
Glossary of General Defined Terms Used in Practice Guidelines

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This glossary is a repository of defined terms used in certain Practice Guidelines. It is not a Practice Guideline and has no authority of its own. Any defined term used in a Practice Guideline takes the authority of that Practice Guideline

AASB 119 – Australian Accounting Standard 119 Employee Benefits, including any Interpretations from the Australian Accounting Standard Board, as issued through August 2015.

Accepted Actuarial Practice – A practice or practices that are generally recognized within the actuarial profession as appropriate to use in performing Actuarial Services within the scope of a PG or the applicable Professional Standards.

Accounting Policies – as defined in AASB 108

Actuarial Services – Services based upon actuarial considerations provided to Intended Users that may include the rendering of advice, recommendations, findings, or opinions.

Adoption Date – The date on which this PG was adopted as a final document by the Council of the Institute.

Applicable Professional Services – mean:

- a. Prescribed Actuarial Advice; and
- b. Professional Services that are designated in an Institute Professional Standard or Practice Guideline as being Applicable Professional Services.

Communication – Any statement (including oral statements) issued or made by a Member with respect to Actuarial Services.

Code – The Code of Professional Conduct of the Institute.

Constructive Obligation – as defined in AASB 137.

Employee Benefit – as defined in AASB 119.

Entity – The subject, in whole or in part, of the Actuarial Services, including an enterprise, an insurer, a pensions or benefits plan, a social security scheme, an individual, a government department or agency, a group, etc.

Evaluation Date - is the date at which an Insurer Enterprise Risk Model is being considered or

reviewed.

IAA – The International Actuarial Association.

IAS 19 – International Accounting Standard 19 Employee Benefits, including any Interpretations from the International Financial Reporting Interpretations Committee or the Standing Interpretations Committee thereon, as issued through September 2014.

Insurer – means a company that has written or reinsured or proposes to write or reinsure, policies of life insurance, general insurance including lenders mortgage insurance or health insurance.

Insurer Enterprise Risk Model – is a model that is developed to evaluate the risks of an Insurer. Examples include but are not limited to:

- Solvency and Capital models
- Stress and Scenario testing models
- Reinsurance models including catastrophe and pandemic scenarios.

Intended User – Any legal or natural person (usually including the Principal) whom the Member intends at the time the Member performs Actuarial Services to use the Report.

Law – Applicable acts, statutes, regulations, prudential standards, subordinate standards, rules issued by government authorities or any other binding authority (such as accounting standards, standards issued by professional bodies and any regulatory guidance that are effectively binding).

Measurement Date – The date as of which the value of an asset or liability is presented, whether or not the actual calculations have been made as of a different date and rolled forward or back to the measurement date.

Opinion - An opinion expressed by a Member and intended by that Member to be relied upon by the Intended Users.

Principal – The party who engages the provider of Actuarial Services. The Principal will usually be the client or the employer of the Member.

Professional Judgment – The judgment of the Member based on actuarial training and experience.

Report – The Member's Communication(s) presenting some or all results of Actuarial Services to an Intended User in any recorded form, including but not limited to paper, word processing or spreadsheet files, e-mail, website, slide presentations, or audio or video recordings.

Reporting Entity – as defined by the Australian Accounting Standards Board in the Statement

of Accounting Concept 1 Definition of the Reporting Entity.

Subsequent Event – An event of which the Member becomes aware after the valuation date (or date to which the Actuarial Services refer) but before the Member’s Communication on the results of these Actuarial Services is delivered.

Work – All actuarial activities performed by a Member related to Actuarial Services. It usually includes acquisition of knowledge of the circumstances of the assignment, obtaining sufficient and reliable data, selection of assumptions and methodology, calculations and examination of the reasonableness of their result, use of other persons’ work, formulation of opinion and advice, documentation, reporting, and all other Communication.