technical provisions**, the split of **data** into homogeneous risk groups and how this split has been assessed for appropriateness in relation to the underlying risks of the **undertaking**.

3.2.5.4 The AFR should consider relevant information provided by financial markets and generally available **data** on **underwriting** risks and explain how it is integrated into the assessment of the **Technical provisions**.

3.2.6 Methods and models

3.2.6.1 The AFR must provide an overview about how the appropriateness of the methods and **models** used in the calculation of the **Technical provisions** has been assessed with regard to the main drivers of risk, the lines of business of the **undertaking** and the way in which the business is being managed.

3.2.6.2 The AFR should draw attention to any unusual or non-standard method not within usual market practices which has been used to calculate **Technical provisions**, including a description of the rationale for the choice of method.

3.2.6.3 The AFR should include, where appropriate, an overview of the methods used to calculate **Technical provisions** in respect of contracts where the insufficiency of the **data** has prevented the application of a reliable actuarial method, specifically those cases referred to in Article 82 of the **Solvency II Directive**. The AFR should include an

assessment of the appropriateness of the approximations used in the calculations of **Technical provisions** for such contracts.

- 3.2.6.4 The AFR must include an assessment of the appropriateness of the methods and **models** used in the calculation of options and guarantees included in insurance or reinsurance contracts and in the valuation of these options and guarantees in the technical provisions.
- 3.2.6.5 The AFR should indicate if the AF assesses that the information technology systems used in the calculation of **Technical provisions** do not sufficiently support the actuarial and statistical procedures.
- 3.2.6.6 Where the calculation of **Technical provisions** depends on multiple methods or **models**, the AFR should make reference to any **material** differences between the results according to these methods or **models** and what allowance has been made for the differences.
- 3.2.6.7 The AFR should disclose and justify any **material** changes in methods and models from those used in the previous AFR and quantify the effect on the **Technical provisions**. The member should retain, for a reasonable period of time, sufficient documentation for purposes such as:
- a. Peer review, regulatory review, and audit;
 - b. Compliance with law; and
 - c. 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.

3.2.7 Assumptions

- 3.2.7.1 The AFR must include a description of how the appropriateness of the **data** and methods used to determine the assumptions underlying the **Technical provisions** have been assessed.
- 3.2.7.2 The AFR should disclose the key assumptions underlying the calculation of the **Technical provisions** and explain their appropriateness in relation to the main drivers of risk likely to affect the insurance or reinsurance obligations of the **undertaking**.
- 3.2.7.3 The AFR should disclose any **material** changes made to the assumptions used compared to the previous AFR. The member should retain, for a reasonable period of time, sufficient documentation for purposes such as:
- a. Peer review, regulatory review, and audit;
 - b. Compliance with law; and
 - c. 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.

- 3.2.7.4 The AFR should disclose its assessment of the appropriateness of **material** judgements made in the determination of assumptions. These may include, but are not restricted to, assumptions or interpretations made in relation to the following:

- contractual options and guarantees;
- policyholder behaviour;
- future management actions;
- amounts recoverable from counterparties;
- areas of future discretion exercised by the **undertaking** which might impact its insurance or reinsurance obligations; and
- obligations which might exist over and above contractual obligations.

3.2.8 Comparing best estimates against experience

3.2.8.1 The AFR should include an overview of the process used to compare best estimates against actual experience and must draw attention to any concerns the AF has in regard to the effectiveness of this process.

3.2.8.2 The AFR should disclose the findings of the AF's review of the quality of past best estimates and the conclusions from this in relation to the appropriateness of **data**, methods or assumptions used in the calculation of the **Technical provisions**. In reviewing the quality of past estimates, the AFR should draw attention to those areas where actual experience has deviated in a **material** way from the assumptions made and provide a commentary in this regard. It may assist understanding if this commentary distinguishes between deviations which are judged to arise from volatility of the underlying experience and those which are viewed as relevant to the appropriateness of the **data**, methods or assumptions used. The AFR should disclose any **material** judgement when such a distinction is made.

3.2.9 Sensitivity analysis

3.2.9.1 The AFR must report on the results of an analysis of the sensitivity of the **Technical provisions** to each of the major risks underlying the obligations which are covered in the **Technical provisions**.

3.3 Opinion on underwriting policy

3.3.1 Opinion on the overall underwriting policy of the undertaking

3.3.1.1 The AFR must include an opinion on the overall **underwriting** policy of the **undertaking**.

3.3.1.2 The AFR should set out how the AF has arrived at its opinion on the overall **underwriting** policy of the **undertaking**.

3.3.1.3 The AFR should explain any concerns which the AF may have as to the suitability of the overall **underwriting** policy.

3.3.1.4 The AFR should outline recommendations to remedy any deficiencies the AF has identified in relation to the overall **underwriting** policy having regard to **materiality** and proportionality.

3.3.2 Areas of consideration

3.3.2.1 An assessment of the suitability of the overall **underwriting** policy should at least include the areas set out in 3.3.3 to 3.3.7.

3.3.3 Sufficiency of premiums

3.3.3.1 The AFR must conclude whether the premiums are expected to be sufficient in the light of the operation of the overall **underwriting** policy. The assessment must take into consideration the impact of the underlying risks (including **underwriting** risks) to which the business is exposed and the impact on the sufficiency of premiums of options and guarantees included in insurance and reinsurance contracts.

