



Singapore Actuarial Society

Glossary

Standards of Actuarial Practice

**Effective from
1 January 2018**

Accepted actuarial practice	A practice or practices that are generally recognized within the actuarial professionals appropriate to use in performing actuarial services
Act	Means the Insurance Act (Cap 142)
Actuarial Services	Services based upon actuarial considerations provided to intended users that may include the rendering of advice, recommendations, findings or opinions
Actuary	A Fellow or Associate of the Singapore Actuarial Society
Appointed Actuary	A Fellow of the Singapore Actuarial Society who is approved by the Monetary Authority of Singapore under Section 31 of the Insurance Act
Board	The board of directors of the company
Case Estimates	Are the claim-by-claim estimates, set and recorded by a General Insurer at a particular date, of the amounts which are required to settle the reported and open General Insurance claims
Central Estimate	Is equivalent to 'Best Estimate', is intended to be an unbiased estimate of the mean (statistical expectation) of the Claim Liabilities or the URR
Certifying Actuary	Refers to a Fellow of any association recognised by the International Actuarial Association; and approved by the MAS
Claim Liabilities	Are the sum of the: <ul style="list-style-type: none">• Value of expected future Claim Payments in relation to all claims incurred prior to and on the valuation date (other than payments which have fallen due for payment on or before the valuation date), whether or not they have been reported to the General Insurer, including any expense expected to be incurred in settling these claims; and• The Provision for Adverse Deviation

Claim Payments	Are the amounts a General Insurer has paid, or is liable to pay in the future, in respect of its exposure to General Insurance claims, comprising payments made directly to claimants and Direct Expenses
Class of Business	Means a grouping of General Insurance claims valued as a unit, which may be a regulator-defined Class of Business
Communication	Any statement (including oral statements) issued or made by an actuary with respect to actuarial services
Direct Expense	Means allocated third party costs. These include payments on behalf of claimants, medical and legal fees where these are allocated to particular General Insurance claims
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
General Insurance Business	Means insurance business other than life business as defined in the Act
General Insurer	Means a MAS regulated entity registered as an insurer and licensed to carry on General Insurance business
Indirect Expense	Means the management and administrative expenses incurred by the General Insurer in relation to the adjustment, payment and settlement of the Claim Liabilities and the URR. Indirect Expenses exclude Direct Expenses and are not allocated to claims, being usually estimated on an aggregate basis across the General Insurer or Class of Business
Intended Users	Any legal or natural person (including the principal) whom the actuary intends at the time the actuary performs the actuarial services, to use the report
Law	Applicable acts, statutes, regulations, or any other binding authority effective in the jurisdiction that the actuarial services are performed

MAS	Means the Monetary Authority of Singapore
Material	Means important or essential in the opinion of the Member. For this purpose, 'Material' does not have the same meaning as in accounting standards. 'Materiality' has a consistent meaning to 'Material'
Members	Members of the Singapore Actuarial Society Refers to individuals registered as members under the Singapore Actuarial Society
Policy Liabilities	Is the sum of the Premium Liabilities and the Claim Liabilities
Premium Adjustment	Means an increase or a decrease of the premium made after the insurance policy start date (including premium refunds from policy cancellations) on insurance business in force at the valuation date
Premium Liabilities	Are the higher of the UPR and the URR
Previous Valuation	Means the previous valuation (if any) undertaken at the most recent annual balance date of the General Insurer (Interim valuations are not defined here as Previous Valuations, but can be used for additional comparison)
Principal	The party who engages the provider of actuarial services
Professional Judgment	The judgment of the actuary based on actuarial training and experience
Provision for Adverse Deviation (PAD)	Means any provision for any adverse deviation from the expected experience as set out in the Valuation Regulations

Report	The actuary's communications presenting some or all of the results of actuarial services to an intended user in any recorded form
Report Date	The date on which the actuary issues a report to intended users
Subsequent Event	An event of which the actuary becomes aware after the date to which the actuarial services refer, but before the actuary's communication on the results of these actuarial services is delivered
Unearned Premium Reserve (UPR)	Is a provision set aside from the premiums written before the valuation date to cover risks incurred after that date and is calculated as per the Valuation Regulations
Unexpired Risk Reserve (URR)	Relates to the sum of the: <ul style="list-style-type: none">• Value of future Claim Payments arising from future events insured under policies in force as at the valuation date and includes any expense expected to be incurred in administering the policies and settling the relevant claims. That value is unknown at the date of the valuation and is treated as a random variable. Such events would not have been reported as at the valuation date; and• The Provision for Adverse Deviation
Valuation Date	The effective date of the analysis by the actuary
Valuation Regulations	Means the Insurance (Valuation and Capital) Regulations 2004 (G.N. No. S 498/2004)
Work	All actuarial activities performed by an actuary related to actuarial services