

APN901 Version 3

Member Comments received on draft changes

2025/05/06

Section	Description	Comment	Response
N/A	Title / Classification	I do note the change in classification from an SAP to APN occurred a while ago. I do however suggest this be reconsidered. The reason for this change, as given in 3.2 of the cover note is my opinion not providing any justification for the change. APN901, provides some very important concepts that a vast majority of work performed by members should comply with. For the minority of exceptions that may exist, there already is included in the definition of the an SAP a mechanism for resolving such matters, from the ASSA website: "A member choosing to depart from a strict interpretation of a SAP is strongly advised to disclose and justify any such departure in their report." For any known exceptions, they can be further dealt with accordingly in the SAP itself. The public's and industry's trust in the work conducted by actuaries is based on a believe that actuaries are governed by a professional body to ensure the work conducted is above reproach. Why are we watering down the fundamental note that guides our work? How can one justify reducing the importance of a note, because there might be exceptions? All rules as high as constitutional laws have exceptions. They are dealt with through the appropriate mechanisms. To venture down this road is a slippery slope, where do one stop? Will one day all notes be mere information notes as the burden of dealing of exceptions are overweighing their importance? This must be an SAP, and exceptions should be allowed through a specific mechanism, if not already allowed for.	The definition of an APN states "Failure to comply with an APN will not in itself constitute grounds for a complaint under the applicable Actuarial Society of South Africa (ASSA) disciplinary procedures. However, the Disciplinary Committee investigating an allegation of unacceptable or unprofessional conduct will take into account the extent to which a member complied with an APN in this category. It is recommended that any departure from an APN be disclosed." In contrast, a SAP requires "a strict interpretation", and hence is often reserved for statutory reporting requirements or very specific actuarial calculations. APN901 is a general APN that is designed to apply to a very wide variety of uses, and therefore requiring a strict interpretation of APN901 in all circumstances would not be appropriate. Members need to be able to apply appropriate judgement in terms of which aspects of APN901 are appropriate for each bit of actuarial work they are doing. Members should note that APNs are not "optional" guidance - the definition clearly states that any non-compliance will be taken into account in a disciplinary enquiry. The classification of this guidance note therefore remains unchanged.
N/A	Abstract and also in 1.1.1	I have a concern regarding the word "explicitly" in the wording of the extract. If this note remains and APN, then it would make sense that for another APN to supersede APN901, it must be explicitly stated in such an APN. But for guidance / statutes that are naturally superseding an APN (for instance legislation / regulations / possibly SAP), it doesn't require those statutes to note that they explicitly supersede this APN. For example, if for whatever reason, the Insurance Act and this APN is not aligned and there exist disconnect, the Insurance Act will ALWAYS supersede the APN, the insurance Act don't need to specifically not that. In the same way as the Constitution don't need to specifically state when it supersede Legislation, it naturally supersede it. Point 1.2.1 also implies this, but therefore 1.2.1 is not aligned to 1.1.1.	APN901 is a general APN that applies to all actuarial work, and members are expected to comply with it unless there is a justifiable reason not to. The use of the word "explicitly" makes it clear that APN901 cannot require a member to do something that is specifically in opposition to a law or another Standard of Practice, and that in these clear cases the requirements of APN901 fall away. No change is needed.

N/A	Definitions (Model)	The definition of a model sets out the use of "statistical, financial, economic or mathematical concepts". Just checking as I'm not an expert in the field, would these listed concepts sufficiently allow for machine learning or AI models. As these become more widely used within context of actuarial work, one would need to ensure they are covered in the general terms under this note.	A machine learning or AI model is a statistical model, and therefore, if it is used for services as defined in APN901, it would be subject to APN901. No change is needed.
1.3.2	Applicability	The word "team leader" requires to be defined. There are various scenarios where this may not be clear who that is.	The meaning of team leader, being the member of the team that takes responsibility for team's work product, is adequately captured in 1.3.2 and hence we do not feel that a formal definition is needed.
1.3.2	Applicability	Assigning overall responsibility of a task to a team leader, is common practice in SA. But I don't agree with this, or at least not in the way it could be read in this paragraph. The IFoA standards have very nice wording to explain that each individual member has got full responsibility for their own piece of work, regardless of there being a reviewer / team lead involved. This concept of having a team leader taking ultimate responsibility is not promoting the idea that each individual's own input into a larger piece of work must be maintained at the necessary level of standard. I have seen in practice where individual absolve their responsibility on a matter as there is a team lead / reviewer that would ultimately take responsibility. I do note this is not the intention of this paragraph, but it can be construed in that way. I think this note must spend a bit of time on where responsibility falls.	The requirement to treat the team leader as the user and to interpret APN901 within that context in section 1.3.2 makes it clear that each individual member of the team has responsibility for their own work and must apply APN901 to any work that they do for the team leader. No change is needed.