3.3.4 Environmental Changes

3.3.4.1 The AFR should describe the external environmental factors which have the potential to influence the profitability of new business including renewals. These factors might include inflation, legal risk, sustainability risks and changes in the market in which the **undertaking** operates affecting business volumes and business mix.

3.3.5 Adjustments to Premiums

3.3.5.1 For products where premiums may be adjusted in response to experience, the AFR must comment on the effect of systems which adjust the premiums policy-holders pay upwards or downwards depending on their claims history (bonus-malus systems) or similar systems, implemented in specific homogeneous risk groups.

3.3.6 Anti-selection

3.3.6.1 The AFR must include the AF's conclusions concerning anti-selection risks within the **undertaking's** portfolio of contracts if these risks might have an adverse impact on the **Technical provisions** or sufficiency of premiums. The AFR should outline the AF's recommendations for improvements to the **underwriting** policy which might mitigate these risks.

3.3.7 Interrelationships

3.3.7.1 The AFR should outline the extent to which the overall **underwriting** policy of the **undertaking** is not consistent with other relevant policies of the **undertaking**.

3.3.7.2 This should at least include an assessment of the consistency with the risk appetite, the reinsurance arrangements of the undertaking and with the underwriting risks that the undertaking reflects in the calculation of the **Technical provisions** of the **undertaking**.

3.4 Opinion on reinsurance arrangements

3.4.1 Opinion on the adequacy of reinsurance arrangements

3.4.1.1 The AFR must include an opinion on the adequacy of the reinsurance arrangements.

3.4.1.2 The AFR should explain any concerns which the AF may have concerning the adequacy of the reinsurance arrangements.

3.4.1.3 If the AF identifies deficiencies the AFR should outline recommendations to improve the reinsurance arrangements, including actions which might be taken to:

- eliminate inconsistencies in reinsurance coverage;
- reduce the risk of non-performance by reinsurance counterparties; and
- extend coverage of **material** risks.

3.4.1.4 The AFR should set out how the AF has arrived at its opinion.

3.4.2 Interrelationships

3.4.2.1 The AFR should outline the extent to which the reinsurance arrangements of the **undertaking** are not consistent with the **undertaking's**:

- risk appetite;
- **underwriting** policy; and
- underwriting risk,

and include recommendations as to how any inconsistencies should be remedied.

3.4.2.2 The commentary on interrelationships should incorporate the AF's assessment of the credit standing of reinsurance counterparties. The AF may need to place reliance on others in order to make an assessment of the creditworthiness of reinsurance counterparties. For publicly rated entities, this will be a credit rating agency. For non-rated entities, the undertaking may need to produce its own internal assessment.

3.4.3 Effectiveness of reinsurance arrangements

3.4.3.1 The AFR should include assessments of how the reinsurance arrangements, including any **SPVs**, might respond in a number of stressed scenarios or refer to where this is considered in the ORSA. The scenarios might include:

- catastrophic claims experience;
- risk aggregations;
- reinsurance defaults; and
- reinsurance exhaustion.

3.4.3.2 The assessments should include indications of:

- the amounts recoverable from reinsurance contracts and **SPVs**; and
- the impact on the **undertaking's** own funds.

3.4.3.3 The assessments should consider, if appropriate, the impact of reinstatements or renewal of reinsurance cover and the potential unavailability of reinsurance cover.

3.4.3.4 The AFR might include an assessment of the effectiveness of the reinsurance arrangements in mitigating the volatility of the **undertaking's** own funds.

3.5 Contribution to risk management

- 3.5.1 The AFR should describe the areas where the AF has made a **material** contribution to the implementation of the risk management system and the work performed. In particular, this should cover the contribution of the AF to the risk modelling underlying the calculation of the capital requirements including contribution to the modelling of the loss-absorbing capacity of deferred taxes (LACDT). It should cover the contribution of the AF with regard to the assessment of the expected profit included in future premiums (EPIFP). Other examples might include the role of the AF and its contribution in relation to the internal model, the identification of **material** deviations in the company's risk profile from the assumptions underlying the standard formula and the contribution of the AF to the ORSA process, including its views in relation to the stress- and scenario-testing undertaken.
- 3.5.2 The AFR may summarise the main findings of these activities and in such cases should provide appropriate reference to reporting from the risk management function.

EXPLANATORY NOTE

ACTUARIAL STANDARD OF PRACTICE INS-1, VERSION 2.0

This Explanatory Note does not form part of the ASP.

ASP INS-1 Version 1.0 was introduced on 1 September 2018 and followed closely the text of the European Standard of Actuarial Practice, ESAP2, which had been approved as a model standard by the General Assembly of the Actuarial Association of Europe on 31 January 2016.

An [updated version of ESAP2](#) was approved by the AAE General Assembly on 1 October 2021. The revisions to ESAP2 were considered by the Society's Life and General Insurance Committees who proposed that the majority of the changes to ESAP2 should be reflected in ASP INS-1. Following member consultation and approval by Council, these proposed changes are now reflected in ASP INS-1 Version 2.0.

Overall the changes are considered to be clarifications or improvements of the existing text but details of the changes can be seen in the [tracked changes version](#).